Legislative Analysis

ARTIFICIAL INTELLIGENCE FELONIES

House Bill 4667 as introduced
Sponsor: Rep. Sarah Lightner
Committee: Judiciary
Complete to 6-25-25

SUMMARY:

House Bill 4667 would add a new section to the Michigan Penal Code to create three felonies related to *AI systems*, and provide for related penalties, as follows:

- A *person* that possesses, develops, deploys, or modifies an AI system with the intent to use the AI system to commit another crime would be guilty of a felony punishable by a mandatory term of imprisonment of eight years.
- A person that develops, deploys, or modifies an AI system and uses that AI system in furtherance of committing or attempting to commit another crime would be guilty of a felony punishable by a mandatory term of imprisonment of eight years, which would have to be served prior to and in addition to any sentence imposed for the conviction of the other crime or attempted crime.
- A person that designs, distributes, catalogues, or warehouses AI systems for use by another person with the intent that the other person use the AI system to commit a crime would be guilty of a felony punishable by a mandatory term of imprisonment of four years.

AI system would mean a machine-based system that can process data, generate content, or simulate human-like interactions, including chatbots, voice assistance, generative AI models, and automated decision-making tools. AI system would include a machine-based system that, for a given set of human-defined objectives, can make predictions, recommendations, or decisions influencing real or virtual environments, and that uses machine- and human-based inputs to perceive such environments, abstract those perceptions into models through automated analysis, and use model inferences to formulate options for information or action. AI system would also include both publicly available and privately developed AI systems used for commercial, governmental, or personal purposes. However, AI-adjacent technologies, including internet search engines, program plug-ins, or other generative software that cannot act independently of a user to an extent that obscures agency, intent, or authorship, would not be considered an AI system under the bill.

Person would mean an individual, partnership, corporation, association, or other legal entity.

All of the terms of imprisonment described above would have to be served consecutively to any term of imprisonment imposed for another violation arising from the same transaction. The terms of imprisonment imposed under the bill could not be suspended, and persons subject to these sentences would not be eligible for parole or probation during the mandatory term.

The bill also would require courts to order a person convicted of one of the felonies above to make restitution in accordance with section 1a of Chapter IX (Judgment and Sentence) of the Code of Criminal Procedure.[1]

The bill would not apply to a ***law enforcement officer*** who is authorized to utilize an AI system in the official performance of their duties and who is performing those duties.

> ***Law enforcement officer*** would mean an individual who is regularly employed as a member of a duly authorized police agency or other organization of the United States, this state, or a city, county, township, or village of this state and who is responsible for the prevention and detection of crime and the enforcement of the general criminal laws of this state.

The bill would take effect 90 days after being enacted.

Proposed MCL 750.411y

FISCAL IMPACT:

House Bill 4667 would have an indeterminate fiscal impact on the state and on local units of government. Under the bill, three new felonies would be created. A person that possesses, develops, deploys, or modifies an AI system with the intent to use the system to commit another crime would be guilty of a felony punishable by imprisonment for eight years. A person that develops, deploys, or modifies an AI system and uses the system in furtherance of committing or attempting to commit another crime would be guilty of a felony punishable by imprisonment for eight years. A person that designs, distributes, catalogues, or warehouses AI systems for use by another person with the intent that the other person use the system to commit a crime would be guilty of a felony punishable by imprisonment for four years. Also under the bill, terms of imprisonment would be served in addition to sentences imposed for convictions of other crimes, would be served consecutively, and would be prohibited from being suspended. An increase in felony convictions would result in increased costs related to state prisons. In fiscal year 2024, the average cost of prison incarceration in a state facility was roughly $46,200 per prisoner, a figure that includes various fixed administrative and operational costs. Costs of housing offenders in state correctional facilities are financed with state general fund/general purpose revenue. The fiscal impact on the judiciary and local court systems would depend on how the bill affects court caseloads and related administrative costs. It is difficult to project the actual fiscal impact to courts due to variables such as law enforcement practices, prosecutorial practices, judicial discretion, case types, and complexity of cases.

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[1] https://legislature.mi.gov/Laws/MCL?objectName=MCL-769-1A