

# Illinois the Latest State to Enact Legislation Regulating Employers' Use of AI

Article By:

Steven J Pearlman

Jonathan P. Slowik

Edward C. Young

---

On August 9, 2024, Illinois Governor JB Pritzker signed into law [HB3773](#), a bill amending the Illinois Human Rights Act to address employers' use of artificial intelligence (AI). The amendment clarifies that it is a civil rights violation to use AI that has the effect of discriminating on the basis of protected classes under Illinois law, or to "use zip codes as a proxy for protected classes." 775 ILCS 5/2-101(L)(1). In doing so, Illinois becomes one of the first states to expressly ban the use of zip codes as a proxy.

In addition, the amendment also requires employers to "provide notice" to employees when they use AI for purposes of "recruitment, hiring, promotion, renewal of employment, selection for training or apprenticeship, discharge, discipline, tenure, or the terms privileges, or conditions of employment." *Id.* 5/2-101(L)(2). Forthcoming regulations should define the contours of this obligation, as the amendment empowers the Illinois Department of Human Rights to adopt "rules on the circumstances and conditions that require notice, the time period for providing notice, and the means for providing notice." *Id.*

In enacting HB3773, Illinois become the second state, after Colorado, to require disclosures to employees about the use of AI in employment decisions (although measures have also been introduced in several other states), but it stops short of some of the more burdensome aspects of the Colorado statute. Colorado requires disclosures to employees and applicants *before* using AI as a "substantial factor" in an employment decision, and *after* using AI as a "substantial factor" in an adverse decision. It also requires employers to let employees and applicants correct any inaccurate data that was processed in making an adverse decision and appeal an adverse decision (with human review if technically feasible). And it requires regular impact assessment and bias audits to identify and mitigate risks of algorithmic discrimination. Illinois's new statute has none of these features. As lawmakers and regulators continue to grapple with the transformative nature of AI in the workplace, Illinois will not be the last state to enact new laws regulating employers' use of AI. We will continue to monitor these developments.

© 2025 Proskauer Rose LLP.

---

National Law Review, Volume XIV, Number 228

Source URL: <https://natlawreview.com/article/illinois-latest-state-enact-legislation-regulating-employers-use-ai>