

Insights, News & Events

STRICT AI SAFETY RULES COMING TO ILLINOIS: 5 KEY TAKEAWAYS FOR BUSINESSES ON NEW STATE LAW

Insights
Jul 7, 2026

Strict AI Safety Rules Coming to Illinois: 5 Key Takeaways for Businesses on New State Law

Illinois will soon have the most rigorous safety standard when it comes to AI regulation, joining states like California and New York in attempting to set guardrails around emerging technology absent a federal regulatory framework. Governor Pritzker signed the Artificial Intelligence Safety Measures Act (SB 315) into law on July 6, creating multiple transparency requirements for AI developers and setting steep fines for noncompliance. The measure passed the state legislature with broad bipartisan support and garnered approval from both OpenAI and Anthropic. While the direct obligations of Illinois' Artificial Intelligence Safety Measures Act fall on a small set of frontier developers, businesses operating in the state will still need to be diligent about vendor compliance. Here's what you need to know before the new law takes effect on January 1, 2027.

How SB 315 Will Impact Your Business

Illinois businesses should look out for potential liability for privacy issues or other breaches that can flow down from a contract when procuring frontier models. Overall, the law provides a preview of the compliance architecture that the state may adopt for businesses in future legislative sessions. Illinois officials repeatedly cited the lack of a comprehensive national AI regulatory standard as the driving motivator

Related People



Daniel Pepper, CIPP/US
Partner

[303.218.3661](tel:303.218.3661)

Service Focus

[AI, Data, and Analytics](#)

Resource Hubs

[AI Governance Hub](#)

Related Offices

Chicago

behind the bill's passage. State officials argued it's their responsibility to fill this void.

While SB 315 presently enjoys the distinction of "standard-bearer," it is likely that other states will eclipse the law's requirements in subsequent legislative sessions. Ensuring your company is compliant with this current patchwork of state AI legislation is critical. Reach out to your FP legal counsel to get a better idea of your legal obligations.

5 Key Takeaways from the New Illinois AI Law

1. Transparency is Paramount

As AI becomes more ubiquitous in daily life, the public is often left to play catch-up when it comes to understanding the capabilities behind the technology. SB 315 requires AI developers to publicize how their company intends to:

- Apply industry standards to promote safety;
- Assess model capabilities and calculate the likelihood of catastrophic risk; and
- Act in the face of a safety incident.

This information must be made accessible to the public via a transparency framework that provides detailed information surrounding the developer's answer to each of those areas of inquiry. The developer's approach to risk mitigation is a central focus.

2. Third-Party Audits Are Mandated

The act also attempts to stop the fox from guarding the henhouse. Beyond requiring AI developers to produce a transparency framework, SB 315 makes Illinois the first state in the nation to mandate that developers engage third-party auditors to validate compliance. This feature of the law is meant to address the oft-cited complaint that Big Tech has been given too much discretion when it comes to policing itself, leading to watered-down enforcement and toothless consequences for noncompliance. External audits must be completed annually.

3. Reporting Is Enforced

In addition to requiring developers to increase transparency, they will need to provide notice of exigent dangers. The law

requires AI companies to report a critical safety incident within **72 hours** of learning that it occurred. This window shrinks to **24 hours** if the incident poses an “imminent risk of death or serious physical injury.”

Developer reports are filed with the Illinois Emergency Management Agency and the Illinois Attorney General, and are further extended to law enforcement and/or public safety agencies with jurisdiction over imminent-risk incidents, when applicable. Additionally, developers must be forward-looking and identify emergent risks and proactive mitigation measures. Whistleblowers will get enhanced protection for reporting potential risks.

4. Accountability Is Meaningful

Responsibility for enforcement lies with the Illinois Attorney General. The AG can levy a fine of up to \$1M for the first violation, and up to \$3M for subsequent infractions. Notably, during the act’s signing ceremony, Attorney General Kwame Raoul said “one could argue that \$3 million is not enough, but this is a beginning step.”

5. Business Size Is Relevant

SB 315 focuses on the largest industry players. The law distinguishes between “frontier developers,” defined as AI developers who train frontier models (those models that have a computing threshold greater than 10^{26} floating-point operations), and “large frontier developers,” defined as those frontier developers with \$500M+ in annual gross revenue. The core obligations of the law apply to the latter group, which limits the reach of the law to the most advanced actors in the sector.

Conclusion

Fisher Phillips will continue to monitor developments and provide updates as warranted, so make sure you are [subscribed](#) to Fisher Phillips’ Insight System to get the most up-to-date information direct to your inbox. If you have questions, please contact your Fisher Phillips attorney, the authors of this Insight, or any member of our [Fisher Phillips AI, Data, and Analytics Practice Group](#).