

STAND. COM. REP. NO.

167

Honolulu, Hawaii

FEB 05 , 2025

RE: H.B. No. 639

H.D. 1

Honorable Nadine K. Nakamura
Speaker, House of Representatives
Thirty-Third State Legislature
Regular Session of 2025
State of Hawaii

Madame:

Your Committee on Economic Development & Technology, to which
was referred H.B. No. 639 entitled:

"A BILL FOR AN ACT RELATING TO ARTIFICIAL INTELLIGENCE,"

begs leave to report as follows:

The purpose of this measure is to require corporations,
organizations, or individuals engaging in commercial transactions
to inform consumers when the consumers are communicating or
otherwise interacting with a chatbot or other technology that
mimics human interaction.

Your Committee received testimony in support of this measure
from the Department of Commerce and Consumer Affairs; Public
Citizen; and one individual. Your Committee received testimony in
opposition to this measure from TechNet and the Chamber of
Commerce Hawaii.

Your Committee finds that chatbots have increased in their
sophistication and can engage in human-like conversations and
potentially mislead users into believing they are interacting with
real people. This measure will ensure that consumers are informed
when they are interacting with a chatbot or similar technology
during commercial transactions.

Your Committee has amended this measure by:

2025-1327 HB639 HD1 HSCR HMSO



- (1) Adding an exemption for small businesses that unknowingly utilize artificial intelligence chatbots;
- (2) Adding a requirement for developers of chatbots to make certain disclosures regarding their chatbots' use of artificial intelligence;
- (3) Clarifying that the Director of the Office of Consumer Protection may file a petition for injunctive relief against violators;
- (4) Changing the effective date to July 1, 3000, to encourage further discussion; and
- (5) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Economic Development & Technology that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 639, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 639, H.D. 1, and be referred to your Committee on Consumer Protection & Commerce.

Respectfully submitted on
behalf of the members of the
Committee on Economic
Development & Technology,



GREGGOR ILAGAN, Chair



Record of Votes of the Committee on Economic Development & Technology

Bill/Resolution No.: HB 639	Committee Referral: ECD, CPC, FIN	Date: 1/31/25		
<input type="checkbox"/> The committee is reconsidering its previous decision on the measure.				
The recommendation is to:				
<input type="checkbox"/> Pass, unamended (as is) <input checked="" type="checkbox"/> Pass, with amendments (HD) <input type="checkbox"/> Hold <input type="checkbox"/> Pass short form bill with HD to recommit for future public hearing (recommit)				
ECD Members	Ayes	Ayes (WR)	Nays	Excused
1. ILAGAN, Greggor (C)	—			
2. HUSSEY, Ikaika (VC)	—			
3. HOLT, Daniel	—			
4. TAM, Adrian K.	—			
5. TEMPLO, Shirley Ann				—
6. TODD, Chris	—			
7. MATSUMOTO, Lauren	—			
TOTAL (7)	6	—	—	1
The recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted If joint referral, _____ did not support recommendation. committee acronym(s)				
Vice Chair's or designee's signature: _____				
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO				