MAY 29, 2025

The AI Top 10

1

STATE AI REGULATION BAN CLEARS U.S. HOUSE OF REPRESENTATIVES

The U.S. House passed a budget bill containing a controversial 10-year ban on state and local regulation of artificial intelligence, sparking backlash from experts and 40 state attorneys general who argue it undermines state authority and public safety. Critics say the moratorium would block enforcement of existing and future state laws addressing AI-related harms like deepfakes, algorithmic bias, and data misuse, while offering no federal safeguards in return. The bill now heads to the Senate, where it may face procedural hurdles under the Byrd Rule for including non-budgetary provisions.

2

TRUMP ADMINISTRATION RESCINDS RULE LIMITING AI CHIP EXPORTS TO FOREIGN MARKETS

The U.S. Department of Commerce has rescinded a Biden-era rule that would have imposed broad export restrictions on AI chips to over 100 countries, following backlash from tech companies and international partners. Critics, including Nvidia and Microsoft, warned the rule would harm U.S. innovation and push allies toward Chinese alternatives, while the European Commission argued it would damage diplomatic and economic ties. The Trump administration now plans to draft a new rule focused on collaborating with trusted allies while maintaining controls on adversaries.

3

SAUDI ARABIA UNVEILS $10 BILLION VC FUND IN RACE FOR MIDDLE EAST'S AI CROWN

Saudi Arabia's state-backed AI company, Humain, is launching a $10 billion venture capital fund to invest in AI startups across the U.S., Europe, and Asia, while also planning a massive data center buildout requiring $77 billion. The company aims to handle 7% of global AI workloads by 2030 and is actively partnering with major U.S. tech firms on infrastructure, chip design, and AI services. Chaired by Crown Prince Mohammed bin Salman, Humain is central to Saudi Arabia's strategy to diversify its economy and assert leadership in AI, leveraging subsidized electricity and U.S. partnerships to accelerate growth.

4

CALIFORNIA AI BILLS FACE LAWMAKER TRIMS IN CASH-STRAPPED STATE

California lawmakers are advancing significant artificial intelligence (AI) legislation, but many bills are being scaled back due to the state's projected $31.5 billion budget deficit. The legislature is using the "suspense file" process to assess the fiscal impact of proposed laws, leading to the trimming or shelving of several measures. Despite these adjustments, some of the most ambitious AI-related bills remain intact and are expected to proceed to final votes by the end of the legislative session. However, Governor Gavin Newsom has indicated that he will likely veto any proposals not included in the upcoming budget, emphasizing the need for fiscal responsibility.

5

MILITARY USE OF AI TECHNOLOGY NEEDS URGENT REGULATION, UN WARNS

The United Nations is intensifying efforts to regulate autonomous weapons systems, with 96 countries recently convening for the first-ever international meeting dedicated to this issue. The gathering, prompted by a 2024 General Assembly resolution, focused on the ethical, legal, and security implications of AI-powered weapons, with UN Secretary-General António Guterres urging the creation of binding global rules by 2026. Guterres emphasized the need to prevent a global divide between AI "haves" and "have-nots," advocating for AI to be a force for peace, sustainable development, and equality rather than a driver of conflict and inequality.

6

TEXAS LAWMAKERS PUSH TO REGULATE AI IN GOVERNMENT AND THE TECH INDUSTRY

Texas House Bill 149 aims to regulate AI by requiring transparency from government agencies, prohibiting harmful or manipulative uses of AI, and establishing civil penalties for violations, with enforcement led by the Attorney General. The bill includes protections against biometric data collection without consent, creates an AI regulatory sandbox for developers, and forms a state council to monitor AI practices. Supporters view the bill as a balanced step toward responsible innovation, while critics caution it may lack enforceability and fail to protect individual rights due to the absence of a private right of action.

7

YALE WANTS STUDENT'S AI CHEATING CHALLENGE TOSSED

Yale University has requested the dismissal of a lawsuit filed by Executive MBA student Thierry Rignol, who was suspended for allegedly using AI to cheat on a take-home exam. The university contends that Rignol's claims—including breach of contract, discrimination, and emotional distress—are legally insufficient and that the court should not interfere with academic disciplinary decisions. Yale is also seeking to pause discovery, citing the burden of litigation and the unlikelihood that the case will proceed.

8

AI-GENERATED EVIDENCE RULE MAKING WAY TO PUBLIC COMMENT

A Judicial Conference committee is set to decide on June 10 whether to release a proposed Rule 707 for public comment, which would regulate the admissibility of machine-learning-generated evidence submitted without expert testimony. The rule would require such evidence to meet the same reliability standards as expert testimony under Rule 702, excluding outputs from basic scientific instruments. While the committee found existing rules sufficient for handling deepfakes, it is keeping a draft rule in reserve should future needs arise.

9

LAWMAKERS FLOAT FAST PATENT PROGRAM FOR AI, SEMICONDUCTORS

Bipartisan lawmakers have introduced the Leadership in Critical and Emergency Technology (CET) Act, directing the USPTO to launch a pilot program that fast-tracks patent applications for emerging technologies like AI, semiconductors, and quantum computing. The program would exclude foreign entities from adversarial nations and require annual progress reports to Congress, aiming to bolster U.S. competitiveness against China. The initiative, supported by the High Tech Inventors Alliance, would run for up to five years or until 15,000 applications are processed.

10

NJ LAWMAKERS ADVANCE LEGISLATION TO ADDRESS AI DATA CENTERS' PULL ON ELECTRIC GRID

Three bills addressing the energy and environmental impact of AI data centers in New Jersey advanced through state Senate committees amid rising utility costs for residents. The first bill mandates a study on whether data centers are driving up electricity rates for consumers; the second requires quarterly public reports on data centers' energy and water usage; and the third would implement a tariff system to ensure data centers bear their fair share of energy costs. Lawmakers argue these measures are necessary to protect ratepayers and promote energy efficiency as AI-driven demand strains the state's power grid.