

Honolulu, Hawaii

MAR 30 2026

RE: H.B. No. 2137
H.D. 3
S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Thirty-Third State Legislature
Regular Session of 2026
State of Hawaii

Sir:

Your Committee on Labor and Technology, to which was referred H.B. No. 2137, H.D. 3, entitled:

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

begs leave to report as follows:

The purpose and intent of this measure is to:

- (1) Prohibit certain harmful uses of and mandate disclosure for realistic digital limitations generated by artificial intelligence (AI);
- (2) Establish certain exemptions;
- (3) Provide for civil actions and civil remedies for individuals injured by unauthorized AI-generated realistic digital imitations;
- (4) Require the disclosure of the use of synthetic performers in advertising; and
- (5) Establish civil fines.

Your Committee received testimony in support of this measure from the State Commission on the Status of Women and one individual.



Your Committee received testimony in opposition to this measure from the Computer & Communications Industry Association and TechNet.

Your Committee received comments on this measure from the Department of the Attorney General.

Your Committee finds that as artificial intelligence technology advances and its usage proliferates, the potential for exploitation increases. Your Committee further finds that federal law regulating the malicious use of artificial intelligence is limited and leaves broad gaps in consumer and reputational protection, exposing victims to reputation, financial, and emotional harm without recourse. Your Committee also finds that artificial intelligence threatens the livelihoods of individuals whose income relies on their identity or likeness. This measure establishes clear disclosure requirements for certain content generated by artificial intelligence to protect the State's residents from harm caused by the malicious use of artificial intelligence and synthetic media.

Your Committee notes the concern raised by the Computer & Communications Industry Association and TechNet that the scope of this measure, in its current form, is excessively broad and vague, creating compliance uncertainty and stifling legitimate expression. Your Committee further notes the concern raised by the Department of the Attorney General that this measure is ambiguous as to the labeling requirements for content that is intended for artistic or educational use. Thus, amendments to this measure are necessary to address these concerns.

Your Committee has amended this measure by:

- (1) Amending section 2, which establishes a new chapter in the Hawaii Revised Statutes, titled "Artificial Intelligence; Digital Imitation; Personal Likeness; Protections" by:
 - (A) Clarifying the definitions of "advertisement", "digital imitation", and "realistic";



- (B) Specifying that it shall be unlawful for any person to knowingly publish a realistic digital imitation of an identifiable individual with the knowledge that the individual did not consent if the imitation causes a reputational injury, financial loss, emotional distress, or the misappropriation of identity for commercial gain under certain conditions, instead of "legally cognizable harm";
- (C) Specifying that it shall be unlawful for any person to knowingly publish a realistic digital imitation of an identifiable individual with the knowledge that the individual did not consent if the imitation is used to commit, among other things, criminal acts, rather than unlawful acts;
- (D) Clarifying that the chapter shall not apply to:
 - (i) Any form of parody, satire, commentary, or political expression;
 - (ii) Any news reporting, where the content generated or altered by artificial intelligence is used to illustrate a story;
 - (iii) A non-commercial artistic or educational use, where the content is clearly labeled pursuant to certain requirements and no harm is intended or reasonably foreseeable; and
 - (iv) Any other use protected by the First Amendment of the United States Constitution or article I, section 4, of the Hawaii State Constitution from the application of the chapter:
- (E) Allowing an individual or an individual's estate to bring a civil action to recover either statutory monetary damages or actual damages, including for reputational injury and emotional distress, rather than allowing recovery of both;



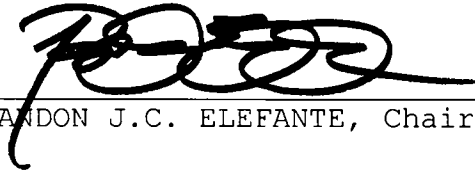
- (F) Lowering the statutory monetary damages cap from \$50,000 per advertisement to \$25,000 per advertisement;
 - (G) Inserting language clarifying that the chapter shall not apply any medium used for the publication or dissemination of third-party content, under certain conditions; and
 - (H) Inserting language establishing that the chapter shall not be construed to limit or expand the protections conferred by title 47 United States Code section 230 on an interactive computers service for content provided by another information content provider;
- (2) Amending section 3, which establishes a new chapter in the Hawaii Revised Statutes, titled "Artificial Intelligence; Synthetic Performers; Advertising; Disclosure" by:
- (A) Inserting language defining "advertisement" and "materially deceptive manner", and clarifying the definition of "synthetic performer";
 - (B) Clarifying that the chapter shall not apply to any medium used for the publication or dissemination of third-party content, under certain conditions; and
 - (C) Clarifying that the chapter shall not apply to any medium used for the publication or dissemination of third-party content, under certain conditions;
- (3) Inserting an effective date of January 1, 2077, to encourage further discussion; and
- (4) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Labor and Technology that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2137, H.D. 3, as amended herein, and recommends that it pass



Second Reading in the form attached hereto as H.B. No. 2137,
H.D. 3, S.D. 1, and be referred to your Committees on Commerce and
Consumer Protection and Judiciary.

Respectfully submitted on
behalf of the members of the
Committee on Labor and
Technology,



BRANDON J.C. ELEFANTE, Chair



