

Proposed Resolution in Support of Local Control for Artificial Intelligence Policy Making

Issue: On December 11, 2025, President Trump signed an Executive Order (EO) titled “Ensuring a National Policy Framework for Artificial Intelligence,” calling upon federal agencies to challenge existing state Artificial Intelligence (AI) laws. The EO also tasks the White House with drafting a national policy for AI, which will be submitted to Congress as a legislative recommendation. This EO may severely limit counties from ensuring the safe and responsible deployment of AI, including in the protection of resident data in county-owned and operated systems, and in the preservation of local land use and zoning authorities to guide locally informed siting of AI data center infrastructure.

Proposed Policy: The National Association of Counties (NACo) urges Congress to protect and preserve existing local authority over the development and regulation of Artificial Intelligence (AI). NACo opposes broad federal preemption of state and local Artificial Intelligence laws and regulations that would restrict counties’ ability to protect residents, manage local infrastructure impacts, safeguard public data, or govern county operations. NACo supports local control for AI regulations, including support for local discretion as to how BEAD funding and other federal funds and grants are dispersed, without regard to federal AI regulatory compliance. No federal funding should be withheld, limited, or reallocated based on a jurisdiction’s AI policy choices or regulatory approach.

Background: Counties are directly impacted by Artificial Intelligence, with its regulation affecting daily function including infrastructure, public safety, elections, and beyond. Counties are intergovernmental partners in ensuring the safe and responsible use of AI, including in the protection of resident data in county-owned and operated systems, and in the preservation of local land use and zoning authorities to guide locally informed siting of AI data center infrastructure.

In May 2025, The U.S. House of Representatives passed a 10-year moratorium on state laws governing artificial intelligence. This legislation aimed to limit state enforcement of AI regulations and was part of a broader budget reconciliation text. In July 2025, the Senate, almost unanimously, chose to strike this piece of legislation with an amendment to the “One Big, Beautiful Bill Act,” arguing to support the interest of local power and that responsible regulation for Artificial Intelligence was needed.

On December 11, 2025, President Trump signed the Executive Order “Ensuring a National Policy Framework for Artificial Intelligence,” directing federal agencies to discourage state-level AI regulation and to develop recommendations for federal legislation establishing a national AI policy framework. The Executive Order directed the National Telecommunications and Information Administration (NTIA) to evaluate whether eligibility for certain non-deployment Broadband Equity, Access, and Deployment (BEAD) Program funds should be conditioned on compliance with federal AI policy objectives. The Order also directed other federal agencies to review discretionary grant programs and determine whether similar funding contingencies could be applied.

On March 20, 2026, the White House released legislative recommendations for a “National Policy Framework for Artificial Intelligence,” calling on Congress to establish a unified federal approach to AI regulation. The

framework recommends federal preemption of certain state AI laws deemed to impose undue burdens on innovation or interstate commerce, while also encouraging accelerated development of AI data centers, energy infrastructure, and related permitting processes. The framework further proposes the use of federal funding incentives and grant conditions to advance national AI policy objectives.

Legal observers and local government stakeholders have noted uncertainty regarding the enforceability of these proposals and have raised concerns about federal overreach and the use of funding conditions to influence state policy decisions.

In contrast to the absence of comprehensive federal AI legislation, states and local governments have taken an active role in addressing AI-related impacts on residents, workers, and public institutions. During the 2025 legislative session, all 50 states, the District of Columbia, and U.S. territories introduced AI-related legislation, with dozens of states enacting measures focused on transparency, worker protections, misuse of AI systems, infrastructure safety, intellectual property rights, and consumer protection.

Fiscal/Rural/Urban Impact: BEAD funding may be removed from states and municipalities that are not in compliance with Federal regulations. Other grant programs may be placed under similar contingencies if not in line with new regulations.

Cosponsors: Melissa Daub, Commissioner, Wayne County, Mich.; Jennifer Clark, County Board Member Lake County, Ill.