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What Employers Should Know About President Trump's AI Executive Order



By Jennifer Risberg on January 9, 2026

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Key Aspects of the EO

The EO's stated purpose is to encourage AI innovation, reduce barriers to AI development, lessen inconsistencies in state regulation, and target laws deemed to "embed ideological bias within models." The EO will create an AI Litigation Task Force to challenge state laws considered inconsistent with the EO's purpose. It is presently unclear which states or specific laws the Task Force may challenge. Accordingly, there is some uncertainty regarding what existing legislation may be implicated—and therefore targeted—by the EO's Task Force.

Current AI State Laws

At this point, many—if not most—employers use AI in some aspects of the hiring, recruitment, and onboarding process. In response to concerns that employer AI usage could result in discriminatory employment decisions, a number of states—such as California—enacted laws aimed at reducing the potential risk of biased AI-involved employment decisions. For example, California passed the **California Consumer Privacy Act**, effective January 1, 2026 (the "CCPA"). Among other things, the CCPA requires businesses that use AI (without human involvement) in employment decisions—for example, hiring, promotion, allocation of employees' work—to prepare a risk assessment, give pre-use notice, and permit opt-out rights.

Other states have passed similar laws targeting AI usage in employment. These include **Colorado** (effective 2026), **Illinois** (effective 2026), **Maryland**, and **Texas** (effective 2026).

The EO's interplay with this new patchwork of state AI-in-employment laws creates some uncertainty about whether and how to comply with the state framework, the EO, or both.

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regulating AI usage in employment. But given the increase in AI usage in employment decisions and corresponding increase of regulations (both state and federal), employers must stay abreast of the ever-changing legal landscape. Ultimately, any business using AI as a tool to navigate the employment relationship should consult with experienced outside counsel to ensure compliance with both current and foreseeable regulatory developments.

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