STATE OF NEW YORK

10494

IN ASSEMBLY

May 29, 2024

Introduced by COMMITTEE ON RULES -- (at request of M. of A. Vanel) -- read once and referred to the Committee on Consumer Affairs and Protection

AN ACT to amend the general business law, in relation to liability for false information provided by a chatbot

The People of the State of New York, represented in Senate and Assembly, do enact as follows:

Section 1. The general business law is amended by adding a new section 390-f to read as follows:

§ 390-f. Liability for chatbot responses. 1. As used in this section the following terms shall have the following meanings:

(a) "Chatbot" shall mean an artificial intelligence system, software program, or technological application that simulates human-like conversation and interaction through text messages, voice commands, or a combination thereof to provide information and services to users.

(b) "Proprietor" refers to any person, business, company, organization, institution or government entity operating with more than twenty employees that owns, operates or deploys a chatbot system used to interact with users. Proprietors shall not include third-party developers that license their chatbot technology to a proprietor.

2. (a) A proprietor of a chatbot used as an alternative to a human representative, or otherwise as an agent of the proprietor to provide any substantive response, information, advice, or action on behalf of the proprietor may not disclaim liability of any kind where a chatbot provides materially misleading, incorrect, contradictory or harmful information to a user that results in financial loss or other demonstrable harm to the user; provided, however, that no such liability shall be imposed where the proprietor has corrected the information and substantially or completely cured the harm to the user within thirty days of notice of such harm.

(b) The proprietor of a chatbot shall be responsible for ensuring such chatbot accurately provides information aligned with the formal policies, product details, disclosures and terms of service offered to users.

EXPLANATION--Matter in *italics* (underscored) is new; matter in brackets [-] is old law to be omitted.

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(c) A proprietor may not waive or disclaim this liability merely by notifying consumers that they are interacting with a non-human chatbot system.

3. Proprietors utilizing chatbots shall provide clear, conspicuous and explicit notice to users that they are interacting with an artificial intelligence chatbot program rather than a human representative. The text of the notice shall appear in the same language and in a size easily readable by the average viewer and no smaller than the largest font size of other text appearing on the website on which the chatbot is utilized.

§ 2. This act shall take effect on the ninetieth day after it shall have become a law.