

Virginia Moves to Regulate High-Risk AI with New Compliance Mandates

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On February 20, the Virginia General Assembly passed the [High-Risk Artificial Intelligence Developer and Deployer Act](#). If signed into law, Virginia would become the second state, after [Colorado](#), to enact comprehensive regulation of “high-risk” artificial intelligence systems used in critical consumer-facing contexts, such as employment, lending, housing, and insurance.

The bill aims to mitigate algorithmic discrimination and establishes obligations for both developers and deployers of high-risk AI systems.

- **Scope of Coverage.** The Act applies to entities that develop or deploy high-risk AI systems used to make, or that are a “substantial factor” in making, consequential decisions affecting consumers. Covered contexts include education enrollment or opportunity, employment, healthcare services, housing, insurance, legal services, financial or lending services, and decisions involving parole, probation, or pretrial release.
- **Risk Management Requirements.** AI deployers must implement risk mitigation programs, conduct impact assessments, and provide consumers with clear disclosures and explanation rights.
- **Developer Obligations.** Developers must exercise “reasonable care” to protect against known or foreseeable risks of algorithmic discrimination and provide deployers with key system usage and limitation details.
- **Transparency and Accountability.** Both developers and deployers must maintain records sufficient to demonstrate compliance. Developers must also publish a summary of the types of high-risk AI systems they have developed and the safeguards in place to manage risks of algorithmic discrimination.
- **Enforcement.** The Act authorizes the Attorney General to enforce its provisions and seek civil penalties of up to \$7,500 per violation.
- **Safe Harbor.** The Act includes a safe harbor from enforcement for entities that adopt and implement a nationally or internationally recognized risk management framework that reasonably addresses the law’s requirements.

So how does this compare to Colorado's law? Virginia defines "high-risk" more narrowly—limiting coverage to systems that are a "substantial factor" in making a consequential decision, whereas the Colorado law applies to systems that serve as a "substantial" or "sole" factor. Colorado's law also includes more prescriptive requirements around bias testing and impact assessment content, and provide broader exemptions for small businesses.

Putting It Into Practice: If enacted, the Virginia AI law will add to the growing patchwork of state-level AI regulations. In 2024, at least 45 states introduced AI-related bills, with 31 states enacting legislation or adopting resolutions. States such as California, Connecticut, and Texas have already enacted AI-related statutes . Given this trend, it is anticipated that additional states will introduce and enact comprehensive AI regulations in the near future.

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