



February 19, 2025

The Honorable Glenn A. Youngkin
Governor
State of Virginia
Office of the Governor
P.O. Box 1475
Richmond, VA 23218

Re: House Bill 2094

Dear Governor Youngkin:

The U.S. Chamber of Commerce (“Chamber”) urges you to veto House Bill 2094 (“HB 2094”). We support the goal of ensuring ethical and responsible uses of Artificial Intelligence (“AI”), however, we are concerned the proper analysis has not been undertaken to determine how this legislation's liability and impact assessment requirements will impact smaller business or whether the proposal conflicts with current Virginia State law.

The Chamber asserts that an AI regulatory framework should rely on existing laws first. If such laws do not adequately address potential harms, only then should lawmakers adopt new risk-based regulations. Existing laws and regulations already cover many AI activities.¹ The failure to follow such an approach could create duplicative, conflicting, or burdensome regulations that would diminish the benefits of AI for consumers and the overall economy.

The General Assembly has not analyzed whether Virginia law currently applies to harms the bill seeks to address. As drafted, HB 2094 fails to harmonize with current laws like the Virginia Human Rights Act.² Accordingly, HB 2094 merits a more thorough review of the implications of proposed AI regulations on Virginia businesses and consumers to develop appropriate legislative responses. We are prepared to work with you and the General Assembly in such an effort.

HB 2094 would also have an outsized negative impact on small businesses. Unlike the Virginia Consumer Data Protection Act³, HB 2094 provides for no explicit

¹See U.S. Chamber Technology Engagement Center, “Commission on Artificial Intelligence Competitiveness, Inclusion and Innovation,” (March 2023) *available at* <https://www.uschamber.com/technology/artificial-intelligence-commission-report>

² Va. Code Ann. § 2.2-3900, et al.

³ Va. Code Ann. § 59.1-576(A).

small business relief. Existing AI-enabled tools have been used by businesses for many decades. New and innovative AI tools will be foundational to America's economic growth, and it is estimated that AI will contribute \$15.7 trillion to the global economy by 2030.⁴ AI will be especially beneficial for small businesses. A recent Chamber report found that 98% of small businesses are using tools that are in some way AI-enabled, that small businesses using AI are more likely to grow in sales and hiring, and that almost three-quarters of small businesses believe limiting access to AI will harm that ability to grow.⁵

At the same time, many small businesses are concerned about increased litigation and compliance costs stemming from navigating a patchwork of state AI and tech laws.⁶ A significant number of small companies are already forgoing AI adoption because of "concerns about legal or compliance issues."⁷ Subjecting small businesses to rules that hinder their ability to use AI tools will hinder their ability to compete. HB 2094 could significantly impact the usefulness of AI tools used by small businesses as well as subject them to compliance costs that put them at a disadvantage.

Given the significant complexities associated with AI and the impact of regulations on small businesses, we believe a thorough review of how the legislation works with existing Virginia law is necessary. We look forward to working with you and the General Assembly to ensure the Commonwealth and its small businesses share in the promise of AI-enabled growth.

Sincerely,



Jordan Crenshaw
Senior Vice President
Chamber Technology Engagement Center
U.S. Chamber of Commerce

⁴ PricewaterhouseCoopers, "Global Artificial Intelligence Study: Exploring the AI Revolution" *available at* <https://www.pwc.com/gx/en/issues/data-and-analytics/publications/artificial-intelligence-study.html>

⁵ U.S. Chamber of Commerce. "The Impact of Technology on U.S. Small Business." U.S. Chamber of Commerce, 14 Sept. 2023, www.uschamber.com/assets/documents/Report-The-Impact-of-Tech-on-US-Small-Business.pdf.

⁶ *Id.*

⁷ *Id.*