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# A BILL FOR AN ACT

RELATING TO ARTIFICIAL INTELLIGENCE.

**BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:**

1           SECTION 1. The legislature finds that modern chatbots are  
2 now advanced enough to engage with users in highly human-like  
3 conversations, making it difficult for users to determine if  
4 they are speaking with a chatbot or a real person. Many  
5 chatbots are also designed to mimic human behaviors and  
6 conversations, and can be used to effectively influence people  
7 in a variety of ways, from advertising to spreading  
8 misinformation, and can even manipulate users into revealing  
9 personal information such as their social security or bank  
10 account numbers. Additionally, chatbots are intended to learn  
11 and adapt through their interactions with users. As chatbots  
12 gather information from users, they become better able to help  
13 their developers achieve specific objectives, such as keeping  
14 users engaged or encouraging them to make a purchase.

15           The legislature further finds that there are few  
16 regulations requiring that companies or individuals make users  
17 aware that they are interacting with a chatbot. This lack of



1 transparency means that individuals may mistakenly believe they  
2 are conversing with a licensed professional, such as a doctor,  
3 financial advisor, or therapist, when they are actually speaking  
4 with a chatbot. The legislature believes that consumers have a  
5 right to know when they are engaging with a chatbot or other  
6 technology that mimics human interaction.

7 Accordingly, the purpose of this Act is to require:

8 (1) Corporations, organizations, or individuals engaging  
9 in commercial transactions to inform consumers when  
10 the consumers are communicating or otherwise  
11 interacting with a chatbot or other technology that  
12 mimics human interaction; and

13 (2) Developers of chatbots that sell, offer for sale,  
14 advertise, or make available chatbots to disclose that  
15 their chatbots use artificial intelligence and are  
16 capable of mimicking human behavior and engaging in a  
17 textual or spoken conversation.

18 SECTION 2. Chapter 481B, Hawaii Revised Statutes, is  
19 amended by adding a new part to be appropriately designated and  
20 to read as follows:

21 "PART . ARTIFICIAL INTELLIGENCE CHATBOTS



1           **§481B- Definitions.** As used in this part:

2           "Artificial intelligence chatbot" or "chatbot" means a  
3 software application, web interface, or computer program  
4 designed to have textual or spoken conversations that uses a  
5 generative artificial intelligence system capable of maintaining  
6 a conversation with a user in a manner that uses natural  
7 language and simulates the way a natural person would behave as  
8 a conversational partner.

9           "Class action" includes the definition as provided in rule  
10 23 of the Hawaii rules of civil procedure.

11          "Consumer" means a natural person who, primarily for  
12 personal, family, or household purposes, purchase, attempts to  
13 purchase, or is solicited to purchase goods or services or who  
14 commits money, property, or services as a personal investment.

15          "De facto class action" has the same meaning as in section  
16 480-1.

17          **§481B- Disclosure required.** (a) No corporation,  
18 organization, or individual engaging in a commercial transaction  
19 or trade practice of any kind shall use an artificial  
20 intelligence chatbot or other technology that is capable of  
21 mimicking human behavior and that engages in a textual or spoken



1 conversation with a consumer in a manner that may mislead or  
2 deceive a reasonable person to believe they are engaging with a  
3 natural person without first disclosing to the consumer in a  
4 clear and conspicuous fashion that the consumer is interacting  
5 with a chatbot or other form of technology capable of mimicking  
6 human behavior; provided that small businesses that unknowingly  
7 utilize artificial intelligence chatbots in their operations  
8 shall not be in violation of this chapter unless the small  
9 business has been provided clear and adequate notice of the  
10 requirements under this part and fails to comply after being  
11 afforded a reasonable opportunity to do so.

12 (b) No developer of an artificial intelligence chatbot  
13 shall sell, offer for sale, advertise, or make available any  
14 artificial intelligence chatbot without disclosing in a clear  
15 and conspicuous fashion that the chatbot uses artificial  
16 intelligence and is capable of mimicking human behavior and  
17 engaging in a textual or spoken conversation with a person in a  
18 manner that may mislead or deceive a reasonable person to  
19 believe they are engaging with a natural person.

20 (c) Any violation of this section shall be considered an  
21 unfair or deceptive act or practice under this chapter.



1           **§481B- Suits by persons injured; amount of recovery;**  
2 **injunctions.** (a) Except as provided by subsection (b), any  
3 person who is injured by a violation of this part may:

4           (1) Sue for damages sustained by the person, and, if the  
5 judgment is for the plaintiff, the plaintiff shall be  
6 awarded a sum no less than \$1,000 or threefold damages  
7 sustained by the plaintiff, whichever sum is greater,  
8 and reasonable attorneys' fees together with the costs  
9 of the suit; and

10           (2) Bring proceedings to enjoin the unlawful practices,  
11 and, if the decree is for the plaintiff, the plaintiff  
12 shall be awarded reasonable attorneys' fees together  
13 with the costs of the suit.

14           (b) The remedies provided in subsection (a) shall be  
15 applied in class action and de facto class action lawsuits or  
16 proceedings; provided that:

17           (1) The minimum \$1,000 recovery provided in subsection (a)  
18 shall not apply in a class action or de facto class  
19 action lawsuit;

20           (2) That portion of threefold damages in excess of  
21 compensatory damages shall be apportioned and



1 allocated by the court in its exercise of discretion  
2 so as to promote effective enforcement of this part  
3 and deterrence from violation of its provisions; and

4 (3) Damages awarded shall not exceed \$10,000,000.

5 (c) The remedies provided in this section are cumulative  
6 and may be brought in one action.

7 (d) In addition to any other remedy provided by law, the  
8 attorney general and director of the office of consumer  
9 protection may file a petition for injunctive relief against any  
10 corporation, organization, developer, or individual who violates  
11 this part.

12 **§481B- Penalties.** Any corporation, organization,  
13 developer, or individual found to be in violation of this part  
14 shall be subject to a civil penalty of no more than \$5,000,000."

15 SECTION 3. This Act does not affect rights and duties that  
16 matured, penalties that were incurred, and proceedings that were  
17 begun before its effective date.

18 SECTION 4. This Act shall take effect on July 1, 3000.



**Report Title:**

Artificial Intelligence; Chatbots; Unfair or Deceptive Practices; Developer; Penalties; Exemptions

**Description:**

Requires corporations, organizations, or individuals engaging to commercial transactions or trade practices to clearly and conspicuously notify consumers when the consumer is interacting with an artificial intelligence chatbot or other technology capable of mimicking human behaviors, with certain exemptions. Requires developers that sell, offer for sale, advertise, or make available artificial intelligence chatbots to disclose that their chatbots use artificial intelligence. Authorizes private rights of action. Establishes statutory penalties. Effective 7/1/3000. (HD1)

*The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.*

