



REPRINTED OP-ED

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Commentary: RAISE Act will undermine New York's AI leadership

By Marc Alessi, Executive Director, BIANY

The race to become the national leader in artificial intelligence is accelerating rapidly. Several states are making significant investments in the infrastructure that powers AI and opening their arms to innovation, recognizing the importance of remaining competitive with a technology that is already redefining what industries thought was possible. As a global commerce hub and the world's second most valuable innovation ecosystem—boasting endless talent and attracting significant public and private investment—New York is well-positioned to lead the pack, but recent actions taken in Albany risk tripping us up.

In the legislative session's final days, lawmakers passed a sweeping slate of AI regulations. Despite the significant concerns raised by the business and investor community about the impact of these bills, lawmakers passed consequential and concerning legislation like the RAISE Act, which imposes broad new mandates on developers and deployers of AI systems. Not only would it force new liabilities on startups working to create innovative solutions, but it would also force significant new compliance burdens and costs onto deployers—like small and medium-sized businesses.

These mandates risk crushing New York's tech ecosystem, chasing away promising AI projects and pushing future innovation to more welcoming states. As California Gov. Gavin Newsom cited in [his veto of the bill the RAISE Act is based on, SB 1047](#), while the policy's intentions are noble, he recognized that such a broad proposal threatens to freeze innovation in its tracks, undermining startup founders and the development of transformational applications.

Gov. Kathy Hochul, who has been a vocal advocate for American leadership in AI innovation, [saying "Whoever dominates the AI industry will dominate the next chapter of history."](#) should follow the same path and veto legislation that could set New York back.

New York has the potential to be the national leader in AI. New York City alone is home to [more than 2,000 AI startups](#), including 35 unique projects that have raised \$17 billion in investment. Our top universities and research institutions are directing nation-leading research and developing a new generation of AI-skilled professionals and startup founders. Statewide, [400,000 New Yorkers](#) work in high-tech positions, placing the state in the top three nationwide for high-tech employment. We cannot cede our competitive edge, but enacting bills like the RAISE Act threaten to do just that.

If we want to maintain New York as a home to innovation, we must lead with pro-growth policies. Gov. Hochul will soon begin to consider the ramifications of each proposal and the impact they could have on our state's economy. With her leadership, I am certain we can strike the right balance that establishes sensible safeguards without sabotaging the Empire State's position and as one of the world's top tech ecosystems.

As Gov. Hochul proclaims, [AI is presenting another Erie Canal moment](#). Let's seize it—Not chase our best and brightest out of state or overseas with poorly wrought regulations.

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