

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



