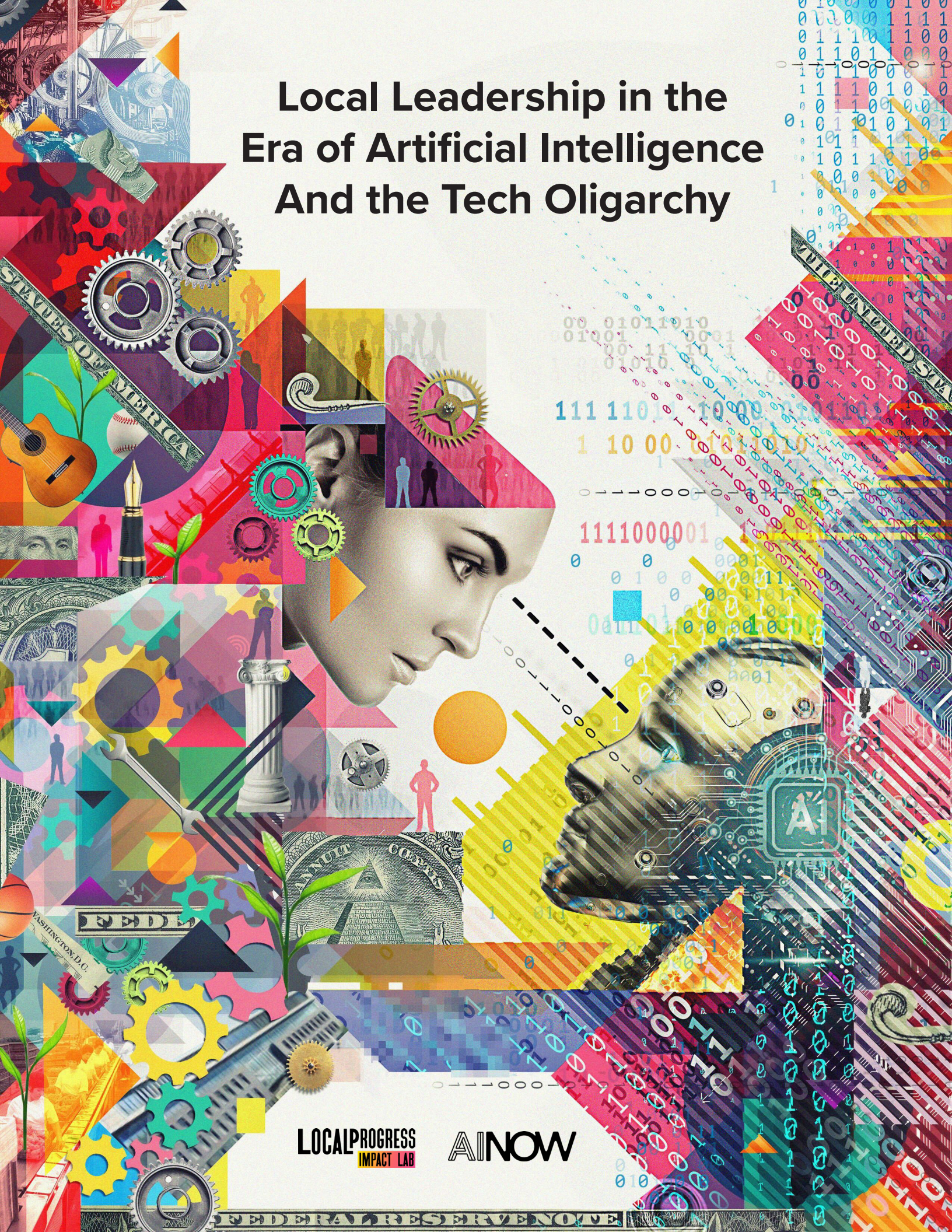
Local Leadership in the Era of Artificial Intelligence And the Tech Oligarchy



LOCAL PROGRESS IMPACT LAB

AI NOW

Table of Contents

About this Report

This report is the product of Local Progress Impact Lab and AI Now Institute and was authored by Hillary Ronen, a former San Francisco District 9 Supervisor and Local Progress member. The report draws on the collective knowledge of a variety of leaders, advocates, policy analysts, elected officials, and more. They are detailed in full in the Acknowledgements section.

In writing this report, Local Progress Impact Lab and AI Now Institute seek to:

1. **Encourage local elected officials to prioritize attention and action on Artificial Intelligence (AI) and the ways that large technology corporations exert influence and control over government.**
2. **Educate local elected officials about the dangers of AI to local communities and the use of AI as a tool to privatize and shrink government.**
3. **Suggest ways for local elected officials to immediately act on the issue.**

Acknowledgements

Gratitude to the following individuals who gave input, feedback, and/or shared knowledge and ideas for this report:

Aaron Peskin, Former San Francisco Supervisor · Amba Kak, AI Now Institute · Andrea Dehlendorf, AI Now Institute and Global Fund for a New Economy · Annette Bernhardt, UC Berkeley Labor Center · Anya Lehr, Chief of Staff for New York City Councilmember Jennifer Gutierrez · Ari Schwartz, Local Progress · Arlene Martinez, Jeremy Thompson, and Kasia Tarczynska, Good Jobs First · Chris Newman, National Day Labor Organizing Network · Cinthya Rodriquez, Mijente · Cynthia Conti-Cook, Collaborative Research Center for Resilience · Daniel Werner, Julie Mao and Paromita Shah, Just Futures Law · Derecka Mehrens, Jeffrey Buchanan, and João Paulo M. Connolly, Working Partnerships USA · Devren Washington, People's Tech Project · Elise Torres and Sylvie Ashford, The Utility Reform Network (TURN) · Francisco Ugarte, San Francisco Public Defender · Irene Byhovsky, Counsel to the New York City Committee on Technology · Jacinta Gonzalez and Steven Renderos, Media Justice · Jennifer Gutierrez, New York City Councilmember · Jim Araby and Zachary Gayner, United Food and Commercial Workers · Kevin Connor, Research Consultant · Kevin De Liban, TechTonic Justice · Lauren E. Bridges, University of Virginia · Leila Doty, Privacy & AI Analyst for the City of San Jose · LiJia Gong, Local Progress · Matthew Scherer, Center for Democracy & Technology · Minsu Longiaru, Power Switch Action · Molly Hartman, Senior Policy Director for Philadelphia Councilmember Rue Landau · Nicole Ozer, American Civil Liberties Union of Northern California · Rachel Lauter, Rachel Lauter Strategies · Samantha Gordon, Tech Equity · Sara Flocks, California Labor Federation · Sarah Myers West, AI Now Institute · Seema N. Patel, UC College of the Law, San Francisco (formerly UC Hastings) · Sheila Chung Hagen, Chung Hagen Consulting · Sudhanshu "Suds" Jain, Santa Clara Councilmember

Introduction

A thousand years of history and contemporary evidence make one thing abundantly clear: there is nothing automatic about new technologies bringing widespread prosperity. Whether they do or not is an economic, social, and political choice. — Daron Acemoglu and Simon Johnson in Power and Progress.[1]

Today, Artificial Intelligence (AI) and large tech corporations are in many instances worsening the core problems that inspired many local elected officials to run for office. Under the guise of creating greater efficiency, tech billionaires have taken astounding power over our federal government and are using AI as a primary tool to shrink government, privatize services, and gain more control over the country's political process and resources. It is critical that we understand how the use of AI and other technologies fuels their agenda and how we can act to protect our local governments and social safety nets.

The presence of AI in our lives is impossible to escape. Perhaps you have used Chat GPT or Copilot that Microsoft recently added to its Office applications. Some of what these products can do is truly helpful — spice up your writing, summarize your document, plan your vacation. The consumer-focused products used by many of us are prompting discussions about whether AI can solve our most pressing problems, whether the world of work as we know it will change beyond recognition, and even whether robots will take over humans as the rulers of our world. These are the mighty philosophical discussions

inspired by the advent of AI, and they are certainly worth having. However, AI does not only beg long-term futurist discussions. We must also look closely at the dangers and harms that AI and unfettered big tech corporations pose today — on the streets, in our homes, at our workplaces, and in our communities.

This report is not anti-technology. There are many positive uses of AI, not least of which is its potential to help scientists find cures to the worst diseases. This report is not about the greatest triumphs nor the worst tragedies that AI could generate. Instead, this report aims to help elected officials understand how AI-powered technologies are currently impacting their constituents, with or without any oversight or regulations from local, state, and federal governments. The current reality is that many corporations are building AI technologies to test the boundaries of what is possible or to make extraordinary profits without sufficient regard to their efficacy or the harm those technologies place upon human beings or the environment.

Local governments hold the responsibility to ensure that new technologies introduced locally pose greater benefits than harms. Yet it is evident that many of the AI products used in our communities for years have not always met that standard. Some of those products have failed to produce the results they promised and have instead wasted limited time and resources. Some of these technologies use our own data to charge us higher prices, reduce our public benefits, pollute or deplete the environment, power the massive immigration enforcement apparatus, monitor our productivity in the workplace, and even eliminate our jobs.

The Trump administration has fully embraced AI and quickly removed even the limited protections that emerged under the Biden Administration. This means any efforts to oversee or regulate AI must happen at the state and local level. Indeed, hundreds of state laws have been introduced this term attempting to regulate AI. Some of those bills would create strong guardrails to protect people from the most harmful dangers presented by AI products. But there remains a lot of work to do locally. **This report will detail some actions local elected officials can take now to shape how emerging technologies are and will change our communities.**

Key Terms

Big Tech — this report will use this term as a shorthand for the billionaires, tech moguls, and large technology corporations invested in AI and other emerging technologies.

Algorithm — a step-by-step set of instructions or rules to a computer, designed to perform a specific task or solve a problem.

Generative AI — a type of artificial intelligence that creates new content, such as text, images, music, or code, based on patterns learned from existing data.

Artificial Intelligence — the simulation of human intelligence in machines, enabling them to learn and apply knowledge.

Artificial General Intelligence — an advanced form of AI that can understand, learn, and apply knowledge across a wide range of tasks.

Large Language Models — advanced AI systems trained on vast amounts of text data to understand and generate human-like language.

PART ONE of this report will explain what AI is and what recent technological developments have prompted the explosion of investment and attention toward this technology around the world.

PART TWO will explain how tech billionaires are both using AI to privatize public services and impose austerity upon all levels of government. The section will also explain how the use of some AI products create harm in the public safety arena, workplace, marketplace, in relation to public benefits, in immigration enforcement, and upon the environment.

PART THREE will look at how AI is and is not currently regulated at all levels of government.

PART FOUR will examine a range of ways that local elected officials can act to shape what AI products are used in their communities and by local governments. Massive tech corporations have seemingly unlimited resources to pressure elected officials to support their interests. Quite literally, they own many of the media channels and communication platforms to relay information. In the face of this consolidated power, local elected officials must join with local movements to build a countervailing force that prioritizes human rights and community needs. Local elected leaders can remain vigilant and provide careful oversight over the use of AI within our local governments. They can and should create AI use policies, insist upon transparency, conduct thorough pre-purchase review and contract monitoring, create opportunities for engagement by workers and the public in AI procurement, mitigate the environmental, health, and other community harms of data centers, protect as well as minimize the collection and retention of public and government data, and prevent the worst harms of AI in the public sector and the private sector where possible.

We no longer have the luxury of categorizing AI as a secondary concern when it is being used to exert increasing surveillance and control over our lives. The unregulated use of AI affects all the issues we care about — economic security, housing for all, workers rights, immigrant rights, criminal justice reform, quality public education, a robust social safety net, and a safe, healthy environment. While local elected officials are now inundated with a number of urgent issues under a Trump Administration, understanding and taking action around AI must also become a priority. These technologies simply pose too many potential harms to be dismissed.

If we are to maintain the public good, our public institutions, and our fundamental rights, we cannot allow tech billionaires to dictate the terms of our lives at home, at work, and at rest. If we are to remain free to dream and fight each day for the world we want to see, we need to put the well-being of human beings first. This report aims to help local elected officials do just that.

Part 1: What is Artificial Intelligence?

While ideas about creating machines that replicate the way humans think have circulated for centuries, the term 'Artificial Intelligence' was coined the 1950s alongside the growing use of digital computers, a time when the idea of machines mimicking human thought was more science fiction than reality. For decades, the pursuit of AI progressed slowly, until research in the 1990s began to coalesce around machine learning techniques, by which algorithms began to evolve by training on large data sets rather than rigid programming. Fast forward to today, and AI has erupted into the mainstream, captivating the world with technologies like chatbots that generate human-like text and autonomous vehicles that navigate our roads.

The definition of AI is hotly debated and ever-changing, especially when defined in regulation.[2]

At its most basic level, AI is a set of technologies that allow computers to perform tasks that mimic human intelligence. AI models are designed to identify statistical patterns in large datasets and make predictions based on inputs. Examples of basic, consumer-facing AI include: Netflix suggesting movies, Amazon recommending products, or Spotify curating playlists. These systems analyze user preferences and patterns to provide personalized suggestions. Other examples of AI include facial recognition systems, object detection in security cameras, and medical imaging tools that identify tumors in X-rays. These systems classify and interpret visual data to recognize objects, faces, or abnormalities. There are thousands of AI systems that we all interact with daily and have become integral to modern living.

In the early 2020s, **Generative AI** became widely accessible. Generative AI can make new things, like writing stories, drawing pictures, making music, or creating videos—all based on what it has learned from large data sets that "train" the product. Popular products like Chat GPT are built using a type of AI referred to as **Large Language Models (LLMs)**, as they are trained on enormous amounts of text from books, articles, websites, and other sources. The program identifies patterns and grammar in the way humans communicate based on datasets scraped from places like Reddit and Wikipedia, among others, and then uses that information to predict the next word in a sentence based on what came before. Using these predictions, LLMs can write essays, answer questions, summarize information, translate languages, and much more.

As the next section will detail, AI is ever present in our lives and workplaces today. However, in popular discussions about technology and the future, **Artificial General Intelligence** (AGI) is often discussed as the next frontier of the AI revolution. AGI refers to a type of AI that companies claim is capable of performing any intellectual task that a human can. Unlike the AI we use today (like Siri or self-driving cars), which is designed for specific tasks and lacks the ability to understand the underlying context or differentiate fact from fiction, AGI would have the ability to understand, learn, and apply knowledge across many different areas. Companies claim AGI would be able to learn from new experiences, reason and make decisions, and adapt to new challenges and learn from mistakes. Right now, AGI does not exist, but it remains a lofty goal for Big Tech and at the root of the most widely discussed fears about robots replacing homo sapiens as the rulers of society. While this future fear is theoretical, the current power of Big Tech and the products that flood our homes, workplaces, and communities today require our urgent attention.

Part 2: The Time is Now to Prioritize Action Around AI

Billionaire Control of AI Poses Severe Risks to People and Government

Right now, Elon Musk, the richest man in the world, is using AI and a cadre of young programmers to dismantle the public sector as we know it and replace it with algorithms that make decisions about the most important details of our lives. And Musk is not alone. Standing behind Trump at his inauguration, in front of his appointed cabinet, was a whole line of Tech Oligarchs – Mark Zuckerberg of Meta, Jeff Bezos of Amazon, Tim Cook of Apple, Sundar Pichai of Google, Shou Zi Chew of Tik Tok – all of whom donated generously for those prime seats.[3]

Musk is in charge of the newly created Department of Government Efficiency (DOGE), which in its founding document states its purpose is to: "moderniz[e] Federal technology and software to maximize governmental efficiency and productivity."[4] Several months into the Trump Administration, this mission statement can be understood as replacing hundreds of thousands of jobs performed by human beings with privately held algorithms or, in some cases, no replacement function at all. Trump has also appointed David Sacks, former PayPal CEO, venture capitalist, and founder of his own AI company, as his "White House A.I. & Crypto Czar" and Michael Kratsios, a former Tech Venture Capital executive with no science degrees to be his Director of the Office of Science and Technology Policy. Tech heavyweights are everywhere in the Trump administration and exerting unprecedented influence from outside it.[5]

Thaspol - stock.adobe.com

Tech billionaires and their close associates have spent the first months of the Trump presidency freezing federal funds, firing federal workers, and seizing government systems. Many other Trump Administration moves can be mapped back to these billionaires and their business interests: high-profile pardons, anti-DEI initiatives, and crypto and AI regulatory rollbacks.[6] AI has been a tool used by the billionaires to accomplish many of these tasks. In fact, DOGE claims that it is using AI to help

identify federal government workers to fire, though it is unclear what specific systems it is using or how they work.[7] DOGE has also begun the process of replacing fired workers with AI programs.[8] DOGE is inspiring similar actions in several states around the country.[9]

Even before the existence of DOGE, organizations like AI NOW correctly explained that, "There is no AI without Big Tech."[10] Because of the enormous amount of data and computing power needed to fuel AI, only the richest companies have the means to acquire and control the necessary infrastructure to sustain the systems.[11] Furthermore, because politicians continuously position AI as an urgent geopolitical priority, often emphasizing the US-China AI race to gain competitive control at the global level, the largest tech companies continue to receive enormous government resources and assistance that allows them to further entrench their market dominance.[12] One of Trump's first acts was to issue Executive Order 13859, which declares that the U.S. must continue its Global Dominance over AI, directs Federal Investment in private research and development of AI as well as removes regulatory controls over AI, and leverages, "Federal data as a strategic asset," by sharing such data with private partners.[13]

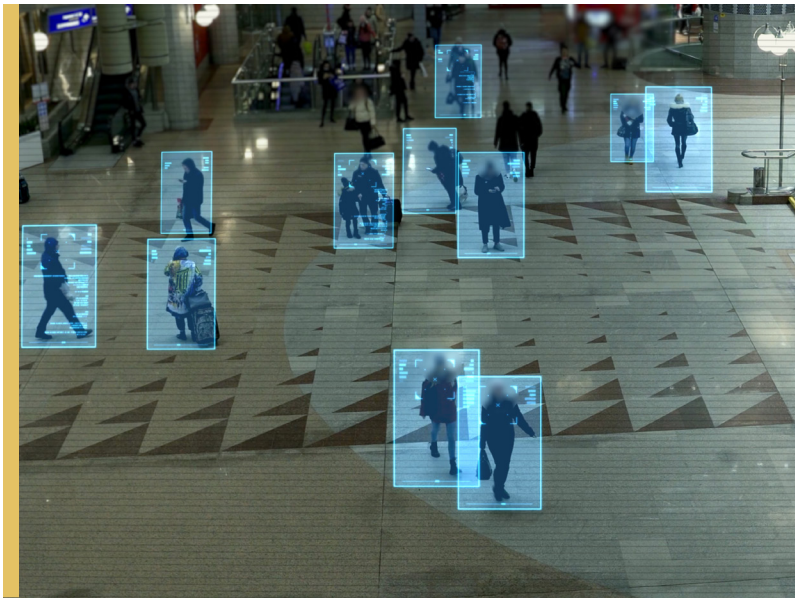
As AI products are integrated more and more in modern life, in our governments, homes, and workplaces, we all become dependent upon a handful of corporations that own the infrastructure upon which much of our lives are built. Without sufficient oversight and regulation, these corporations are only beholden to private boards and the profit motive, with no official responsibility to uphold the best interests of the people. This set-up presents existential threats to our system of government, checks and balances, and puts much of our day-to-day existence in the hands of a few billionaires who own the infrastructure upon which we all rely.

AI Products and their Infrastructure Cause Significant Harm Across Sectors and Communities

The following is not meant to be an exhaustive compilation of the harms of AI, but rather a sampling to show the breadth of the issue and the range of harms to individuals and communities. This section will review examples of AI in the public safety arena, in the workplace, in surveillance-based pricing, in public benefits, in immigration enforcement, and in its impact on the environment, public health, and local resources.

AI in Public Safety — The Failure of Predictive Systems, Bias, and Compounding Surveillance of Overpoliced Communities

Computer scientists Arvind Narayanan and Sayash Kapoor declare in their book, *AI Snake Oil*, that "predictive AI not only does not work today but will likely never work, because of the inherent difficulties in predicting human behavior."[14] A common area where AI products fail is when they are employed to predict outcomes in the law enforcement context. This has been especially problematic during a time in which cities and



counties around the country, facing a police officer workforce shortage, often divert resources from the social safety net to law enforcement to cover overtime costs, raise salaries, spend heavily on recruitment and retention efforts, and purchase more AI technology.[15] Cities and counties simply do not have the workforce or funds to waste money on products that strain police departments and exacerbate over-policing of poor neighborhoods and people of color.[16]

ShotSpotter is an AI-powered gunshot detection, acoustic surveillance technology that uses sensors to detect, locate, and alert law enforcement agencies of potential gunfire in real time. Its microphone equipment is installed in over 25,000 locations including school buildings, billboards, hospitals, and public housing units in cities throughout the United States.[17]

Despite the widespread adoption of this AI-powered technology, reports show many problems with its accuracy. An audit of New York City's ShotSpotter use showed that only between 8%-20% of alerts resulted in confirmed shootings, at a cost of $54 million and significant officer investigative time with little improved safety to show in return.[18] A similar report in Chicago showed ShotSpotter sending false alarms to police up to more than 60 times a day.[19]

All over the United States, ShotSpotter surveillance is primarily concentrated in low-income communities of color.[20] For example, in Milwaukee, Wisconsin, ShotSpotter sensors are located exclusively on the North and South sides of the City and nonexistent in predominantly white neighborhoods.[21] The ACLU correctly noted the danger when police are sent "into communities for no reason and on high alert expecting to potentially confront a dangerous situation. Given the already tragic number of shootings of Black people by police, that is a recipe for trouble."[22]

The inaccuracies plus the ways in which ShotSpotter further entrenches racial discrimination in policing prompted several cities including Chicago, Atlanta and Portland, Oregon to cancel contracts with the company.[23] Yet hundreds of cities across the country continue to use this technology today. If your government uses ShotSpotter, an audit and review of the results may be in order.

Another category of AI tools that has been widely discredited are crime prediction systems. These systems review data from crime reports and produce predictions on where and when crimes are most likely to occur. The most well-known of this type of prediction tool was called PredPol, later rebranded as Geolitica. In 2023, after the software received substantial negative media attention and several police departments ceased using the product, SoundThinking, the company that owns Shotspotter, bought Geolitica. SoundThinking rebranded Geolitica as ResourceRouter, yet retained its same function – using algorithms to predict where crime will occur using past crime data.[24]

In Plainfield, New Jersey, a nonprofit newsroom *The Markup* assessed the performance of Geolitica and found it to be an abject failure. Its analysis considered over 23,000 predictions in 2018, finding that "the success rate was less than half a percent. Fewer than 100 of the predictions lined up with a crime in the predicted category, that was also later reported to police."[25]
The Los Angeles Police Department, one of the early proponents of using Predictive Policing tools, stopped using the products in 2019. Dozens of cities all over the country similarly experimented with the product, finding no useful results before canceling their contracts.[26]

While widely discredited, the use of predictive crime tools tends to be cyclical. The rebranding of essentially the same products and a desire

to try something new often prompts new administrations to try these products that are heavily advertised to departments by well-resourced corporations. All local elected officials should monitor with sufficient skepticism the use of such products in your locality and ask questions including how new products compare to those discredited products of the past.

Just as companies have claimed to be able to predict where crimes will occur, they also claim to predict whether an individual is likely to commit a criminal act. One of the more popular predictive products used by judicial systems throughout the country is called Correctional Offender Management Profiling for Alternative Sanctions (COMPAS). This product claims to predict a defendant's risk of committing another crime and often influences whether someone remains in prison pre-trial or receives associated restrictions, such as electronic monitoring. COMPAS relies on defendants' answers to scores of questions, often including questions about their past criminal history and court appearance records, how often the individual sees family members, the criminal records of friends, how much money the individual makes, and whether they often "feel bored."[27]

Several researchers have looked at the efficacy of these products over time. Julia Dressel and Hany Farid from Dartmouth College showed that COMPAS is no better at predicting an individual's risk of recidivism than individuals they recruited from the internet who had little to no specialized training in criminal justice or any related field.[28]

Finally, companies are pitching dozens of AI powered products to police departments across the country that create mega-surveillance networks. For example, Axon advertises its ability to integrate private cameras (including through its new partnership with the widely popular Ring home camera system), body-worn cameras, drones, gunshot detection and license plate readers, that have the potential to create a comprehensive surveillance network.[29]

Given the significant risks associated with AI in law enforcement—including rights violations, inaccuracy, wasted resources, municipal liability, over-surveillance, and systemic bias—we must approach these technologies with skepticism and rigorous oversight. Before investing in or continuing to use such products, officials should demand clear, independent evidence of their accuracy and fairness.

Key questions to ask include:

- What is the false positive rate, and how does it impact different demographic groups?
- Has the tool been independently audited for racial and socioeconomic bias?
- How does the technology impact people's procedural and substantive due process and equal protection rights and other state constitution, statutory, and local entitlements?
- What data sources does it rely on, and do they reinforce existing inequities?
- What mechanisms exist for public transparency and accountability?
- How does added surveillance impact our constituents' right to privacy?

Without strong, evidence-based answers to these questions, local governments risk deepening injustices, squandering public funds, and eroding trust in their law enforcement institutions.

AI in the Workplace — Surveillance, Algorithmic Management, Wage Discrimination, and Automation

AI is already very common in the workplaces of America. Much of the popular discussion about this fact promises the benefits of freeing up human employees to spend time on the more fulfilling and important aspects of their jobs. While workplace improvements can occur with the use of AI, these tech products are also used to incessantly surveil workers, to make core decisions about terms and conditions of employment, and/or replace jobs previously held by human beings.

WIRED reviewed a series of surveys that showed between 70-80% of large U.S. employers are using AI to monitor their workforce in some way.[30] Warehouse workers, for instance, have long been monitored by the latest surveillance technology in the workplace to enforce productivity standards. In some cases, productivity scores are broadcast in real time on leaderboards, forcing workers to compete against one another.[31] The harsh monitoring and productivity quotas have led to alarming rates of injury in the warehouse sector, with one study by the National Employment Law Project (NELP) showing that injury rates in the warehouse industry in New York City have tripled between 2017 and 2024.[32]

Call center workers are similarly subjected to aggressive productivity monitoring. For example, Teleperformance, a call center company that employs remote workers, uses webcams with AI algorithms set to determine whether workers are following company policies. If the system detects a violation, like employee use of a personal cell phone, it sends a message to a human manager to intervene.[33] Another AI product vendor, Cogito, records and reviews conversations between employees and customers and gives real-time coaching to workers to, "express more empathy,

or exude more confidence or professionalism."[34] This level of monitoring causes call center workers extreme stress, with one study finding that over 50% of call center workers use prescription medication to address their stress levels.[35]

In addition to surveillance-based productivity monitoring, many companies use AI products to hire and perform background checks on workers. The company HireRight, for instance, uses AI to review social media of prospective employees, even advertising specific background checks like "Animal Rights Activism Searches," to "help you assess the risk that individual might pose to your company's assets, security and reputation" and continuous proactive driver's license monitoring informing employers when workers incur traffic violations or driving incidents. This level of employee monitoring extends companies' control over employees outside of the workplace.

Companies like Percolata use computer vision and algorithms to monitor retail activity in stores, score worker sales performance, and create schedule "optimization systems."[36] Using in-store cameras, Percolata ranks employees from lowest to highest, including details like whether an employee works better when paired with certain colleagues. Using all the data it collects, the company then creates a schedule with the optimal mix of workers for every 15 minute increment of

the day, allowing managers to press a button and publish schedules directly to employees' personal phones.[37] Used by major retailers like 7 Eleven, UNIQLO, and Gymboree, this technology subjects workers to highly erratic schedules.

Overall, the use of AI to surveil and manage workers has facilitated a particularly pernicious practice that had previously been concentrated in the gig worker sphere for years – algorithmic wage discrimination. Veena Dubal, in her groundbreaking study on the topic, defines algorithmic wage discrimination as "a practice in which individual workers are paid different hourly wages—calculated with ever-changing formulas using granular data on location, individual behavior, demand, supply, or other factors — for broadly similar work."[38] There are many harms associated with algorithmic wage discrimination – low wages, unfairness, decreasing wages over time — but among the greatest harm cited by workers is the difficulty of having no predictability about the wages you will earn at any given time.[39] As one worker explained,

> The system is designed to make sure people never earn a certain amount . . . . Who knows what the magic number is for Uber when they start sending us less desirable rides, but that calculation is happening. If someone is making forty dollars above expenses, and that's a good ride, . . . you are only getting that once a week. They will give that to someone to incentivize them to keep going. It keeps people in the loop a little longer. It's the casino mechanics . . . . You need to have that good ride to know that they come every now and again."[40]

Algorithmic wage discrimination is spreading from gig work to more traditional workplaces. Wilneida Negrón from CoWorker.org, who interviews many workers and studies the practice closely, has seen evidence of algorithmic wage discrimination in industries as varied as home health care, retail/manufacturing, transportation, and logistics.[41]

Despite popular sentiment about automation taking on the most tedious types of work, AI surveillance, AI management, and algorithmic wage discrimination have instead made life on the job much more difficult. And while there has been much discussion about the threat that generative AI poses to white-collar jobs, the replacement of many blue-collar job functions are also well under way. In the healthcare industry, for example, semi-autonomous robots transport materials, like linens, meals, or lab specimens, replacing functions previously performed by custodians or technicians.[42]

Surveillance Pricing and its Harms to Consumers

Just as employers are using algorithms to exert ever-increasing control over the workplace, businesses are similarly using AI for what is termed surveillance pricing: the use of large quantities of personalized consumer data to charge individuals a different price for the same product. Internet users have long been familiar with cookies and how companies advertise products based upon our buying habits and profiles. This is not new. What is new, however, is charging customers a targeted price based on their unique profiles — their age, their spending patterns, their geography and even their tendency to order a specific item at specific times of the day.

To engage in surveillance pricing, companies first gather extensive behavioral information about consumers through online profiles, usually through third-party data brokers that provide detailed demographic and financial data, such as income levels, debt, and shopping habits or through direct first-party collection of data based on their browsing habits.[43] Together, this data forms a comprehensive picture of an individual's behavior, preferences, and financial state that can then be analyzed by an algorithm to predict an individual's "pain point," or how a particular person is likely to behave when confronted with a specific price. This could potentially allow corporations to charge higher prices for tampons to an individual at different times of the month by using data from their online period tracker or charge a mother more for children's Tylenol when she orders it for rushed delivery at 4 a.m.[44]

Surveillance-based pricing is a growing concern in retail, particularly in grocery stores. Major chains like Walmart, Kroger, and Whole Foods have introduced digital pricing, where electronic shelf tags are controlled by an algorithm that adjusts prices in real time.[45] This system raises concerns about potential price manipulation and

discriminatory pricing. Additionally, many stores' rewards programs require extensive permissions, giving them access to personal data, such as purchase history, which can be subsequently used in surveillance pricing or targeted discounts.

Aside from the radical change in practice from "the long-standing same-price-for-everyone pricing model that businesses have used for decades, surveillance pricing poses many threats to consumers."[46] Surveillance pricing can exacerbate systemic discrimination, such as instances of college preparatory courses being offered at higher prices to certain demographics. Surveillance pricing also preys on moments of hardship to charge people more for products than someone might pay when in better circumstances. In terms of fair and competitive markets, small businesses are at a competitive disadvantage to large firms that by virtue of their size have greater access to large data sets and can afford high priced third-party data brokers.

As the practice of surveillance pricing is becoming more well-known, several state legislators are attempting to outlaw the practice, including in California, Colorado, Georgia, Illinois and Massachusetts.[47]

AI Tools and their Use in Eroding Public Benefits

Government agencies at all levels make millions of decisions each month regarding public benefits, determining eligibility and benefit amounts, and investigating suspected incidents of fraud. Over the past two decades, and especially with the rise of more powerful AI systems, many agencies have turned to automated tools developed by private vendors to make these decisions. This outsourcing is often driven by funding and staffing limitations within human services agencies. As a result, caseworkers and other agency employees lose discretion and instead rely on AI recommendations instead of their professional judgment. When AI-generated decisions are flawed or biased, neither agencies nor affected individuals often have the necessary information to correct mistakes. AI vendors frequently withhold details about their systems, citing trade secret laws and contractual restrictions, even when greater transparency about technical processes and training data could help prevent harm.

Examples abound of AI systems making wrong decisions about public benefits. Unlike a human who makes a bad judgment call negatively impacting a group of people, faulty AI algorithms can impact thousands of people in one fell swoop. In 2016 in Arkansas, scores of elderly or disabled people receiving home care through Medicaid waiver programs, had their hours cut back drastically or eliminated altogether. This resulted in horrific situations of people sitting for days in their own waste, developing bed sores, and skipping medications and meals. A legal aid attorney, Kevin De Liban, discovered that the state had switched from nurses conducting individualized assessments to a standardized algorithm developed by InterRAI, which had licensed its code to health departments in at least 25 states. For years, De Liban said, "The

state didn't have a single person on staff who could explain, even in the broadest terms, how the algorithm worked," resulting in half the state's Medicaid program negatively affected.[48] De Liban sued the government and won redress for thousands of individuals who were injured by the faulty technology.

In Texas, 1.8 million children were removed from Medicaid in 2023 because an AI system developed by Deloitte Consulting LLP found 68% of those children to be ineligible.[49] Deloitte is one of the largest eligibility determination software

> Constituents may call for help when they are baffled by a consequential decision made by the government or even their employer or school that does not add up. In some of those cases, AI could have been involved. TechTonic Justice created a guide for individuals to help identify if AI was used to make a decision impacting their lives and what to do about it.

provider in the country that contracts with at least 20 states to determine Medicaid eligibility including: Arkansas, Colorado, Connecticut, Delaware, Florida, Georgia, Illinois, Indiana, Kentucky, Michigan, Nevada, New Hampshire, New Mexico, Oregon, Pennsylvania, Rhode Island, Tennessee, Texas, Virginia, and Wisconsin. In Texas, the system made dozens of outright errors including denying newborns Medicaid coverage despite long-standing, mandatory federal eligibility rules establishing that newborns receive continuous eligibility for 12 months regardless of income or other changes.[50]

Similar misfortunes routinely take place around the country impacting the poorest and most vulnerable people. A recent report that attempts to quantify the scale of the problem establishes that "essentially all 92 million low-income people in the U.S. states—everyone whose income is less than 200 percent of the federal poverty line—have some basic aspect of their lives decided by AI."[51] Through use in programs like Medicaid, Social Security Disability Benefits, Supplemental Nutrition Assistance Program, Unemployment Insurance, subsidized housing, child welfare, language services, and many more public programs, governments are increasingly relying on AI programs to make decisions, often putting the most vulnerable people further at risk and without the recourse of a human being on the other end of a harmful decision.

AI Tools Fuel Immigration Enforcement and Undermine Sanctuary Protections

For decades, AI has played a key role in expanding border militarization and the internal deportation system in the United States. The Department of Homeland Security (DHS) is currently working with private companies to develop its most advanced database yet—the Homeland Advanced Technology System (HART)—which, despite repeated delays, is expected to launch in September 2026.[52]

HART is reported to rely heavily on AI to collect, organize, and share data on over 270 million people, including juveniles. It will aggregate and analyze biometric data—such as facial recognition, DNA, iris scans, fingerprints, and voice prints—to create digital profiles of individuals within minutes. The system is said to link biometric information with other personal data, including political affiliations, religious activities, and social connections. It will also reportedly draw from commercial and publicly available sources.[53]

As the new backbone of immigration enforcement, HART will integrate with local, state, federal, and international databases. This will enable DHS to expand surveillance, increase deportations and arrests, facilitate immigrant detention, approve or deny immigration benefits, and enhance AI-driven border technologies. Additionally, it will allow DHS to compile target lists for raids, further embedding AI in immigration enforcement and border security operations.

With HART's release expected shortly, it is important that local elected officials realize that the data collected by every new technology used by cities and counties may end up in the hands of ICE. In fact, this is already happening all over the country, despite many cities and

states having sanctuary policies that attempt to shield local governments from collaborating with ICE. Sanctuary jurisdictions often refuse to use local resources to enforce federal immigration laws, such as honoring ICE detainer requests or sharing immigration status information unless required by law. Advocates have fought over years to create these policies, so immigrant communities feel safe reporting crimes, accessing healthcare, and sending their children to school without fear of deportation.

Sanctuary policies are designed to create a firewall between local law enforcement and ICE, but AI-driven data collection and private data brokers are eroding these protections. A report by Somos Un Pueblo Unido, Just Futures Law, and Mijente highlights how ICE bypasses local sanctuary protections in New Mexico by gaining real time information about immigrants from data brokers, Automated License Plate Reader databases, and jail bookings information.[54] Through a $22.1 million contract with LexisNexis, a popular data broker, ICE can retrieve data on over 284 million individuals, both citizens and noncitizens, from more than 10,000 public and commercial sources. This includes state motor vehicle records, financial transactions, property ownership, criminal histories, and even personal associations.[55]

Additionally, ICE often gains access to data from Automated License Plate Readers (ALPRs), usually via data brokers that obtain the information from shared law enforcement systems. ALRPs scan and store up to 1,800 license plates per minute and are typically installed on police cars, traffic lights, highway overpasses, and other city infrastructure. ALPRs track the travel patterns of vehicles, thereby exposing highly sensitive information, such as the location of homes, schools, workplaces, religious institutions, or medical facilities that a person regularly visits. Data brokers can obtain data from ALPRs and sell that information to ICE.[56]

Similarly, despite many sanctuary policies expressly prohibiting the sharing of jail data with ICE, data brokers provide a workaround. LexisNexis and Appriss supply real-time booking and release data from more than 2,800 jails across the country, covering approximately 85% of all U.S. incarcerations.[57] In 2021, ICE expanded its contract with LexisNexis by adding a $4.7 million tool called “Justice Intelligence,” which provides access to real-time jail data through Appriss Insights.[58] This allows ICE to receive alerts whenever an individual they are targeting is booked, transferred, or released from jail, even in jurisdictions that refuse to honor ICE detainer requests.

By exploiting private data markets and AI-driven tools, ICE circumvents sanctuary policies, expands its surveillance capabilities, and deepens its involvement in local law enforcement operations. As a result, immigrant communities remain vulnerable to increased surveillance, arrests, and deportations, despite local efforts to protect them.

Data Centers and their Impact on the Environment, Public Health, Energy Prices, and Government Revenues

Data centers are the backbone of the digital world, housing vast networks of servers, storage systems, and networking equipment to power everything from cloud computing to data analytics. As the artificial intelligence industry grows, it has fueled an explosion in data center expansion, driven by the immense computing power required for AI training and real-time processing.[59] AI models, such as deep learning systems and large language models, devour enormous datasets, pushing the limits of storage, processing, and infrastructure. In response, companies are racing to build hyperscale data center facilities that require ever-increasing energy consumption and cooling requirements. President Trump recently announced a joint venture between OpenAI, SoftBank and Oracle called "Stargate", which aims to invest a half a trillion dollars in building new data centers over the next four years.[60]

The environmental impact of data centers is significant, driving a surge in greenhouse gas emissions and consuming vast amounts of water. To put it in perspective, composing a simple 100-word email using ChatGPT requires the equivalent of four 500ml bottles of water and enough energy to fully charge seven iPhone Pro Max devices.[61] A recent exchange on X illustrates the scale of energy use by chatbots. A user posted, "I wonder how much money OpenAI has lost in electricity costs from people saying 'please' and 'thank you' to their models." Sam Altman, OpenAI's CEO responded, "Tens of millions of dollars well spent — you never know."[62]

Data centers now account for 4.4% of total U.S. electricity usage with the US Department of Energy expecting that to grow to 6.7 - 12%

by 2028.[63] Despite their stated climate goals, the insatiable energy needs of AI are causing tech giants to struggle reining in their carbon footprint. Google, for instance, aimed for zero emissions by 2030 but has instead seen its emissions soar by 48% since 2019.[64]

Beyond their staggering energy consumption, data centers also require vast amounts of water — not just for cooling overheated servers but also for the electricity needed to power them. According to the paper *Making AI Less Thirsty*, by the year 2027, the global AI-driven water demand could reach 4.2 to 6.6 billion cubic meters—more than half of the United Kingdom's total annual water withdrawal.[65]

When it comes to emissions and water usage, the environmental toll of data centers is felt most intensely in the communities in which they operate and generate their power. These massive facilities are not spread evenly across the U.S.; instead, they cluster in regions offering the cheapest land, energy, and tax incentives. Virginia and Texas have emerged as the country's top data center hubs, housing some of the largest and most energy-hungry operations.

Meanwhile, California — despite its high costs — saw the biggest surge in data center employment in 2024.[66]

The placement of data centers often worsens environmental racism. Elon Musk's chatbot "Grok" is set to release its latest model touted to have a "sense of humor," in December of this year. The new Grok model will be powered by a supercomputer called Colossus located in Shelby County, Tennessee. Colossus is currently powered by 60 methane gas turbines located in the neighborhood with the worst air quality in the state. "In Shelby County, where more than half the population are people of color and the poverty rate is 1.5 times the national average, incidences of childhood asthma are already the highest in the state," states a report on the Colossus development. "The additional pollution from xAI's facility threatens to worsen these health burdens, costing the community around $400 million annually from carbon pollution alone."[67]

Despite their heavy environmental footprint, data centers remain highly sought-after by many local and state governments, which have historically offered generous subsidies to attract them. Indeed, more than 20 states grant these massively-profitable corporations sales tax exemptions to purchase equipment and electricity. The cost to taxpayers is staggering —Virginia alone forfeited $136 million in 2022, while in Oregon, property tax breaks for data centers under the Enterprise Zone program totaled $152 million in 2023.[68]

Beyond tax breaks, electricity discounts — often an opaque subsidy — shift costs onto other ratepayers, forcing households and small businesses to make up the difference. For example, on May 1, 2024, Georgia Power residents saw a 24% increase in their utility bills, their sixth rate increase since 2023.[69]

While data centers create a temporary boom in construction jobs, permanent employment is minimal. The cost per job is astronomical: In Illinois, tax breaks averaged $1.4 million per job created, a figure so high that the state may never recover its lost revenue through taxes generated by those workers.[70]

The expansion of data centers, driven by the infrastructural demands of artificial intelligence, is forcing the prioritization of AI growth over environmental stability. While AI is often hailed as a force for progress, its energy consumption, water depletion, and reliance on taxpayer-funded subsidies paint a different picture.

Part 3: AI Regulation

While some tech leaders have expressed a desire for regulation to safeguard society from the worst dangers of AI, when actual policy is introduced, many Big Tech firms have been at the forefront of opposition, making familiar arguments about limits on innovation.[71] When transparency is required, many tech firms cite proprietary interests and fail to comply. While President Biden did issue an executive order on AI that Trump has repealed, there are no laws specifically targeting AI at the Federal Level. States have tried to fill the gaps, with hundreds of laws introduced in state houses all over the country just this session. In exploring ways for local governments to protect communities from the dangers of AI, it is helpful to assess what regulations and institutions are already in place.

INTERNATIONALLY

The European Union has erected a broad regulatory framework for AI made up of at least 5 big laws: the AI Act,[72] the General Data Protection Regulation (data privacy),[73] the Digital Services Act (online safety),[74] the Digital Markets Act (antitrust),[75] and the Platform Work Directive (platform workers).[76] Detailing this framework is beyond the scope of this report but highlighting the risk based approach of the AI Act is important as it is both often mimicked and also hotly debated as to whether it is the best framework for broadscale regulation of AI. The AI Act follows a risk-based approach, categorizing AI systems into four levels:

1. **Unacceptable Risk** – Banned AI, including social scoring and manipulative AI to distort behavior or impair informed decision-making.
2. **High Risk** – Strictly regulated AI in areas like healthcare, hiring, policing, and critical infrastructure, requiring transparency, human oversight, and risk assessments.
3. **Limited Risk** – Lighter rules for AI applications like chatbots, requiring disclosure when interacting with AI.
4. **Minimal Risk** – Most AI (e.g., spam filters) face no specific regulations.

The Act's recognition that there are certain AI systems that should never be built in the first place is potent, and unsurprisingly where industry pushback was strongest, leading to watering down of some key provisions in the final stages.[77]

The EU's AI Act is enforced by the European AI Office. The office supervises compliance with the AI Act's requirements, by evaluating emerging risks, assessing AI models, and investigating potential infringements. While the EU has by far the most comprehensive regulatory framework for AI in the world, there is widespread pressure by Big Tech to walk it back. Meta's Mark Zuckerberg recently warned, "We're going to work with President Trump to push back on governments around the world that are going against American businesses."[78] It appears this pressure is beginning to bear fruit, as evidenced by French President Emmanuel Macron's comments at February's AI Summit in Paris, "We will simplify. At the national and European scale, it is very clear that we have to resynchronize with the rest of the world."[79]

FEDERALLY

Although the Trump Administration repealed the Biden Administration's attempts to institute guardrails on the safe deployment of AI, it would be a mistake to paint the federal landscape as a regulatory vacuum — erasing the considerable enforcement hooks in existing laws that apply to AI. Even in the absence of legislation targeting AI specifically, there are a number existing consumer protection, privacy, labor, and competition rules that apply to the AI industry and there has been a concerted push from advocates to enforce laws on the books.[80] During the Biden Administration, there was a groundswell in enforcement activity relating to AI,[81] with at least some continuity expected under the Trump Administration (for example, the continuation of the DOJ's case against Google[82] and the FTC's recent trial against Meta). In April 2024, the nation's key enforcers (DOJ, DOH, DOL, DHS, EEOC, and CFPB) issued a joint statement affirming this strong enforcement posture; stating existing civil rights, competition, consumer protection, and equal opportunity laws would apply to, and be enforced against, AI-enabled systems.[83]

In September 2024, the FTC, under the leadership of Lina Khan, issued a series of five enforcement actions under the banner, "Operation AI Comply," to stop companies using AI Hype or deception to defraud consumers.[84] The agency also aggressively policed the illegal collection, use, and sale of consumers' sensitive personal information, banned data brokers from selling consumers' precise geolocation data and banned digital health apps from disclosing consumers' sensitive health data for advertising purposes.[85] Strong enforcement actions under existing laws will likely not take place under the Trump administration, but there remains significant room for state attorneys general and even city attorneys to continue Khan's work.

Outside of enforcement activity, President Biden's term saw multiple moves on AI from within the executive branch that are worth surveying, most notably Executive Order 14110 entitled, "Safe, Secure, and Trustworthy Development of Artificial Intelligence." Issued on October 30, 2023, the order's stated aim was to balance innovation with safety and national security.

There were several mandatory components of Biden's EO, including a requirement that AI companies report safety test results to the government for advanced AI models. Perhaps even more useful was Biden's clear directions to federal departments to protect the public interest. The Executive Order directed the Department of Justice (DOJ) and the Federal Trade Commission (FTC) to enforce laws against AI-driven discrimination in hiring, housing, and credit. It directed the Department of Labor (DOL) to evaluate AI's impact on workers and ensure fair AI hiring practices. It ordered the Commerce Department to create guidelines for watermarking AI-generated content to prevent misinformation and fraud.

The Biden Administration also leaned into the idea of "procurement as policy," that actively uses federal procurement power to advance accountability and scrutiny into AI development.[86] Many components of the EO were operationalized for the public sector via the Office of Management and Budget (OMB) Memo on "Advancing the Responsible Acquisition of Artificial Intelligence in Government" that provided detailed direction to federal agencies on the use of AI systems, categorizing systems into "safety-impacting" and "rights-impacting," with concrete obligations flowing from each.[87] In April 2025, the Trump Administration OMB memos entirely reversed course: undoing the elaborate procedural safeguards set forth under the predecessor 2024 Biden OMB memo, and moving the emphasis to fast tracking adoption of AI in government.[88]

State Level

States are attempting to fill the gap in lack of federal regulation of AI under the Trump Administration with close to 800 bills being introduced throughout the country during the 2025 legislative session alone.[89] In the employment context, there has been an explosion of over 200 bills whose provisions fall into three main categories: transparency and disclosure, prohibitions, and responsible use guardrails.[90] The bills focused on transparency and disclosure would grant workers the right to know what data is being collected on them and what algorithms employers are using to make decisions about them, and give workers prior notice of any systems being used.[91]

State bills that would prohibit employers from using AI in the workplace include those that result in a violation of labor and employment laws, monitor workers outside of working hours, profile or make predictions about a workers' behavior that are unrelated to their jobs, and/or identify workers organizing a union.[92]

Finally, the most ambitious state bills would create guardrails when employers rely on AI or digital tech when they make employment-related decisions like hiring, firing, and wage setting. Some bills require employers to conduct impact assessments before using digital technologies at work.[93] Other bills require employers to give notice, retraining, and compensation to workers when deploying technologies that will change or automate jobs, and give priority to current workers when filling new positions.[94]

Beyond the employment context, several states have focused on AI's implications for consumer protection, privacy, and civil rights. Illinois was an early leader with its Biometric Information Privacy Act (BIPA), which restricts how companies collect and use biometric data, including AI-driven facial recognition.[95] California's Consumer Privacy Act (CCPA) and its successor, the California Privacy Rights Act (CPRA), grant residents greater control over their personal data, including information processed by AI systems.[96] Colorado has adopted the first comprehensive AI law in the United States, the Colorado AI Act (SB 24-205), effective February 1, 2026, requiring developers and deployers of "high-risk AI systems" to use reasonable care to prevent algorithmic discrimination and meet specific obligations, including disclosures and risk management practices.[97] Additionally, states such as California, New York, and Minnesota passed legislation to address AI-generated deepfakes, particularly in political advertising and non-consensual content.[98]

Part 4: Local Action to Protect Communities from the Harms of AI

One must only look at how Elon Musk and DOGE are currently using AI products to dismantle the federal government to see the urgency for action on AI oversight. And as the previous sections illustrate, AI products are in widespread use in localities with little to no regulation or oversight from any level of government despite the amount of risk, harm, and potential liability they introduce. This section will detail actions local elected officials can take today to ensure any AI products used by your government or in your community serve the interests of the people, not just corporate profits.

Address and Monitor the Use Of AI By Your Locality

Local governments have turned to AI just as consumers and businesses have. Companies are pitching products to governments to streamline decision making, make predictions to better deploy limited resources, and to help employees better perform their work. The City of San Jose even created an organization called GOVAI Coalition to help bureaucrats around the country learn about and evaluate AI tools responsibly and leverage information, resources, and market power when negotiating with Big Tech for products.[99] Hundreds of cities, counties, and even entire states are members of this coalition and express the desire "to improve the lives of the people we serve while protecting our communities against AI risks."[100] Such intentions are laudable, but do not substitute for the role of policymaking, regulation, and oversight concerning the impact of tech products on different communities. This is why elected officials must pay extra attention to this area, see beyond the AI marketing hype, and understand the trade offs when relying on AI and other technologies to solve problems.

Overarching AI Policy

Often prompted by the use of chatbots by government employees, at least 21 cities and counties in the US have released publicly accessible overarching AI policies that provide some guardrails for government use of the technology. The Center for Democracy & Technology (CDT) recently reviewed these policies and summarized the major components in them.[101]

The CDT report recommends that municipal AI policies also consider including public inventories of AI products (discussed in further detail below), risk management practices for high-risk uses, proper human oversight over AI products, and more community engagement.[102]

It is also worth noting that the City of San Jose recently updated its Generative AI Guidelines to urge employees to "limit the environmental impacts of your AI use."[103] The section instructs employees to use search engines rather than AI Chatbots for general questions, minimize the number of prompts, and instruct the chatbot to minimize the length of the output expected in an answer.[104]

> The GOVAI Coalition has made a host of templates and other resources available to help cities and counties get a jumpstart on creating strong AI policies. Those resources include an AI Governance Starter Guide, AI Policy Templates, and an AI Incident Response Plan.

Transparency

Before elected officials, workers, or communities can act to protect themselves from the negative impacts of AI, they must know what AI products are used in their lives. A first step toward legislating around AI is creating transparency about the AI products used by a local government. When considering legislation to mandate transparency, there are several key considerations to keep in mind.

First, what products should be included in the inventory?	Second, a transparency measure must decide what information to include about each AI product listed in the inventory.	Most importantly, consider enforcement mechanisms to include in your legislation.
AI products are increasingly embedded everywhere from something as neutral as grammar check to something as consequential as whether someone is freed from jail. As a rule of thumb, err towards the most expansive transparency possible. If some products must be excluded from a public facing inventory, consider following the approach of the City and County of San Francisco, which limits exceptions to AI technology that is solely used to "improve internal administrative processes and that does not affect rights, staffing decisions, or make substantive changes affecting Department decisions, rights, or services."[105] In 2024, San Francisco passed an ordinance requiring departments to report to a central depository of AI products currently in use, including analysis of potential impacts. This ordinance can be a starting place for similar transparency measures.	The measure must consider whether information should be provided by the product vendor or by the Department that employs the product. A local government can require information about purpose and function of the product, what data was used to train the product and what data the product retains, biases inherent in the product and what if any testing has been performed, what individuals are meant to interact with the product, how to report adverse incidents, and the level of human oversight. Finally, such a measure can ask the department that intends to use the product what they are trying to achieve and whether the use of the product will impact working conditions of city employees or replace jobs.	If a department ignores its responsibility to include its AI technology on the inventory or a vendor refuses to provide information required by the inventory, can the municipality still purchase the technology? Who can complain if they notice a product is missing from the inventory and what are the ramifications? Should you include a private right of action so people in the community can enforce the law?

Pre-Purchase Review and Contract Monitoring

Before deciding whether an AI product really will provide the solutions a department says it will, a local government department ought to describe in detail what problem the AI product is meant to solve and why AI is the best solution. The following is a list of baseline questions to consider asking prior to approving a purchase.

Accountability

1. Who developed the AI product, and what is their track record with government use, data collection, and cyber security?
2. How does the AI make decisions? Is the decision-making process explainable to the public?
3. What mechanisms are in place to challenge or appeal AI-driven decisions?
4. Who is responsible if the AI makes an error or causes harm?

Privacy & Security

8. What types of data will the vendor collect, store, or process?
9. How is sensitive data protected, and who has access to it?
10. Does the AI product comply with data privacy laws and regulations?
11. Will public data be shared with third parties or used for other purposes?

Bias & Fairness

5. Has the AI product been tested for bias? If so, what were the results?
6. How diverse was the dataset used to train the AI? Does it represent our community's demographics?
7. What steps have been taken to mitigate bias in the AI's decision-making?

Effectiveness & Oversight

12. What independent evaluations or audits have been conducted on the AI system?
13. How will the effectiveness of the AI be measured over time?
14. Can the AI system be shut down or modified if it's found to be harmful or ineffective?
15. How often will the AI be reviewed, and who will conduct the review?

Cost & Alternatives

16. What is the total cost of ownership, including implementation, maintenance, and training?
17. Are there alternative non-AI solutions that could achieve the same goal?
18. What happens if the vendor stops supporting the AI or the contract ends?

Especially for AI products with the potential to affect the rights or quality of life of constituents, continued monitoring of the product is necessary. Consider setting regular hearings to review data on the product usage. Proactive monitoring of AI products will not only identify problems more quickly, it will demonstrate to departments the importance of heightened caution that should be employed when a machine makes decisions about important aspects of our lives.

Democratizing the Decision-making and Procurement Process

City, county and school district departments often make decisions about whether or not to use AI products without the knowledge of elected officials, public workers, or the public at-large. This is to the detriment of us all as technology is shaped by the people who use it, the organizations that guide how it is used, and sometimes by the people on the receiving end of its use. The success or failure of introducing AI in local government requires workers' knowledge and ongoing input regarding use of the new technology and its impacts within municipal departments and upon the public at-large. There are several ways to create structures and opportunities for a broader set of players to give input on AI use by municipal governments from decision-making about whether to use the AI in the first place, to helping create boundaries around the use, to giving ongoing input on how to use the technology to produce better results.

- **Ensure worker voice is included in the acquisition and utilization of AI by local governments by including it as a topic of bargaining with public sector unions.** Unions often have the right to bargain about the use of technology in the workplace, especially when it changes job requirements. In many localities, a city or county government could instruct its human resources negotiators to bargain over the impacts of a new AI technology on public sector employees. Even without this authority, local elected officials could work with public sector unions to hold hearings on the topic, providing public sector workers a forum to express their knowledge, experience, and opinions over the use of AI. Indeed, Pennsylvania Governor Josh Shapiro recently announced an agreement with SEIU Local 668 to establish a "Generative AI Labor and Management Collaboration Group" to solicit regular feedback from employees regarding the State's use of AI products.[106] It would behoove localities to monitor the impact of this newly-created body to consider creating local versions.

- **Create the space for the public to weigh in on technology use through hearings, town-halls, and audits.** Reflecting upon the current corporate influence over government, Cynthia Conti-Cook, Director of Research and Policy at the Collaborative Research Center for Resilience, explained, "It is important for community members and advocates to be in the spaces where the public meets the private and in government, that is procurement."[107] New York City has a Procurement Policy Board where, in theory, the public can weigh in on the rules that procurement officers in city agencies must follow before decisions are made.[108] The City of Long Beach in California conducted a comprehensive community input process to learn how its residents felt about new technologies, including AI products used with the purpose of advancing public safety. The city engaged 850 stakeholders by conducting 13 community meetings, workshops, interviews, and online outreach.[109] Learning how procurement works in a municipality, where it is possible to insert the public into the decision making process, and then translating that knowledge to the public can help ensure a government body makes good decisions when purchasing or subscribing to very high-priced AI technologies.

Protecting Constituents' Data & Privacy

In the era of AI, elected officials need to be thinking about minimizing data collection and retention, especially when that data pertains to vulnerable communities. From applications for public benefits to the enormous amount of data collected by cities through surveillance equipment, cities are a repository of information that the thriving and lucrative data broker industry would love to get its hands on.

In Illinois, Cook County Commissioner Alma Anaya, in collaboration with the organization Mijente, introduced an amendment to the county's sanctuary ordinance to fix loopholes in the law being exploited by data brokers. Specifically, the amendment prevents sharing information with ICE "directly or indirectly through any third party, such as a criminal justice data exchange or non-government entity.[110] The amendment would put the onus on the county, when contracting with a third party, to prohibit the sharing of that information with immigration agents for the enforcement of immigration laws. It also would require the county to specify to any third-party contractor that any information received from the county shall only be used for the purpose specified in a written agreement with the county agency. Finally, the ordinance includes strong enforcement mechanisms including a private right of action for anyone harmed by a violation of the ordinance. Should this amendment pass, it will demonstrate one approach to reining in data brokers that often evade local data privacy protections.

Another way local governments can protect their constituents' data and privacy is through banning the use of facial recognition technology by the government itself. In 2019, with the support of a diverse coalition, San Francisco, California was the first city to ban the use of facial recognition technology. In explaining why he authored the ordinance, Supervisor Aaron Peskin said, "I think part of San Francisco being the real and perceived headquarters for all things tech also comes with a responsibility for its local legislators. We have an outsize responsibility to regulate the excesses of technology precisely because they are headquartered here."[111]

Community groups supported the work of local elected officials to enact similar bans in California — Oakland, Berkeley, San Diego, and Santa Cruz; in Massachusetts – Boston, Springfield, Cambridge, Somerville, Brookline, and Northampton; and in other states, like Minneapolis, Minnesota and King County, Washington. In 2020, Portland, Oregon went a step further by banning the use of facial recognition technology by both government and private sector use, making it one of the strictest regulations in the country.[112] In explaining the ban, Mayor Ted Wheeler stated, "Technology exists to make our lives easier, not for public and private entities to use as a weapon against the very citizens they serve and accommodate." Finally, Maine passed a State Law, LD 1585, that prohibits the use of facial recognition technology in most areas of government, including in public schools, and for surveillance purposes in all cities and counties throughout the State.[113]

In the age of AI, some say "data is the new gold" or "data is the new oil." Given this reality, it is essential that government officials become especially protective of the data the government collects about its residents and how it uses, shares, and protects that data. It is worth examining existing ordinances that attempt to protect personal information to update those to account for the data broker industry. It is also important to consider what new data AI products collect and make sure it does not fall into the hands of anyone that can use it against the interests of residents.

Utilizing Land Use Authority and Control over Public Utilities to Address Environmental and Health Impacts of Data Centers

As data centers proliferate all over the United States and world, municipalities have not only approved thousands of applications for new data centers, they have actively sought their development through major tax incentives and other giveaways. Local elected leaders concerned about the impact of data centers can use land use controls and their power over public utilities to ban their development in vulnerable areas of their communities, deny individual data center applications, and ensure communities are protected from the environmental impacts of data centers and the secondary impacts such as noise and air pollution. Local electeds can also use the land use approval process to gain critical information about energy and water use by data centers, information that companies prefer to keep private but is needed by environmental advocates and academics to study the scale of data centers' impact on the environment.

Moratoria, Restricted Areas, and Individual Application Denials

Localities across the country have begun to take action against the unfettered proliferation of data centers. The Atlanta City Council recently passed legislation banning data centers from being built near the Beltline or within a half-mile of MARTA rail stations in order to keep the city more pedestrian friendly.[114]

Loudoun County, in Northern Virginia, is home to the world's highest concentration of data centers, known as "Data Center Alley." In March 2025, the Loudoun County Board of Supervisors enacted a more restrictive approval process for data center applications that were previously

by-right. Instead of an administrative review by county staff, those applications will now require a legislative review by the Planning Commission and Board of Supervisors.[115] In February of this year, the Loudoun County Board of Supervisors launched a 16-month process to establish "policy guidance and use specific zoning standards for data centers in order to address land use, compatibility, aesthetics, infrastructure, and natural and environmental resources."[116]

All over the country, legislative bodies in small cities and counties are rejecting data center applications, often in response to widespread community outcry. In Peculiar, a small city in Cass County, Missouri, the city's planning commission added "data center" into the existing definition for "light industrial" in the zoning code. This addition to the code would have made way for a $1.5 billion project to build a data center for Diode Ventures.[117] The Peculiar Board of Alderman reversed the decision, meaning data centers are no longer allowed within city limits. This action came after "signs reading 'No Hyperscale Data Centers' were common sights in the city, and a Facebook group against the project had grown to 1,000 people – equivalent to one-sixth of the area's population."[118] In a similar move, after facing widespread community opposition to the deal, Valparaiso, Indiana backed out of a land purchase agreement with Agincourt Investments, LLC to build a data center on land currently zoned for open space.[119]

As data center footprints expand and local governments come under pressure to greenlight or subsidize their development, local elected officials should seriously consider the harsh environmental impacts of data centers and their limited impact on job creation and economic development.

Addressing the Environmental and Quality of Life Impacts of Data Centers

Most states have a mix of private investor-owned utilities and publicly-owned utilities that provide energy to different parts of the state. Most regulation of private investor-owned utilities takes place at the state level. The regulation of publicly-owned utilities, however, often resides with the city or county that owns and operates that utility. This provides municipal governments with the possibility of placing restrictions and obligations on any data center that seeks power from a publicly-owned utility.

The City of Santa Clara, home to the second largest number of data centers in the country did just that. The Santa Clara City Council is the governing board of Silicon Valley Power.[120] Leveraging their power to approve new data center permits through land use approvals and their power to approve or reject applications for power over $500,000, the Santa Clara City Council has ensured that any new data centers in their jurisdiction use 100% renewable energy (with offsets where necessary) and use non-water cooling techniques therefore addressing the two top environmental concerns related to data centers as detailed in the *AI Data Centers and their Impact on the Environment, Energy Prices, and Government Revenues* section above.[121] In fact, the Santa Clara City Council codified the renewable energy requirement in its Climate Action Plan.[122]

Local power over utilities provide elected officials the opportunity to mitigate a variety of the harms presented by data centers. In addition to carbon neutrality and water saving practices, public utilities could ensure that data centers cover the entire cost of their impact on the grid, instead of causing rate increases for residential and small business customers. Finally, public utilities could demand accurate data from the data center, allowing it to assess the true impacts on the county where it resides.

Data centers also produce secondary environmental impacts especially related to noise and pollution from diesel backup generators. Local elected officials are placing limits on these secondary effects to protect local residents.

The Prince William County Board of Supervisors in Virginia recently voted to update their 30-year-old noise ordinance in order to address the impact of data center noise on surrounding residents. Similarly, the City Council in Chandler, Arizona recently passed a zoning code amendment that included several provisions related to abating noise pollution from data centers. The amendment establishes a communications protocol to notify impacted residents about pre- and post-construction of data centers, requires a pre-construction sound study to establish noise baseline, dictates sound mitigation measures to ensure noise levels from a data center do not exceed levels observed during the baseline study, and requires data centers to conduct annual noise studies during peak operation times for five years once construction of the data center is complete.[123]

Rethinking Subsidies and Tax Breaks for Data Centers

Data centers create revenue for local governments mostly in the form of property, plant and equipment taxes, and sometimes through utility taxes. These revenues are often offset substantially by tax breaks and other subsidies that governments dole out to lure data centers to their locale. Many communities are beginning to doubt whether potential revenue gains are worth it.

In Colorado, CoreSite was set to receive a $9 million tax break for developing phase one – a 97,000 square foot datacenter in the Elyria-Swansea neighborhood of Denver. However, after City Council members grilled the company about its energy and water uses, CoreSite voluntarily declined to make use of the tax break.[124]
In Manassas, Virginia, the City Council passed a budget this year including a 72% tax increase on equipment owned by data centers. Data centers will pay $2.15 per $100 in the assessed value on their computer servers and other computer equipment. The increase follows the Prince William County Board of Supervisors' decision in April to raise the county's data center tax rate by about 70% from $2.15 to $3.70.[125]

Because of the strain that data centers place on county energy grids and local water supplies, it is important to weigh any revenue increases to local budgets against not only the environmental harms to local communities but also the impact on energy and water rates for the county and its other businesses and residents.

Mitigating Community Harms Through Taxation

Similar to rethinking tax incentives for data centers, local elected leaders should be skeptical of using tax breaks to lure big tech companies to locate within their borders. Many studies have shown that cities that use company specific tax exemptions rarely see an increase to broad economic growth and often suffer from the strain on city infrastructure and increased cost of living and housing.[126]

Conversely, some cities are levying taxes on the cloud based services or other digital and subscription services upon which many AI products rely. Chicago's "Cloud Tax" is a municipal levy applied to cloud computing services and software-as-a-service (SaaS) platforms accessed by users within the city.[127] The tax, which exempts government and charitable, educational, and religious organizations, applies to users physically located in Chicago, with the location determined by the device or terminal used to access the service. As of January 1, 2025, the tax rate for cloud services increased to 11% generating an anticipated $818 million in revenue for the City's general fund.[128]

While Chicago's approach is distinctive, a few other U.S. jurisdictions have implemented similar taxes: including Denver, which imposed a sales tax on digital products and certain cloud-based services,[129] and Washington, D.C., which applied its sales tax to digital goods, including streaming services and some cloud computing offerings.[130]

In November 2019, San Francisco voters approved Proposition D that imposed a traffic congestion mitigation excise tax of 1.5% to 3.25% on fares for rides originating in San Francisco that are facilitated by commercial ride-share companies or are provided by an autonomous vehicle or private transit services vehicle.[131] Revenue from the measure funds bus drivers for MUNI and street redesign projects to protect pedestrians and bicyclists.[132]

While never implemented, the San Francisco Board of Supervisors also considered a robot tax to fund workforce development programs and universal basic income pilots which could become increasingly important as AI and automation replaces many jobs.[133]

While workforce development is beyond the scope of this report, local governments should consider how to support both employers and workers as they make their way through an increasingly AI-driven workplace. Cities could also conduct a deeper inquiry into how to leverage economic development tools and city powers to incentivize the development and deployment of AI for the public good.

Regulating the Use of Harmful AI Products by Private Actors

Many of the most harmful uses of AI products are perpetrated by companies and actors trying to maximize profits in the private sector. While broad cross-sector regulation of workplace technologies may take place at the state level, there is ample room for innovating sector or tech-specific regulation in cities and counties. Here are a few examples of how municipalities are protecting renters, consumers, and workers across the country.

Protecting Tenants from Rental Price Fixing	***Protecting Consumers from Surveillance Pricing***	***Protecting Gig Workers from Algorithmic Wage Discrimination and the Impacts of Workplace Surveillance Technologies***
Many cities and counties have taken action to protect tenants from AI-driven tools that inflate rental prices. Across the country, landlords are increasingly relying on software algorithms to raise rents, worsening the housing crisis. Companies like RealPage provide landlords with pricing recommendations designed to maximize profits, often leading to higher housing costs. These recommendations are based on a mix of proprietary and publicly available data on local housing markets. In some metropolitan areas, the use of such rent-setting algorithms has contributed to double-digit rent increases.[134] For more on how localities can stop AI-driven rental price fixing, check out the Local Progress Impact Lab web page all about this practice.	In California, the San Diego City Council recently passed a first of its kind ordinance that will help protect consumers from surveillance pricing. The ordinance bans digital only grocery store coupons.[135] Councilmember Sean Elo-Rivera, the lead sponsor of the ordinance, explained, "San Diegans are doing everything they can to stretch their dollars, but corporate grocery chains are turning basic shopping into a rigged game. This ordinance is a common-sense step to fight back against corporate tricks and stand up for working people and families who are being squeezed at the checkout line."[136] While billed as an ordinance to protect elderly shoppers who may not have smartphones or digital access to electronic coupons, the impact of the ordinance also challenges grocery stores that use their customer's individualized data to price gouge as outlined in the section, *Surveillance Pricing and its Harms to Consumers,* above.	To address algorithmic wage discrimination and similar abuses of gig workers, several cities have passed industry specific legal protections. New York City has enacted the most sweeping protections for food delivery workers which include a minimum wage that updates on April 1st of every year and is currently $21.44/hour, payment transparency and the right to refuse an order, weekly pay, tip transparency, and access to restrooms.[137] Seattle has implemented several laws to protect gig workers, including the first of its kind App-Based Worker Deactivation Rights Ordinance.[138] Under the law, certain types of detactivations are illegal. Additionally, app-based workers in Seattle have the right to know why they are deactivated, what information the network company used to make its decision, and how to challenge the deactivation.

Conclusion

Amidst so many concurrent crises and threats to different communities, one might wonder why the time to focus on AI is now. While the corrupting influence of big money over government is not new, the specifics of how tech billionaires have their hands on the finances, data, and levers of control of the federal government is different today than at any other time in the nation's history.

As Gil Duran, a former editor at the Sacramento Bee and San Francisco Examiner explained, "Many of these tech billionaires who have merged with Trump believe democracy is an outdated software system that must be replaced. They want a future in which tech elites, armed with all powerful A.I. systems, are the primary governing force of the planet."[139]

The combination of unregulated money in politics, expanded presidential power with fewer checks from Congress, and ever widening concentration of wealth is threatening the democracy, even with all its imperfections, that we have been operating within since 1776.

There exists a crucial window of opportunity to exert control over whether the use of AI products will further undermine our democratic processes and our day-to-day lives. This is no different at the local level. Each time a community questions whether AI products are the answer, each time a government sets limits on who controls public and private data, each time we say no to data centers, the people most impacted by the rapid introduction of new technologies are granted more power over their future, not a small cabal of tech billionaires. That is a democracy that is worth fighting for and preserving.

Endnotes

[1] Daron Acemoglu and Simon Johnson, Power and Progress, Public Affairs, 2023.

[2] The definition used in many of the best bills regulating AI comes from the Organization for Economic Cooperation and Development (OECD) and reads as follows, "An AI system is a machine-based system that, for explicit or implicit objectives, infers, from the input it receives, how to generate outputs such as predictions, content, recommendations, or decisions that can influence physical or virtual environments. Different AI systems vary in their levels of autonomy and adaptiveness after deployment." https://www.oecd.org/en/publications/explanatory-memorandum-on-the-updated-oecd-definition-of-an-ai-system_623da898-en.html

[3] Trump, a populist president, is flanked by tech billionaires at his inauguration, Ali Swenson, AP, January 20, 2025, https://apnews.com/article/trump-inauguration-tech-billionaires-zuckerberg-musk-wealth-0896bfc3f50d941d62cebc3074267ecd

[4] Establishing and Implementing the President's "Department of Government Efficiency," The White House, January 20, 2025, https://www.whitehouse.gov/presidential-actions/2025/01/establishing-and-implementing-the-presidents-department-of-government-efficiency

[5] Marc Andreeseen and Peter Thiel are extremely influential on the Trump Administration but do not hold official roles within government. See: Marc Andreessen says half of his time goes to helping Trump at Mar-a-Lago, Eleanor Pringle, Fortune, December 11, 2024, https://fortune.com/2024/12/11/marc-andreessen-half-time-florida-trump-business-policies/; Peter Thiel's Deep Ties to Trump's Top Ranks, Sophie Alexander and Jaime Taraby, Bloomberg, March 7, 2025, https://www.bloomberg.com/features/2025-peter-thiel-trump-administration-connections/?embedded-checkout=true

[6] The Silicon Valley Billionaires Steering Trump's Transition, Theodore Schleifer, Maggie Haberman and Jonathan Swan, New York Times, December 6, 2024, https://www.nytimes.com/2024/12/06/us/politics/trump-elon-musk-silicon-valley.html

[7] DOGE Is Working on Software That Automates the Firing of Government Workers, Makena Kelly, WIRED, February 25, 2025, https://www.wired.com/story/doge-autorif-mass-firing-government-workers/. DOGE will use AI to assess the responses of federal workers who were told to justify their jobs via email, Courtney Kube, Julie Tsirkin, Yamiche Alcindor, Laura Strickler and Dareh Gregorian, NBC News, February 24, 2025, https://www.nbcnews.com/politics/doge/federal-workers-agencies-push-back-elon-musks-email-ultimatum-rcna193439.

[8] DOGE Has Deployed Its GSAi Custom Chatbot for 1,500 Federal Workers, Makena Kelly and Zoe Shiffer, WIRED, March 7, 2025, https://www.wired.com/story/gsai-chatbot-1500-federal-workers/

[9] Full List of US States Setting Up Their Own 'DOGE', Martha McHardy, Newsweek, February 26, 2025, https://www.newsweek.com/us-states-doge-committees-trump-2036632

[10] AI NOW 2023 Landscape: Confronting Tech Power, Amba Kak and Dr. Sarah Myers West AI NOW Institute, April 11, 2003, http://ainowinstitute.org/2023-landscape.

[11] Id. at 6.

[12] Id.

[13] https://www.federalregister.gov/documents/2019/02/14/2019-02544/maintaining-american-leadership-in-artificial-intelligence

[14] AI Snake Oil, Arvind Narayanan and Sayash Kapoor, Princeton University Press, 2024.

[15] There are countless examples of this phenomenon. Here is one: With Worcester Police Budget At All-Time High, Councilors Ask For More, Neil McNamara, Patch, June 4, 2024, https://patch.com/massachusetts/worcester/worcester-police-2025-budget-biggest-increase-2009

[16] See generally, Seeing Through Surveillance: Why Policy Makers Should Look Pass the Hype, Matt Cagle, Nicole Ozer, Brady Hirsch, ACLU Northern California, July 2024, https://www.aclunc.org/sites/default/files/Seeing_Through_Surveillance__Report_Web.pdf

[17] Here Are the Secret Locations of ShotSpotter Gunfire Sensors, Dhruv Mehrotra and Joey Scott, Wired, February 22, 2024, https://www.wired.com/story/shotspotter-secret-sensor-locations-leak/

[18] ShotSpotter is gunshot detection, acoustic surveillance technology that uses sensors to detect, locate and alert law enforcement agencies of potential gunfire incidents in real time, Maura Hayes-Chaffe, June 20, 2024, https://comptroller.nyc.gov/wp-content/uploads/documents/FP23-074A.pdf.

[19] Four Problems with the Shotspotter Gunshot Detection System, Jay Stanley, ACLU, August 24, 2021, https://www.aclu.org/news/privacy-technology/four-problems-with-the-shotspotter-gunshot-detection-system

[20] Mehrotra and Scott, supra note 18.

[21] ShotSpotter Leak Shows That Surveillance Tech is Used to Overpolice Black and Brown Communities, David Gwidt, ACLU Wisconsin, March 6, 2024, https://www.aclu-wi.org/en/news/shotspotter-leak-shows-surveillance-tech-used-overpolice-black-and-brown-communities

[22] Four Problems with the ShotSpotter Gunshot Detection System, Jay Stanley, ACLU, August 24, 2021, https://www.aclu.org/news/privacy-technology/four-problems-with-the-shotspotter-gunshot-detection-system

[23] Critics of ShotSpotter gunfire detection system say it's ineffective, biased and costly, Alisha Ebrahimji, CNN, February 24, 2024, https://www.cnn.com/2024/02/24/us/shotspotter-cities-choose-not-to-use/index.html

[24] The Maker of ShotSpotter Is Buying the World's Most Infamous Predictive Policing Tech, Dhruv Mehrotra and Dell Cameron, WIRED, September 27, 2023, https://www.wired.com/story/soundthinking-geolitica-acquisition-predictive-policing/

[25] Politicians Move to Limit Predictive Policing After Years of Controversial Failures, Grace Thomas, Tech Policy. Press, October 15, 2024, https://www.techpolicy.press/politicians-move-to-limit-predictive-policing-after-years-of-controversial-failures/

[26] Dozens of Cities Have Secretly Experimented With Predictive Policing Software, Caroline Haskins, VICE, February 6, 2019, https://www.vice.com/en/article/dozens-of-cities-have-secretly-experimented-with-predictive-policing-software/

[27] Narayanan and Kapoor, supra note 16.

[28] The accuracy, fairness, and limits of predicting recidivism, Julia Dressel and Hany Farid, Science Advances, January 17, 2018, https://www.science.org/doi/10.1126/sciadv.aao5580

[29] https://www.axon.com/industries/public-safety/law-enforcement

[30] Our Boss Wants You Back in the Office. This Surveillance Tech Could Be Waiting for You, Sophie Charara, WIRED, February 26, 2025, https://www.wired.com/story/your-boss-wants-you-back-in-the-office-this-surveillance-tech-could-be-waiting-for-you/?_sp=1b0f9bc6-df83-43f1-bf75-4ec50aea055a.1741032543425

[31] Data and Algorithms at Work: The Case for Worker Technology RIghts, Annette Bernhardt, Lisa Kresge, and Reem Suleiman, UC Berkeley Labor Center, November 2021, https://laborcenter.berkeley.edu/data-algorithms-at-work/

[32] New Data Show Warehouse Injuries in New York Skyrocketing as Jobs in the Sector Continue to Grow, Irene Tung, NELP, December 5, 2024, https://www.nelp.org/new-data-show-warehouse-injuries-in-new-york-skyrocketing-as-jobs-in-the-sector-continue-to-grow/

[33] Bernhardt, Kresge, and Suleiman, supra note 31.

[34] Id.

[35] Making call center jobs better: The relationship between management practices and worker stress, Virginia Doellgast and Dr. Sean O'Brady, Cornell University and DeGroote School of Business, McMaster University, June 2020, https://ecommons.cornell.edu/server/api/core/bitstreams/e4ae98ca-9034-4f68-8be9-86885905f403/content

[36] https://www.percolata.com/

[37] When Working for the Man Means Working for a Machine, Jim Stroud, ERE, March 4, 2025, https://www.ere.net/articles/when-working-for-the-man-means-working-for-a-machine

[38] On Algorithmic Wage Discrimination, Veena Dubal, Columbia Law Review, https://www.columbialawreview.org/wp-content/uploads/2023/11/Dubal-On_Algorithmic_Wage_discrimination.pdf

[39] Id. at 1970

[40] Id. at 1975.

[41] Algorithmic wage discrimination: Not just for gig workers, Thomas Claburn, The Register, July 6, 2024, https://www.theregister.com/2024/07/06/algorithmic_wage_discrimination/

[42] Bernhardt, Kresge, and Suleiman, supra note 31.

[43] Prohibiting Surveillance Prices and Wages, various, February 2025, https://towardsjustice.org/wp-content/uploads/2025/02/Real-Surveillance-Prices-and-Wages-Report.pdf

[44] FTC Surveillance Pricing Study Indicates Wide Range of Personal Data Used to Set Individualized Consumer Prices, Federal Trade Commission, February 17, 2025, https://www.ftc.gov/news-events/news/press-releases/2025/01/ftc-surveillance-pricing-study-indicates-wide-range-personal-data-used-set-individualized-consumer

[45] Walmart, Kroger And Whole Foods Use Digital Pricing. What Customers Should Know, Jen McMillen, Forbes, September 9. 2024, https://www.forbes.com/sites/jennmcmillen/2024/09/09/walmart-kroger-and-whole-foods-use-digital-pricing-what-customers-should-know/

[46] Surveillance Pricing Update & The Work Ahead, Stephanie T. Nguyen & Samuel A.A. Levine, Federal Trade Commission, January 17, 2025, https://www.ftc.gov/policy/advocacy-research/tech-at-ftc/2025/01/surveillance-pricing-update-work-ahead

[47] California AB 446 Ward, SB 259 Wahab, SB 295 Hurtado; Colorado HB 25-1264 Maybrey; Georgia SB 164 Merritt; Illinois SB 2255 Peters; Massachusetts HD 921 Sabadosa

[48] The Fight Against the AI Systems Wrecking Lives, Lois Parshley, Jacobin, February 22, 2025, https://jacobin.com/2025/02/ai-algorithms-government-services-trump

[49] Complaint In the Matter of Deloitte Consulting LLP, a limited liability partnership, also d/b/a Deloitte, FTC, NHeLP-EPIC-Upturn-FTC-Deloitte-Complaint.pdf

[50] Id.

[51] Inescapable AI: The Ways AI Decides How Low-Income People Work, Live, Learn, and Survive, Kevin De Liban, Techtonic Justice, November 2024, https://static1.squarespace.com/static/65a1d3be4690143890f61cec/t/673c7170a0d09777066c6e50/1732014450563/ttj-inescapable-ai.pdf

[52] DHS's biometric programs hampered by shifting priorities and budget shortfalls, Anthony Kimery, Biometrics News, February 27, 2025, https://www.biometricupdate.com/202502/dhss-biometric-programs-hampered-by-shifting-priorities-and-budget-shortfalls

[53] HART Attack: How DHS's massive biometrics database will supercharge surveillance and threaten rights, Mizue Aizeki and Paromita Shah, Immigrant Defense Project, Just Futures Law, and Mijente, May 2022, https://surveillanceresistancelab.org/wp-content/uploads/2023/01/HART-Attack-2022.pdf

[54] Subjected to Surveillance: ICE Access to New Mexico Residents' Personal Data, Somos Un Pueblo Unido, Just Futures Law, and Mijente, https://files.constantcontact.com/b6dfe469001/f6c4fba0-afa6-4896-af05-bc61c5683bad.pdf

[55] Id. at 2.

[56] Documents Reveal ICE Using Driver Location Data From Local Police for Deportations,Vasudha Talla, ACLU, Mar. 13, 2019, https://www.aclu.org/news/immigrantsrights/documents-reveal-ice-using-driver-location-data; Ice accessed car trackers in sanctuary cities that could help in raids, files show, Johana Bhuiyan, Guardian, March 11, 2025; https://www.theguardian.com/us-news/2025/mar/11/ice-car-trackers-sanctuary-cities

[57] Subjected to Surveillance: ICE Access to New Mexico Residents' Personal Data, Somos Un Pueblo Unido, Just Futures Law, and Mijente, https://files.constantcontact.com/b6dfe469001/f6c4fba0-afa6-4896-af05-bc61c5683bad.pdf

[58] Id. at 8.

[59] 2024 United States Data Center Energy Usage Report, Arman Shehabi, Sarah J. Smith, Alex Hubbard, Alex Newkirk, Nuoa Lei, Md Abu Bakar Siddik, Billie Holecek, Jonathan Koomey, Eric Masanet, and Dale Sartor, Energy Analysis and Environmental Impacts Division, Lawrence Berkeley National Laboratory December 2024, https://eta-publications.lbl.gov/sites/default/files/2024-12/lbnl-2024-united-states-data-center-energy-usage-report.pdf

[60] Trump Announces $100 Billion A.I. Initiative, Cecilia Kang and Cade Metz, January 21, 2025, Trump Announces $100 Billion Stargate A.I. Initiative With OpenAI, Oracle and SoftBank — The New York Times

[61] Local Environmental Impacts on Data Proliferation, Network for the Digital Economy & the Environment, Webinar, December 6, 2024, https://www.youtube.com/watch?v=aEx6zicZw1w

[62] Saying 'Thank You' to ChatGPT Is Costly. But Maybe It's Worth the Price., Sopan Deb, New York Times, April 24, 2025, https://www.nytimes.com/2025/04/24/technology/chatgpt-alexa-please-thank-you.html

[63] DOE Releases New Report Evaluating Increase in Electricity Demand from Data Centers, U.S. Department of Energy, December 20, 2024, https://www.energy.gov/articles/doe-releases-new-report-evaluating-increase-electricity-demand-data-centers

[64] AI drives 48% increase in Google emissions, Imran Rahman-Jones, BBC News, July 3, 2024, https://www.bbc.com/news/articles/c51yvz51k2xo

[65] Making AI Less "Thirsty": Uncovering and Addressing the Secret Water Footprint of AI Models, Pengfei Li, Jianyi Yang, Mohammad A. Islam, and Shaolei Ren, January 15, 2025, https://arxiv.org/pdf/2304.03271

[66] Employment in Data Centers Increased by More Than 60% From 2016 to 2023 But Growth Was Uneven Across the United States, Andrew Foote and Caelan Wilkie-Rogers, US Census Bureau, January 6, 2025, https://www.census.gov/library/stories/2025/01/data-centers.html?utm_campaign=20250106aco&utm_medium=email&utm_source=govdelivery&stream=top

[67] Colossus: The environmental cost of AI in Memphis, Jalal Awan, Memphis Flyer, December 11, 2024, https://www.memphisflyer.com/colossus

[68] Big Tech Eyes Billions in Public Subsidies for AI, Cloud Computing, Kasia Tarczynska, Good Jobs First, November 27, 2023, https://goodjobsfirst.org/big-tech-eyes-billions-in-public-subsidies-for-ai-cloud-computing/

[69] Your Utility Bills Are Subsidizing Facebook and Amazon. Here's How, More Perfect Union, March 27, 2025, https://www.youtube.com/watch?v=DGjj7wDYaiI

[70] Tarczynska, supra note 66.

[71] The lawmaker behind California's vetoed AI bill, SB 1047, has harsh words for Silicon Valley, Maxwell Zeff, Tech Crunch, October 2, 2024, https://techcrunch.com/2024/10/02/the-lawmaker-behind-californias-vetoed-ai-bill-sb-1047-has-harsh-words-for-silicon-valley/?guccounter=1&guce_referrer=aHR0cHM6Ly93d3cuZ29vZ2xlLmNvbS8&guce_referrer_sig=AQAAAEUzd4Dn2nkNTS6IlULn9fMEiva0aCJEphs4YXZKjME4LBLXKLUZIGOW0RsFSV0YnY3oPPVHw6k7-xqu7T63VvUSMM-OxcerkwgkWTzaWE7s1pHxn5AlaMreA--ytK6mvA483fvmY-HOdWwPzdHopaujRGzX2ffBTAMkkuXyMlp6U

[72] https://artificialintelligenceact.eu/

[73] https://gdpr-info.eu/

[74] https://commission.europa.eu/strategy-and-policy/priorities-2019-2024/europe-fit-digital-age/digital-services-act_en

[75] https://commission.europa.eu/strategy-and-policy/priorities-2019-2024/europe-fit-digital-age/digital-markets-act-ensuring-fair-and-open-digital-markets_en

[76] https://eur-lex.europa.eu/eli/dir/2024/2831/oj

[77] EU's AI Act fails to set the gold standard for human rights, EDRi and AI Coalition Partners, April 3, 2024, https://edri.org/our-work/eu-ai-act-fails-to-set-gold-standard-for-human-rights/

[78] Vance, in First Foreign Speech, Tells Europe That U.S. Will Dominate A.I., David E. Sanger, New York Times, February 11, 2025, https://www.nytimes.com/2025/02/11/world/europe/vance-speech-paris-ai-summit.html

[79] Macron Pitches Lighter Regulation to Fuel A.I. Boom in Europe, Aurelien Breeden and Liz Alderman, New York Times, February 10, 2025, https://www.nytimes.com/2025/02/10/business/ai-summit-paris.html?searchResultPosition=8

[80] Zero Trust AI Governance, AI NOW, August 10, 2023, https://ainowinstitute.org/publications/zero-trust-ai-governance; How the FTC Can Mandate Data Minimization Through a Section 5 Unfairness Rulemaking, EPIC and Consumer Reports, January 2022, https://epic.org/documents/how-the-ftc-can-mandate-data-minimization-through-a-section-5-unfairness-rulemaking/

[81] See soon to be released AI Now 2025 Landscape report, https://ainowinstitute.org/publications; FTC Launches Inquiry into Generative AI Investments and Partnerships, Federal Trade Commission, January 25, 2024, https://www.ftc.gov/news-events/news/press-releases/2024/01/ftc-launches-inquiry-generative-ai-investments-partnerships; *Consumer Financial Protection Circular 2024-06,* Consumer Financial Protection Bureau, October 24, 2024, https://www.consumerfinance.gov/compliance/circulars/consumer-financial-protection-circular-2024-06-background-dossiers-and-algorithmic-scores-for-hiring-promotion-and-other-employment-decisions/?source=email

[82] Why Google's search engine trial is about AI, Jaclyn Diaz, NPR, April 29, 2025, https://www.npr.org/2025/04/29/nx-s1-5377353/google-antitrust-remedies-trial-ai

[83] Joint Statement on Enforcement of Civil RIghts, Fair Competition, Consumer Protection, and Equal Opportunity Laws in Automated Systems, April 4, 2024, https://www.justice.gov/archives/crt/media/1346821/dl?inline

[84] FTC Announces Crackdown on Deceptive AI Claims and Schemes, September 25, 2024, https://www.ftc.gov/news-events/news/press-releases/2024/09/ftc-announces-crackdown-deceptive-ai-claims-schemes

[85] FTC Releases Summary of Key Accomplishments, January 19, 2025, https://www.ftc.gov/news-events/news/press-releases/2025/01/ftc-releases-summary-key-accomplishments

[86] Procurement As Policy: Administrative Process for Machine Learning, Deirdre K. Mulligan & Kenneth A. Bamberger, Berkeley Technology Law Journal, Vol.34, 2019, October 4, 2019, https://papers.ssrn.com/sol3/papers.cfm?abstract_id=3464203

[87] Memo on Advancing the Responsible Acquisition of Artificial Intelligence in Government, Shlanda D. Young, Office of Management and Budget, September 24, 2024, https://bidenwhitehouse.archives.gov/wp-content/uploads/2024/10/M-24-18-AI-Acquisition-Memorandum.pdf

[88] White House Releases New Policies on Federal Agency AI Use & Procurement, White House, April 7, 2025, https://www.whitehouse.gov/articles/2025/04/white-house-releases-new-policies-on-federal-agency-ai-use-and-procurement/

[89] US lawmakers have already introduced hundreds of AI bills in 2025, Kyle Wiggers, Tech Crunch, March 7, 2025, https://techcrunch.com/2025/03/07/us-lawmakers-have-already-introduce-hundreds-of-ai-bills-in-2025/

[90] Interview with Annette Bernhardt, Director of the Technology & Work Program at the UC Berkeley Labor Center, April 21, 2025.

[91] See for example, Massachusetts SD 838 (Fernandes), https://malegislature.gov/Bills/194/SD838/Senate/Bill/Text; California AB 1221 (Bryan), https://leginfo.legislature.ca.gov/

faces/billTextClient.xhtml?bill_id=202520260AB1221; Maine LD 61 (Roeder), https://legiscan.com/ME/bill/LD61/2025

[92] See for example, California AB 1331 (Elhawary), https://legiscan.com/CA/bill/AB1331/2025; Connecticut SB 1484 (LAB), https://www.cga.ct.gov/2025/TOB/S/PDF/2025SB-01484-R00-SB.PDF

[93] See for example, New York SB 185(A) (Hoylman-Sigal), https://www.nysenate.gov/legislation/bills/2025/S185/amendment/A

[94] See for example Oklahoma SB 611 (Jett), https://www.oklegislature.gov/cf_pdf/2025-26%20int/sb/SB611%20int.pdf

[95] Biometric Information Privacy Act, 740 ILCS 14/5, https://www.ilga.gov/legislation/ilcs/ilcs3.asp?ActID=3004

[96] https://oag.ca.gov/privacy/ccpa

[97] https://leg.colorado.gov/bills/sb24-205

[98] California: https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202320240AB2655; New York: https://legislation.nysenate.gov/pdf/bills/2023/S1042A; Minnesota: https://www.revisor.mn.gov/statutes/2023/cite/609.771

[99]https://www.sanjoseca.gov/your-government/departments-offices/information-technology/ai-reviews-algorithm-register/govai-coalition

[100] Id.

[101] AI in Local Government: How Counties & Cities Are Advancing AI Governance, Maddy Dwyer and Quinn Anex-Ries, Center for Democracy & Technology, April 15, 2025, https://cdt.org/insights/ai-in-local-government-how-counties-cities-are-advancing-ai-governance/

[102] Id.

[103] Generative AI Guidelines, City of San Jose, Last updated April 24, 2025, https://www.sanjoseca.gov/home/showpublisheddocument/100095/638811146636991552

[104] Id. at 13.

[105] San Francisco Administrative Code — Artificial Intelligence Inventory, Ordinance 288-24; https://www.sfbos.org/sites/default/files/o0288-24.pdf

[106] https://www.pa.gov/content/dam/copapwp-pagov/en/governor/documents/2025.3.21%20gov%20shapiro%20letter%20on%20ai%20and%20employees.pdf

[107] Interview with Cynthia Conti-Cook, March 28, 2025.

[108] https://www.nyc.gov/site/mocs/regulations/ppb.page

[109] Long Beach Smart City Initiative, https://www.longbeach.gov/smartcity/guiding-principles/community-engagement/

[110] Proposed Ordinance Amendment Sec. 46-37, Declining ICE Detainer Requests Absent Full Reimbursement; Limiting Direct and Indirect Disclosure of Personal Information to Immigration Agents,https://cook-county.legistar.com/LegislationDetail.aspx?ID=6229098&GUID=A446EEDA-223E-4680-BF32-DD1D53FF1D0C&Options=Advanced&Search=&FullText=1

[111] San Francisco Bans Facial Recognition Technology, Kate Conger, Richard Fausset and Serge F. Kovaleski, New York Times, May 14, 2019, https://www.nytimes.com/2019/05/14/us/facial-recognition-ban-san-francisco.html

[112] https://www.portland.gov/code/34/10

[113] Main State Law L.D. 1585, getPDF.asp

[114] Atlanta City Council Bans Data Centers in Some Areas, Riley Bunch, Atlanta Journal-Constitution, September 4, 2024, https://www.govtech.com/policy/atlanta-city-council-bans-data-centers-in-some-areas

[115] By-Right Approval For Data Centers Changed To Full Board Review In Loudoun County, Emily Leayman, Patch, March 20, 2025, https://patch.com/virginia/ashburn/data-center-right-approval-process-removed-loudoun-county

[116] CPAM-2024-0001 & ZOAM-2024-0001, Project Plan for Data Center Standards and Locations, https://loudoun.granicus.com/MetaViewer.php?view_id=89&clip_id=7593&meta_id=241037

[117] Peculiar officials in Missouri remove data centers from ordinance, blocking $1.5bn Diode project, Dan Swinhoe, DCD, October 23, 2024, https://www.datacenterdynamics.com/en/news/peculiar-officials-in-missouri-remove-data-centers-from-ordinance-blocking-15bn-diode-project/

[118] Id.

[119] Valparaiso, Ind., Mayor Says Data Center Dead After Outcry, Alex Dalton, The Times, March 12, 2025, https://www.govtech.com/products/valparaiso-ind-mayor-says-data-center-dead-after-outcry

[120] https://www.siliconvalleypower.com/svp-and-community/rules-and-regulations

[121] Interview with Councilmember Sudhanshu “Suds” Jain, April 14, 2025.

[122] City of Santa Clara Climate Action Plan B-1-7: Carbon Neutral Data Centers.

[123] News Release Chandler Arizona, January 11, 2023, Chandler’s data center ordinance now in effect | City of Chandler

[124] Denver data center builder won't pursue city tax break following concerns over water, energy use, Elise Schmelzer, The Denver Post, October, 30, 2024, https://www.denverpost.com/2024/10/30/denver-data-center-coresite-tax-break-city-council/

[125] Manassas City Council hikes data center tax rate 72% in new budget, Cher Muzyk, Prince Williams Times, February 11, 2025, https://www.princewilliamtimes.com/news/manassas-city-council-hikes-data-center-tax-rate-72-in-new-budget/article_1949f236-283d-11ef-9303-a79653a3e936.html

[126] Company tax incentives don't spur economic growth, Dion Rabouin, Axios, January 7, 2020, New study finds company tax incentives don't spur economic growth

[127] Personal Property Lease Transaction Tax (7550), https://www.chicago.gov/city/en/depts/fin/supp_info/revenue/tax_list/personal_propertyleasetransactiontax.html

[128] Cloud Computing Tax Threatens Chicago's Silicon Valley Dream, Miranda Davis, Shruti Singh, and Isis Almeida, Bloomberg, December 10, 2024, https://www.bloomberg.com/news/articles/2024-12-09/cloud-computing-tax-threatens-chicago-s-silicon-valley-ambitions

[129] https://library.municode.com/co/denver/codes/code_of_ordinances?nodeId=TITIIREMUCO_CH53TAMIRE_ARTIISATA

[130] https://otr.cfo.dc.gov/release/taxation-digital-goods-district-columbia

[131] https://sfelections.sfgov.org/sites/default/files/Documents/candidates/Nov2019_LT_D.pdf

[132] New SF tax on Uber and Lyft will fund drivers for Muni, Rachel Swan, San Francisco Chronicle, November 27, 2019, https://www.sfchronicle.com/bayarea/article/New-SF-tax-on-Uber-and-Lyft-will-fund-drivers-for-14864815.php

[133] Robots are taking our jobs. But San Francisco is taking a stand, World Economic Forum, May 8, 2017, https://www.weforum.org/stories/2017/05/san-francisco-is-doing-the-once-unthinkable-to-stop-robots-taking-our-jobs/

[134] A New Culprit in the Housing Crisis: Rent-Setting Software Algorithms, Local Progress, March 2024, https://docs.google.com/document/d/1BThAQ74ScGWqh0jF3Rcf3j25d1jVR6OlDvCdtlu_Hjs/edit?tab=t.0

[135] Supermarket digital-only coupons are popular. Critics say they breed inequality and San Diego banned them, Karen Garcia, Los Angeles Times, March 29. 2025, https://www.latimes.com/california/story/2025-03-29/san-diego-says-digital-only-coupons-arent-equitable-heres-what-theyre-doing-about-it

[136] California City Changes Rules on Grocery Store Coupons, Chloe Mayer, Newsweek, March 25, 2025, https://www.newsweek.com/san-diego-coupons-grocery-stores-digital-paper-2050267

[137] https://www.nyc.gov/site/dca/workers/workersrights/delivery-worker-rights-english.page

[138] https://www.seattle.gov/documents/Departments/LaborStandards/Signed%20Ordinance%20126878.pdf

[139] It May Not Be Brainwashing, but It's Not Democracy, Either, Thomas B. Edsall, New York Times, March 18, 2025, https://www.nytimes.com/2025/03/18/opinion/andreessen-musk-trump-silicon-valley.html