# The evolving landscape of AI regulations in the workplace



Recent years have witnessed a significant evolution in the landscape of artificial intelligence (AI) regulations within the workplace, particularly in the United States. An emerging framework of state and local laws, federal guidelines, and court rulings has begun to shape how AI is integrated into business operations. Distinctly, this regulatory activity is driven by concern over potential algorithmic discrimination and the implications of using AI in hiring practices.

In May 2024, Colorado made history by becoming the first state to enact legislation specifically aimed at preventing discrimination by employers using AI. This landmark law mandates that companies take substantial precautions to avoid algorithmic bias and extends its reach to developers of high-risk AI systems that businesses may deploy. Following closely, in September 2024, Illinois established its own workplace law requiring employers to inform applicants and employees about the use of AI for various workplace-related decisions, thereby prohibiting discriminatory practices associated with its use.

Continuing this trend, New York City initiated Local Law 144 in July 2023, which set forth requirements regarding bias audits for employers employing AI in employment decisions. However, this law has drawn criticism for its perceived ineffectiveness, as it allows employers to circumvent its provisions by ensuring human oversight in decision-making processes.

Looking ahead, more than 30 states are currently forming AI committees or taskforces that are in the process of releasing reports and recommendations, which may soon trickle down into proposed legislation. California and New York are noted as potential leaders in this evolving regulatory landscape in 2025, particularly after California postponed a significant AI discrimination bill that year.

At the federal level, the regulatory scene remains less defined. As of now, no specific federal law governs AI in the workplace. However, the Equal Employment Opportunity Commission (EEOC) has taken steps to remind employers that AI technology may conflict with existing civil rights laws, namely the Americans with Disabilities Act (ADA). The EEOC's ongoing efforts highlight a long-standing principle of preventing discrimination, suggesting that AI tools must align with these legal standards.

Congress has seen various proposed measures, such as the American Privacy Rights Act and the Algorithmic Accountability Act; however, none of these bills advanced significantly through legislative processes. With a shift in Congressional control anticipated to limit future AI-related workplace legislation, the focus remains primarily at the state and local realms.

Additionally, significant actions from the White House have shaped federal strategy toward AI. President Biden’s 2023 executive order represents one of the most comprehensive attempts to regulate AI usage. While this order did not directly impose new regulations, it prompted relevant federal agencies to consider what a structured regulatory approach to AI might entail. This includes initiatives aimed at establishing practices that safeguard the civil rights of workers in the usage of automated systems.

Litigative developments have also emerged, showcasing growing concerns regarding fairness in AI employment screening processes. A notable case in July 2024 allowed a job applicant to proceed with a class action lawsuit against an AI vendor, highlighting accusations that the vendor's algorithms exhibited bias against various demographic backgrounds. Concurrently, the ACLU has called upon the Federal Trade Commission to investigate AI hiring tools for similar discriminatory practices.

Amidst these evolving regulations, there is anticipation of increased legal actions and agency investigations tied to workplace AI usage in the near future. As companies navigate the uncharted waters of integrating AI into their operations, the growing body of laws and regulations, alongside public scrutiny, are likely to play a critical role in shaping future business practices. The current trajectory suggests a proactive stance in addressing AI’s implications on the workforce, although the complexities of enforcement and compliance remain crucial considerations.

Source: [Noah Wire Services](https://www.noahwire.com)

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