

LEGAL UPDATE

Trump Issues Executive Order to Restrict State Regulation of Artificial Intelligence



On Dec. 11, 2025, President Donald Trump issued an executive order (EO) titled [Ensuring a National Policy Framework for Artificial Intelligence](#). The Trump EO aims to restrict states from implementing their own laws and regulations regarding the use and development of artificial intelligence (AI).

Background

Recently, a number of states have passed legislation to regulate the use and development of AI, including the use of AI in employment decision-making. For example, California, Illinois, Texas and Colorado have enacted laws restricting the use of AI that results in discrimination based on an employee's protected trait. Further, Congress recently attempted but failed to pass legislation that would ban states from enacting AI regulations.

Key Highlights

The Trump EO argues that excessive state regulation restricts AI innovation, makes compliance more challenging, embeds ideological bias within AI models and impinges on interstate commerce. The Trump EO states its policy of global AI dominance through a minimally burdensome national standard. To achieve this, the EO calls for:

- The establishment of an AI Litigation Task Force within 30 days of the EO to challenge state AI laws inconsistent with such policy;
- The secretary of Commerce, within 90 days of the EO, to publish an evaluation of state laws in conflict with such policy;
- The secretary of Commerce, within 90 days of the EO, to issue a policy notice specifying the conditions under which states are eligible for funding under the Broadband Equity Access and Development Program and to stop funding to states with onerous AI laws;
- The Federal Communications Commission, within 90 days of the secretary of Commerce's publication of its state law evaluation, to determine whether to adopt a federal reporting and disclosure standard for AI models that preempts state laws;
- The Federal Trade Commission, within 90 days of the EO, to issue a statement explaining when state laws requiring alterations to truthful AI outputs are preempted by the ban on deceptive acts or practices affecting commerce; and
- A recommendation for federal AI legislation that preempts conflicting state AI laws.

Employer Takeaways

Employers, particularly those in states with laws regulating AI in the workplace, should prepare for uncertainty following the EO. The EO is likely to face legal challenges by states with existing AI legislation who may argue that the EO is an infringement on states' rights. Therefore, employers should monitor the status of applicable state AI laws and further federal actions.