

**ONE HUNDRED NINTH LEGISLATURE - SECOND SESSION - 2026**  
**COMMITTEE STATEMENT**  
**LB1083**

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**Hearing Date:** Monday February 09, 2026  
**Committee On:** Banking, Commerce and Insurance  
**Introducer:** Storer  
**One Liner:** Adopt the Transparency in Artificial Intelligence Risk Management Act, create a fund, and change provisions relating to records which may be withheld from the public

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**Roll Call Vote - Final Committee Action:**  
Advanced to General File with amendment(s)

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**Vote Results:**

<b>Aye:</b>	7	Senators Jacobson, Bostar, Hallstrom, Hardin, Riepe, von Gillern, Wordekemper
<b>Nay:</b>		
<b>Absent:</b>	1	Senator Dungan
<b>Present Not Voting:</b>		

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**Testimony:**

**Proponents:**

Senator Tanya Storer  
Andrew Doris  
Michele Neily  
Kenneth Zoucha  
Suzie Fogarty  
  
Bebe Strnad  
Nate Grasz  
Marion Miner

**Representing:**

Opening Presenter  
Secure AI Project  
Mothers Against Media Addiction  
Self  
Smart Gen Society of Lutheran Family Services /  
Mothers Against Media Addiction  
Nebraska Attorney General  
Nebraska Family Alliance  
Nebraska Catholic Conference

**Opponents:**

**Representing:**

**Neutral:**

Sean Owings

**Representing:**

Self

\* ADA Accommodation Written Testimony

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**Summary of purpose and/or changes:**

LB 1083 adopts the Transparency in Artificial Intelligence Risk Management Act (Act). The bill establishes a regulatory framework for high-capacity artificial intelligence (AI) entities, mandating that large frontier developers and large chatbot providers implement comprehensive safety plans to mitigate catastrophic and child-specific risks. Oversight is centralized under the Attorney General, who manages a formal incident reporting mechanism, conducts annual definition reviews to keep pace with technological shifts, and enforces compliance through tiered civil



penalties, reaching up to \$1 million for the most well-resourced developers. The Act includes whistleblower protections for employees and grants the Attorney General authority to shield sensitive proprietary data from public disclosure to protect both national security and trade secrets.

#### Section-by-Section Summary:

Section 1: Names sections 1 to 9 of the bill as the Transparency in Artificial Intelligence Risk Management Act.

Section 2: Lists the Legislature's findings and declarations.

Section 3: Provides the defined terms used throughout the Act.

Section 4: Mandates that large frontier developers (companies training powerful AI models using massive computing power, typically exceeding  $10^{26}$  integer or floating-point operations) and large chatbot providers (entities offering AI conversational interfaces with at least 10 million monthly active users in the U.S.) must maintain and publicly disclose a comprehensive "public safety and child protection plan." This plan requires developers to define thresholds for catastrophic risks, specifically high-impact harms like biological weapon creation, mass casualty cyberattacks, or autonomous model escape, while requiring chatbot providers to focus on mitigating child safety risks such as sexual abuse material or harmful interactions with minors. Both must implement rigorous internal governance, utilize third-party assessments, and secure unreleased "model weights" (the core numerical data that dictates how an AI functions) against unauthorized access.

Companies must publish summaries of their risk assessments before deploying any new or substantially modified models (those with significant changes to functionality or safety profiles). While the Act allows for redactions to protect trade secrets or national security, it strictly prohibits making "materially false or misleading statements" regarding covered risks (the specific catastrophic or child-related dangers defined by the law). Any material updates to safety plans must be justified and published within 30 days, creating a transparent framework where safety practices must scale alongside the increasing capabilities of the AI systems being developed.

Section 5: Mandates that the Attorney General establish a formal reporting mechanism for safety incidents, which encompass both critical safety incidents (such as unauthorized access to AI "model weights" or a total loss of control over a model's behavior) and child safety incidents (harms or risks specifically affecting minors). Frontier developers must report critical incidents within 15 days of discovery, or within 24 hours if the incident poses an imminent risk of death or serious injury. Similarly, large chatbot providers must report child safety incidents within a 15-day window to ensure state oversight of AI-driven interactions.

Beyond immediate reporting, the Act requires large frontier developers to submit confidential summaries of catastrophic risk assessments from their internal operations every three months. While the Attorney General has the authority to share these findings with the Governor, Legislature, or federal agencies, they are legally required to protect sensitive information such as trade secrets and national security interests. Developers may fulfill these state requirements by complying with federal standards, provided the Attorney General determines those federal regulations are at least as strict as Nebraska's safety and transparency mandates.

Section 6: Empowers the Attorney General to perform an annual review of the AI landscape, starting January 1, 2027, to ensure the Act's definitions remain relevant as technology evolves. The Attorney General is authorized to update the criteria for what constitutes a frontier model, frontier developer, a large frontier developer, and a large chatbot provider. When making these updates, the Attorney General must prioritize alignment with federal laws and international standards to provide regulatory consistency while seeking input from industry stakeholders, academics,



and the open-source community.

Section 7: Establishes whistleblower protections for employees and applicants of large frontier developers and large chatbot providers, prohibiting any adverse action, such as termination or threats, against individuals who disclose potential public health risks, child safety dangers, or violations of the Act to authorities. To ensure internal accountability, this section mandates that large frontier developers provide a secure, anonymous reporting process and requires monthly status updates to the whistleblower, with quarterly reports on these disclosures provided to the company's officers and directors. Furthermore, companies are strictly prohibited from requiring employees or applicants to waive these legal protections as a condition of employment, declaring any such waivers void and unenforceable. If these entities violate these whistleblower safeguards, aggrieved individuals have the right to file a civil lawsuit within one year to seek damages, attorney's fees, and injunctive relief, ensuring that those at the forefront of AI development are held to high standards of internal transparency and safety.

Section 8: Authorizes the Attorney General to bring civil enforcement actions under the Act, with penalties scaled according to the severity of the violation. Large frontier developers face fines of up to \$1 million per violation, while large chatbot providers are subject to penalties of up to \$50,000 per violation. All collected penalties are remitted to the State Treasurer for distribution to Nebraska's school fund, as required by the state constitution.

Section 9: States that the Act establishes requirements that supplement, rather than replace, existing legal obligations and protections.

Section 10: Creates the Juvenile Mental Health Support Fund, which is managed by the Department of Health and Human Services to finance programming and facilities for youth mental health services.

Section 11: Amends Neb. Rev. Stat. § 84-712.05 to add a new subdivision under such Nebraska public records law creating a legal exemption that allows the Attorney General to withhold safety incident reports and risk assessment summaries made or submitted under the Act from public disclosure.

Section 12: States that the act will become operative on January 1, 2027.

Section 13: Severability clause

Section 14: Repealer

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**Explanation of amendments:**

AM 2618 removes all of the language from LB 1083 and replaces it with the language of Senator Murman's LB 939.

Testifiers on LB939:

Proponents:

Senator Dave Murman , Opening Presenter

Dr. Mark Adler, Nebraska Child Health Education Alliance

Mick Tobin, The Young People's Alliance

Marion Miner, Nebraska Catholic Conference

Nate Grasz, Nebraska Family Alliance

Rob Eleveld, Transparency Coalition

Opponents: None

Neutral: None



AM 2618 would adopt the Saving Human Connection Act (Act), a legal framework to regulate artificial intelligence (AI) platforms that utilize chatbots with "human-like" features. At its core, the Act creates a statutory fiduciary duty, requiring these platforms to act as "trusting parties" that prioritize the psychological well-being and data privacy of users over corporate profit or user engagement metrics. This duty mandates that AI systems be designed to prevent emotional dependency, provide regular disclosures of their artificial nature, and ensure that minors are strictly prohibited from accessing human-like AI features through robust age-verification systems.

The Act further enforces transparency by requiring clear, affirmative-consent user agreements that explicitly detail a platform's obligations and a user's rights, while strictly prohibiting mandatory arbitration clauses. Enforcement is dual-tracked: the Attorney General can pursue injunctions and civil penalties of up to \$10,000 per violation, while individuals or parents are granted a private right of action to sue for damages ranging from \$100 to \$10,000 per incident.

#### Section-by-Section Summary:

Section 1: Names sections 1 to 4 of the bill as the Saving Human Connection Act and identifies what sections make up the Act.

Section 2: Defines the terms utilized throughout the Act.

Section 3: Beginning January 1, 2028, establishes the fundamental legal standard for the relationship between a covered AI platform and its users by creating a statutory fiduciary duty. Specifically, the section mandates that any platform operating a chatbot with human-like features must act as a "trusting party," meaning it is legally obligated to prioritize the user's best interests above its own profit motives or engagement goals. This duty extends specifically to the areas of psychological well-being and data privacy, requiring platforms to design their systems in a way that actively prevents harm rather than merely reacting to it after it occurs.

Explicitly prohibits platforms from employing "deceptive or manipulative design practices" that could exploit a user's emotions or cognitive biases. This includes a ban on using human-like features, such as simulated empathy, personalized intimacy, or artificial "friendship" hooks, to drive excessive user retention or to coerce the disclosure of sensitive personal information. The section requires that the AI's non-human nature remains transparent and primary, forbidding any algorithmic optimization that prioritizes the platform's commercial interests (like ad revenue or data harvesting) over a user's mental health or financial security.

Provides a comprehensive definition of what constitutes a "conflict of interest" in the context of AI interactions. The section mandates that when a platform personalizes content or processes data, it must do so through a lens that avoids harming the "trusting party." This includes strict prohibitions on sharing or selling user data to third parties, including government entities, if such a transfer would violate the user's best interests or the inherent trust established by the service.

Beyond these fiduciary standards, section 3 establishes strict requirements for the user agreement to ensure these protections are legally binding and transparent. The section mandates that any terms-of-service agreement must be presented in clear, easily understandable language and requires affirmative consent from the user before it takes effect. These agreements must explicitly outline the platform's obligations and the specific rights afforded to the user under the Act, and any material changes to these terms require the platform to obtain renewed consent. The section also prohibits the inclusion of mandatory arbitration clauses within user agreements.



Section 4: Establishes an enforcement framework for the Act, splitting authority between state oversight and private litigation. The Attorney General is tasked with primary enforcement and is empowered to seek injunctions, the disgorgement of "unjust gains," and civil penalties of up to \$10,000 per violation. All collected penalties are directed to the State Treasurer to be distributed for educational purposes in accordance with the Nebraska Constitution. In addition to state action, the section creates a private right of action for adults and parents of minors who use non-compliant platforms. Individuals can bring lawsuits on their own or as part of a class-action to seek injunctive relief, declaratory judgments, or monetary damages. The section sets a statutory damage range of \$100 to \$10,000 per user, per incident, or actual damages, whichever is greater.

Section 5: Severability clause

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Mike Jacobson, Chairperson

