Many Small-Business owners have expressed concern that technology regulations could harm their businesses and reported that their businesses would face challenges complying with proposed AI regulations at the state level.

As Small Businesses increasingly adopt AI in their operations, Small-Business owners have demonstrated concerns that pertain to compliance, even in the absence of a federal regulatory framework that addresses the emerging technology's myriad uses.

Moreover, in its December 2024 report, the Bipartisan House Task Force on Artificial Intelligence found that Small Businesses may not only lack sufficient access to capital and AI resources, but also that they may lack a full understanding of how to best adopt AI systems.

> **NSBA should prioritize Small-Business realities and potential in crafting a comprehensive, common sense framework to regulate AI.**

WORKING SOLUTIONS

NSBA recommends that Congress, in crafting a framework to regulate AI, consider barriers Small Businesses may face in adopting AI, including, but not limited to: knowledge barriers, concerns over legal and compliance issues as well as costs, and lack of employee training to prepare the workforce for an increasingly digital economy.

In short, NSBA encourages lawmakers to:

- Ensure that key agencies tasked with regulating AI such as the Department of Commerce's National Institute of Standards and Technology (NIST), along with the U.S. Small Business Administration (SBA), have funding specifically allocated to resources focused on Small-Business AI deployment.

- Consider business size in crafting requirements for AI developers so that Small-Business AI innovation is not hindered by potentially burdensome regulations.

- As the Bipartisan Senate AI Working Group recommended in its own AI roadmap, clarify that AI-related expenses (e.g., business software, cloud computing services) are allowable expenses under the SBA's 7(a) loan program to help Small Businesses more affordably adopt AI.