

119<sup>TH</sup> CONGRESS  
2<sup>D</sup> SESSION

# H. R. 9125

To authorize the head of agencies to issue rules related to the uses of algorithmic decision-making systems that are likely to materially contribute to violations of Federal laws that the agency is authorized to enforce, and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

JUNE 3, 2026

Ms. JACOBS introduced the following bill; which was referred to the Committee on the Judiciary, and in addition to the Committee on Oversight and Government Reform, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

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## A BILL

To authorize the head of agencies to issue rules related to the uses of algorithmic decision-making systems that are likely to materially contribute to violations of Federal laws that the agency is authorized to enforce, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Sectoral AI Govern-  
5 ance Act of 2026”.

1 **SEC. 2. FINDINGS.**

2 Congress finds the following:

3 (1) Existing Federal laws may already prohibit  
4 certain harmful uses of algorithmic decision-making  
5 systems. However, uncertainty regarding the scope  
6 and application of existing authorities to such sys-  
7 tems, and variation in agency procedures and ap-  
8 proaches may impede clear and coordinated regula-  
9 tion.

10 (2) Agencies may benefit from clearer author-  
11 ity, consistent with their existing enforcement man-  
12 dates, to issue prospective rules governing uses of al-  
13 gorithmic decision-making systems that are likely to  
14 materially contribute to violations of Federal law.

15 (3) A coordinated framework for consultation,  
16 guidance, and reporting may improve transparency,  
17 consistency, coordination, and accountability across  
18 agencies.

19 **SEC. 3. RULEMAKING AUTHORITY RELATED TO THE USE OF**  
20 **ALGORITHMIC DECISION-MAKING SYSTEMS.**

21 (a) AUTHORITY.—

22 (1) IN GENERAL.—The head of each agency  
23 that is authorized to enforce a Federal law is au-  
24 thorized to make rules (in accordance with section  
25 553 of title 5, United States Code, notwithstanding  
26 any rulemaking procedures that are otherwise appli-

1 cable to the agency) to regulate the use of algo-  
2 rithmic decision-making systems—

3 (A) if the head of the agency determines,  
4 based on evidence that is available to the agen-  
5 cy, that the use of such a system is likely to  
6 materially contribute to violations of the Fed-  
7 eral law; and

8 (B) for the purpose of mitigating such vio-  
9 lations.

10 (2) ENFORCEMENT.—A violation of a rule made  
11 under this subsection shall be treated as a violation  
12 of the Federal law described in paragraph (1) for  
13 purposes of administrative and civil enforcement of  
14 such law by the agency.

15 (3) ADVANCED NOTICE OF PROPOSED RULE-  
16 MAKING.—

17 (A) IN GENERAL.—Except as provided in  
18 subparagraph (B), not later than 60 days prior  
19 to issuing a notice of proposed rulemaking with  
20 respect to a rulemaking under this subsection,  
21 the head of an agency shall publish an ad-  
22 vanced notice of proposed rulemaking to solicit  
23 public comment on whether the use of the algo-  
24 rithmic decision-making system that the agency  
25 proposes to regulate is likely to materially con-

1           tribute to violations of the Federal law that the  
2           agency is authorized to enforce. An advanced  
3           notice of proposed rulemaking issued under this  
4           subparagraph shall, as appropriate, describe—

5                   (i) the algorithmic decision-making  
6                   system or category of systems at issue;

7                   (ii) the provisions of Federal law im-  
8                   plicated; and

9                   (iii) the types of information, evi-  
10                  dence, and public comment sought by the  
11                  agency.

12           (B) EXCEPTION.—The requirement under  
13           subparagraph (A) shall not apply if the head of  
14           the agency determines that—

15                   (i) the record of a rulemaking initi-  
16                   ated prior to the date of enactment of this  
17                   Act; or

18                   (ii) a prior advanced notice of pro-  
19                   posed rulemaking issued pursuant to this  
20                   Act,

21           is sufficient to support a notice of proposed  
22           rulemaking under section 553 of title 5, United  
23           States Code, with respect to the rulemaking  
24           under this section.

1 (b) CONSULTATION AND COORDINATION DURING  
2 RULEMAKING.—

3 (1) PRELIMINARY CONSULTATION.—

4 (A) IN GENERAL.—Prior to issuing a no-  
5 tice of proposed rulemaking with respect to a  
6 rulemaking under this subsection, the head of  
7 an agency shall, as appropriate, consult with  
8 the Administrator of the Office of Information  
9 and Regulatory Affairs on any reasonably fore-  
10 seeable overlap, inconsistency, or conflict of the  
11 proposed rule with any other rule or proposed  
12 rule of another agency to regulate an algo-  
13 rithmic decision-making system under this sec-  
14 tion.

15 (B) SUMMARY.—If the head of the agency  
16 proceeds with a rulemaking under this section,  
17 the head of the agency shall include a summary  
18 of the consultation under this paragraph in the  
19 notice of proposed rulemaking.

20 (2) TECHNICAL CONSULTATION.—The head of  
21 an agency that is making a rule under subsection (a)  
22 shall—

23 (A) consult, as appropriate, with the Office  
24 of Science and Technology Policy and the Na-  
25 tional Institute of Standards and Technology on

1 the technical characteristics, evaluation, and  
2 governance of an algorithmic decision-making  
3 system that the agency seeks to regulate in its  
4 rule; and

5 (B) include in the rulemaking record a  
6 summary of any consultation conducted under  
7 this paragraph.

8 (3) COORDINATION.—The head of each agency  
9 shall, to the extent practicable, coordinate with the  
10 heads of other agencies to ensure that rules made  
11 under subsection (a) do not impose conflicting re-  
12 quirements regarding the use of algorithmic deci-  
13 sion-making systems.

14 (c) MITIGATION OF DISRUPTION OF BENEFITS.—  
15 The head of an agency that is making a rule under sub-  
16 section (a) shall, in making such rule, consider whether  
17 the use of the algorithmic decision-making system occurs  
18 in connection with the administration of a Government  
19 service or public benefit, including by a contractor or serv-  
20 ice provider, and, where practicable, shall seek to mitigate  
21 unnecessary adverse effects of the rule on the delivery, ac-  
22 cessibility, timeliness, integrity, or continuity of such serv-  
23 ice or benefit.

24 (d) GUIDANCE.—The Director of the Office of Man-  
25 agement and Budget, acting through the Office of Infor-

1 mation and Regulatory Affairs and in consultation with  
2 the Director of the Office of Science and Technology Pol-  
3 icy, shall issue guidance to resolve conflicts and ensure  
4 consistency across agencies regarding the rulemaking au-  
5 thority under subsection (a).

6 (e) PERIODIC REVIEW.—

7 (1) IN GENERAL.—Not later than 3 years after  
8 promulgating a rule under subsection (a), and there-  
9 after at intervals determined appropriate by the  
10 head of the agency (but not less frequently than  
11 once every 5 years), the head of an agency shall re-  
12 view the rule to assess whether, due to technological  
13 developments or changes in the use of algorithmic  
14 decision-making systems, maintaining the rule is ap-  
15 propriate and that the rule is appropriately tailored  
16 to mitigate violations of the Federal law the agency  
17 is authorized to enforce.

18 (2) REPEAL AND AMENDMENT OF RULES.—The  
19 head of the agency shall repeal or amend any rule  
20 that is determined to be inappropriate to maintain  
21 or not appropriately tailored to mitigate violations of  
22 the Federal law the agency is authorized to enforce.

23 (f) BIENNIAL REPORT.—

24 (1) AGENCIES THAT ENGAGED IN RULE-  
25 MAKING.—Not later than 2 years after the date of

1 enactment of this Act, and every 2 years thereafter,  
2 the head of each agency that has engaged in a rule-  
3 making pursuant to the authority under subsection  
4 (a) during the 2-year period preceding the submis-  
5 sion of the report shall submit to Congress, the Di-  
6 rector of the Office of Management and Budget, and  
7 the Director of the Office of Science and Technology  
8 Policy, and make publicly available, a report on such  
9 rulemaking, including—

10 (A) a description of the rulemaking;

11 (B) the use of an algorithmic decision-  
12 making system the agency determined was like-  
13 ly to materially contribute to violations of the  
14 Federal law that the agency was authorized to  
15 enforce that the agency sought to mitigate  
16 through the rulemaking;

17 (C) hiring and staffing actions undertaken  
18 by the agency to support the rulemaking;

19 (D) challenges encountered by the agency  
20 related to such rulemaking;

21 (E) additional personnel and resources  
22 needed to support the use of the rulemaking au-  
23 thority under subsection (a);

24 (F) a summary of enforcement actions  
25 taken by agencies pursuant to a rule made

1 using the authority under subsection (a), in-  
2 cluding—

3 (i) the general categories of violations  
4 for which enforcement actions were taken;  
5 and

6 (ii) the types and aggregate ranges of  
7 penalties or remedies assessed;

8 (G) how the rule will regulate an algo-  
9 rithmic decision-making system to prevent vio-  
10 lations of the Federal law that the agency is au-  
11 thorized to enforce;

12 (H) a summary of comments, evidence, or  
13 technical assessments received regarding poten-  
14 tial disparate impacts or other discriminatory  
15 effects associated with the use of the algo-  
16 rithmic decision-making system, and how the  
17 agency considered such information in connec-  
18 tion with the Federal law the agency is author-  
19 ized to enforce;

20 (I) in the case of a rule that was repealed  
21 or amended pursuant to subsection (e), a sum-  
22 mary of the review conducted under such sub-  
23 section; and

24 (J) a summary of any overlap, inconsist-  
25 ency, or conflict with any other rule or proposed

1 rule of another agency identified during con-  
2 sultation or coordination under subsection (b),  
3 and how such overlap, inconsistency, or conflict  
4 was addressed or resolved.

5 (2) CERTAIN AGENCIES THAT HAVE NOT EN-  
6 GAGED IN RULEMAKING.—

7 (A) IN GENERAL.—Not later than 2 years  
8 after the date of enactment of this Act, and  
9 every 2 years thereafter, the head of each agen-  
10 cy described in subparagraph (B) shall submit  
11 to Congress, the Director of the Office of Man-  
12 agement and Budget, and the Director of the  
13 Office of Science and Technology Policy, and  
14 make publicly available, a report on—

15 (i) the uses of an algorithmic decision-  
16 making system that the agency identified  
17 are likely to materially contribute to viola-  
18 tions of the Federal laws that the agency  
19 is authorized to enforce; and

20 (ii) the factors the agency considered  
21 and information on which the agency relied  
22 in making the determination not to engage  
23 in a rulemaking pursuant to the authority  
24 under subsection (a), including any other  
25 available mechanisms used by the agency

1 to mitigate the violations of the Federal  
2 laws that the agency is authorized to en-  
3 force, and a summary of any technical as-  
4 sessment relied upon by the agency in  
5 making such determination.

6 (B) AGENCY DESCRIBED.—An agency is  
7 described in this subparagraph if the agency—

8 (i) determined, during the 2-year pe-  
9 riod preceding the submission of the re-  
10 port, that the use of an algorithmic deci-  
11 sion-making system is likely to materially  
12 contribute to violations of a Federal law  
13 that the agency is authorized to enforce;  
14 and

15 (ii) did not engage in a rulemaking  
16 pursuant to the authority under subsection  
17 (a).

18 (g) DEFINITIONS.—In this Act:

19 (1) ALGORITHMIC DECISION-MAKING SYSTEM.—  
20 The term “algorithmic decision-making system”  
21 means a computational process integrated into soft-  
22 ware or hardware, including a process based on sta-  
23 tistics, machine learning, artificial intelligence, or  
24 any other data processing technique, that—

25 (A) is used—

- 1 (i) to make or execute a decision; or  
2 (ii) to assist in making or executing a  
3 decision, if such process is capable of alter-  
4 ing the outcome of the decision; and  
5 (B) is not passive computing infrastruc-  
6 ture.

7 (2) **AUTHORITY TO ENFORCE.**—The term “au-  
8 thority to enforce” means, with respect to an agen-  
9 cy—

10 (A) authority to issue sanctions (as defined  
11 in section 551 of title 5, United States Code)  
12 in response to a violation of Federal law or reg-  
13 ulation; or

14 (B) the legal authority to bring an action  
15 in Federal court to seek a penalty or injunction  
16 to remedy a violation of Federal law or regula-  
17 tion.

18 (3) **AGENCY.**—The term “agency” has the  
19 meaning given such term in section 551 of title 5,  
20 United States Code.

21 (4) **MATERIALLY CONTRIBUTE.**—The term  
22 “materially contribute” means, with respect to a vio-  
23 lation of Federal law, to play a significant role in  
24 bringing about or enabling such violation, including  
25 by assisting or facilitating conduct that results in

1 the violation, but not including minimal or incidental  
2 support that is unrelated to the violation.

3 (5) ARTIFICIAL INTELLIGENCE.—The term “ar-  
4 tificial intelligence” has the meaning given such  
5 term in section 5002 of the National Artificial Intel-  
6 ligence Initiative Act of 2020 (15 U.S.C. 9401).

7 (6) PASSIVE COMPUTING INFRASTRUCTURE.—  
8 The term “passive computing infrastructure” means  
9 any intermediary technology that does not influence  
10 or determine the outcome of a decision, make or aid  
11 in a decision (including through evaluations, metrics,  
12 or scoring), inform policy implementation, or collect  
13 data or observations, including web hosting, domain  
14 registration, networking, caching, data storage, or  
15 cybersecurity.

16 (h) NON-PREEMPTION.—Nothing in this Act shall be  
17 construed to preempt or limit the authority of a State to  
18 regulate the use of an algorithmic decision-making system,  
19 except to the extent that the regulation of such system  
20 by a State is in conflict with this Act or a rule issued  
21 under this Act.

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