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"Florida Targets AI Risks: Consumer Rights and Infrastructure Accountability"

Florida Governor Ron DeSantis has unveiled an ambitious proposal to establish an Artificial Intelligence Bill of Rights and to curb public subsidization of hyperscale AI data centers. Against the backdrop of a national debate over federal preemption and state authority in AI governance, the proposal signals Florida's intent to stake out a more prescriptive legislative posture on AI uses, privacy safeguards, and data infrastructure. This article summarizes the key elements of the proposal, situates them within the current legal and policy landscape, and outlines practical implications for companies operating in Florida or serving Florida consumers.

The Proposal at a Glance

The Governor's plan advances two interlocking initiatives. First, an AI Bill of Rights would codify consumer-focused protections addressing deepfakes, transparency, parental controls for minors, limitations on AI uses of a person's name, image, and likeness, restrictions on AI-mediated counseling, data security and privacy controls, and guardrails on insurers' use of AI in claims handling. Second, a data center proposal would seek to limit cost pass-throughs to ratepayers, disallow tax subsidies for hyperscale facilities, empower local governments to reject AI data center development, and impose environmental and siting constraints, including water usage safeguards, foreign principals restrictions, and noise mitigation.

Key Consumer and Privacy Protections

The AI Bill of Rights proposal would reinforce and expand several privacy and safety mandates. Deepfake prohibitions would be reenacted and strengthened, particularly for explicit content and depictions involving

minors. Public-sector procurement and use would be narrowed by banning state and local agencies from using specified foreign-developed AI tools. Consumer transparency would be heightened by requiring notice when individuals interact with AI systems such as chatbots. The proposal contemplates a prohibition on the use of an individual's name, image, and likeness without consent, with particular emphasis on deceptive commercial uses and contexts already addressed by fraud and political advertising laws.

For minors, the proposal would require parental controls enabling access to a child's conversation history with large language models, time-of-use parameters, and alerts tied to concerning behavioral signals. The proposal also seeks to ensure the security and privacy of data input into AI tools and to prohibit companies from selling or sharing personal identifying information with third parties, mirroring existing Florida privacy protections. Entities would be barred from marketing or delivering "licensed" therapy or mental health counseling through AI, and the proposal contemplates broader limits on using AI to impersonate licensed professionals.

Insurance-Specific Guardrails

The initiative targets algorithmic decision-making in insurance claims. AI could not serve as the sole basis for adjusting or denying a claim. Insurers deploying AI in claims workflows would need to disclose their use, and the Office of Insurance Regulation would be empowered to review AI models and associated practices for consistency with Florida's unfair insurance trade practices laws. These elements align with ongoing policy development at the National Association of Insurance Commissioners, which has focused on balancing innovation with enforceable safeguards against bias, opacity, and unfair outcomes in underwriting and claims operations.

Data Centers: Cost Allocation, Local Control, and Environmental Constraints

On the infrastructure side, the Governor's plan would prohibit utilities from imposing higher rates on Floridians to fund hyperscale data center development and would bar taxpayer subsidies for large AI facilities. Local governments would be expressly empowered to decline AI data center projects. Environmental and siting protections would include measures to safeguard water resources, restrict construction by foreign principals, prohibit siting on certain agricultural or greenbelt-classified lands, require setbacks and vegetative buffers, and mandate noise abatement reviews by the Department of Transportation. These constraints reflect growing scrutiny of data centers' water and energy demands and their potential to externalize costs onto local communities.

Preemption and the Federal–State Fault Line

The proposal arrives amid a high-profile dispute over whether federal policy should limit or preempt state-level AI legislation and regulation. Although there was consideration of federal action to impose a moratorium on state AI rules, the Governor has publicly asserted that an executive order would not preempt legislative action at the state level and that any comprehensive preemption would need to come from Congress. Recent congressional efforts to preempt states on a time-limited basis have drawn bipartisan criticism, and key provisions have been stripped or shelved in the near term. In the interim, Florida lawmakers are pursuing a multi-committee examination of AI's sectoral impacts, signaling continued legislative engagement even as federal policy remains unsettled.

Relationship to Federal AI Policy Frameworks

Florida's proposed AI Bill of Rights echoes elements of prior federal efforts to articulate AI principles, including transparency, privacy, safety, and accountability. However, whereas federal frameworks have

largely taken the form of voluntary guidance with notable gaps, the Florida proposal would impose enforceable obligations specific to consumer interactions, minors' access and monitoring, NIL protections, AI-enabled impersonation, and domain-specific restrictions such as insurance claims handling. For companies with national footprints, this divergence highlights an emerging patchwork in which state mandates may move faster and go further than federal guidance.

Implications for Companies Operating in Florida

Companies deploying AI-enabled consumer interfaces should anticipate new transparency and consent obligations, particularly around chatbot disclosures and NIL use. Organizations that process personal data for AI applications will need to reevaluate data governance, retention, and sharing practices to align with heightened prohibitions on the sale or sharing of personal identifying information and to ensure that inputs to AI systems are secured. Providers of AI-enabled mental health services or applications that simulate professional judgment should evaluate whether their offerings could be construed as delivering licensed services or impersonating licensed professionals.

Insurers and insurtechs should prepare for documentation and audit-readiness around claims AI, with the capacity to demonstrate human-in-the-loop adjudication and to evidence model governance measures that mitigate unfair trade practices risks. Public-sector vendors should assess eligibility under the proposed prohibitions on certain foreign-developed AI tools and anticipate heightened due diligence in procurement. Hyperscale data center operators and their partners should model the financial impact of ratepayer and taxpayer subsidy prohibitions, plan for local permitting risks, and incorporate water and noise mitigation strategies into site selection and design.

What to Watch Next

The Florida House has scheduled multiple committee hearings to assess AI across key domains, including utilities, workforce, education, health, criminal justice, emergency management, and professional regulation. Legislative text implementing the AI Bill of Rights and the data center limitations has yet to be introduced and will determine scope, definitions, enforcement mechanisms, and effective dates. Points of likely focus include the breadth of NIL protections, the contours of parental access and monitoring, the definition and enforceability of "deidentified" data restrictions, the extent of public-sector tool bans, and the standards for insurance model inspections.

Bottom Line

Florida is positioning itself to enact prescriptive consumer protections and sector-specific guardrails on AI, paired with a strong stance against socializing the costs of hyperscale data centers. Companies serving Florida consumers, operating AI-driven customer interfaces, or relying on AI in claims or other regulated functions should prepare for a compliance regime that emphasizes notice and consent, data minimization and security, human oversight, and procurement and siting constraints. With federal preemption uncertain and state-level momentum accelerating, Florida's proposal is an early indicator of the legislation direction that other states may follow; particularly in privacy, safety, and critical infrastructure governance.

If you would like more information on Florida's proposed AI Bill of Rights, hyperscale data center restrictions, or how these developments may impact your business, please contact Jade Davis.

Whether you are deploying AI-enabled consumer tools, navigating insurer and vendor obligations, or planning data center or infrastructure investments in Florida, Shumaker's Technology, Data Privacy, Cybersecurity & AI Service Line provides practical, forward-looking guidance to help you stay compliant and

competitive as the state's AI regulatory landscape evolves.

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