

JAN 17 2025

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



1 a conversation with a user in a manner that uses natural
2 language and simulates the way a natural person would behave as
3 a conversational partner.

4 "Class action" includes the definition as provided in rule
5 23 of the Hawaii rules of civil procedure.

6 "Consumer" means a natural person who, primarily for
7 personal, family, or household purposes, purchase, attempts to
8 purchase, or is solicited to purchase goods or services or who
9 commits money, property, or services as a personal investment.

10 "De facto class action" has the same meaning as in section
11 480-1.

12 **§481B- Disclosure required.** (a) No corporation,
13 organization, or individual engaging in a commercial transaction
14 or trade practice of any kind shall use an artificial
15 intelligence chatbot or other technology that is capable of
16 mimicking human behavior and that engages in a textual or spoken
17 conversation with a consumer in a manner that may mislead or
18 deceive a reasonable person to believe they are engaging with a
19 natural person without first disclosing to the consumer in a
20 clear and conspicuous fashion that the consumer is interacting



1 with a chatbot or other form of technology capable of mimicking
2 human behavior.

3 (b) Any violation of this section shall be considered an
4 unfair or deceptive act or practice under this chapter.

5 **§481B- Suits by persons injured; amount of recovery;**

6 **injunctions.** (a) Except as provided by subsection (b), any
7 person who is injured by a violation of this part may:

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

14 (2) Bring proceedings to enjoin the unlawful practices,
15 and, if the decree is for the plaintiff, the plaintiff
16 shall be awarded reasonable attorneys' fees together
17 with the costs of the suit.

18 (b) The remedies provided in subsection (a) shall be
19 applied in class action and de facto class action lawsuits or
20 proceedings; provided that:



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

4 (2) That portion of threefold damages in excess of
5 compensatory damages shall be apportioned and
6 allocated by the court in its exercise of discretion
7 so as to promote effective enforcement of this part
8 and deterrence from violation of its provisions; and

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

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

12 (d) In addition to any other remedy provided by law, the
13 attorney general may file a petition for injunctive relief
14 against any corporation, organization, or individual who
15 violates this part.

16 **§481B- Penalties.** Any corporation, organization, or
17 individual found to be in violation of this part shall be
18 subject to a civil penalty of no more than \$5,000,000."

19 SECTION 3. This Act shall take effect upon its approval.



S.B. NO. 640

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INTRODUCED BY:

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S.B. NO. 640

Report Title:

Artificial Intelligence; Chatbots; Unfair or Deceptive Practices; Penalties

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. Authorizes private rights of action. Establishes statutory penalties.

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

