



June 10, 2025

The Honorable John Thune (R-SD)  
Majority Leader  
U.S. Senate  
Washington, DC 20515

The Honorable Charles Schumer (D-NY)  
Minority Leader  
U.S. Senate  
Washington, DC 20515

The Honorable Mike Johnson (R-LA)  
Speaker  
U.S. House of Representatives  
Washington, DC 20515

The Honorable Hakeem Jeffries (D-NY)  
Democratic Leader  
U.S. House of Representatives  
Washington, DC 20515

RE: NASAA Continues to Caution Against Moratorium on Enforcing State Artificial Intelligence Laws or Regulations

Dear Congressional Leaders:

On behalf of the North American Securities Administrators Association, Inc. (“NASAA”),<sup>1</sup> I write to share our concerns with a provision included as part of the 2025 budget reconciliation process that would impose a moratorium on enforcing state-level artificial intelligence (“AI”) laws or regulations.<sup>2</sup> Respectfully, despite revisions to a version of the provision that passed the U.S. House of Representatives (“House”),<sup>3</sup> we continue to caution against the restrictions as a matter of policy and urge your reconsideration of it.<sup>4</sup>

The Senate version of the legislation would condition eligibility for a grant program intended to provide states with funds to award subgrants to facilitate the construction of broadband infrastructure on compliance with a 10-year moratorium on enforcing certain AI laws or regulations.<sup>5</sup> Specifically, the moratorium would provide that no state or political subdivision

<sup>1</sup> Organized in 1919, NASAA is the oldest international organization devoted to investor protection. NASAA’s membership consists of the securities administrators in the 50 states, the District of Columbia, Canada, México, Puerto Rico, the U.S. Virgin Islands, and Guam. NASAA is the voice of securities agencies responsible for grassroots investor protection and efficient capital formation.

<sup>2</sup> See [Title - Committee on Commerce, Science, and Transportation](#), Sec. \_\_0012. Support for Artificial Intelligence Under the Broadband Equity, Access, and Deployment Program, at 26.

<sup>3</sup> See [H.R. 1 Title IV Sec. 43201](#) at 277-281.

<sup>4</sup> See NASAA, [NASAA Cautions Against Decade-Long Moratorium on Enforcing State Artificial Intelligence Laws or Regulations](#) (May 16, 2025).

<sup>5</sup> See [47 U.S.C. 1702\(f\)](#). Specifically, the acceptable uses of funds for the grant program include allowing states to competitively award subgrants for (1) unserved service projects and underserved service projects; (2) connecting eligible community anchor institutions; (3) data collection, broadband mapping, and planning; (4) installing internet

thereof may enforce any law or regulation regulating AI models, AI systems, or automated decision systems entered into interstate commerce during the 10-year period following the enactment of the law.<sup>6</sup> The moratorium would have several exceptions, none of which resolve NASAA's concerns related to potential harm to retail investors as a result of the moratorium.<sup>7</sup>

As detailed in our letter dated May 16, we continue to believe that the idea of a moratorium should be reconsidered for two reasons. First, a moratorium would expose Americans to AI-powered scams. Disincentivizing states from enforcing AI regulations would place Americans at an increased risk of falling victim to online scams, including online investment scams. This would contravene the work NASAA members and other regulators have done to raise awareness about the threats that AI will or may present to investors and other capital markets participants.<sup>8</sup> Second, the moratorium would make it more difficult for states to adapt to innovations in financial services while also depriving federal policymakers of valuable insights derived from state-level efforts to prevent the misuse of AI-powered technologies.

Thank you for your time and consideration. Should you have questions or wish to engage, please do not hesitate to contact me or Kristen Hutchens, NASAA's Director of Policy and Government Affairs, and Policy Counsel, at [khutchens@nasaa.org](mailto:khutchens@nasaa.org).

Sincerely,



Leslie M. Van Buskirk  
NASAA President and  
Administrator, Division of Securities  
Wisconsin Department of Financial  
Institutions

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and Wi-Fi infrastructure or providing reduced-cost broadband within a multi-family residential building; (5) broadband adoption, including programs to provide affordable internet-capable devices; and (6) any use determined necessary by the Assistant Secretary of Commerce to facilitate the goals of the program. The proposal also newly allows states to competitively award subgrants for “the construction and deployment of infrastructure for the provision of artificial intelligence, artificial intelligence systems, or automated decision systems.” See Title \_\_\_\_ *supra* note 2 at 29.

<sup>6</sup> The text uses the same definitions for the following terms as those included in the House version of the moratorium and detailed in our letter dated May 16: “artificial intelligence,” “artificial intelligence model,” “artificial intelligence system,” and “automated decision system.” See Title \_\_\_\_ *supra* note 2 at 26-27. See also H.R. 1 *supra* note 3 at 278-280.

<sup>7</sup> See Title \_\_\_\_ *supra* note 2 at 31-33. See also H.R. 1 *supra* note 3 at 279-280.

<sup>8</sup> See, e.g. NASAA, [NASAA Investor Alert: Artificial Intelligence \(AI\) and Investment Fraud](#) (Jan. 25, 2024).