

**SENATE JUDICIARY COMMITTEE**  
**Senator Thomas Umberg, Chair**  
**2025-2026 Regular Session**

AB 1609 (Zbur)  
Version: June 25, 2026  
Hearing Date: June 30, 2026  
Fiscal: Yes  
Urgency: No  
AWM

**SUBJECT**

Customer service chatbots

**DIGEST**

This bill requires large private businesses, as defined, to provide customers with timely access to human customer service and support, as provided, and to disclose the use of customer service chatbots, as specified.

**EXECUTIVE SUMMARY**

Generative AI chatbots have become increasingly prevalent, and everybody hates them. These chatbots, powered by large language models, ostensibly offer consumers the benefits of convenience and personalized interaction. Deploying a chatbot instead of hiring a human being saves money for the company; but because these chatbots are far from perfect, chatbots also increase consumer costs in terms of wasted time and frustration dealing with a problem that could easily be resolved in five minutes by an actual person. Even when options to bypass such chatbots are provided, consumers are often left on hold for painfully long durations.

This bill seeks to address consumer frustrations with businesses who provide “customer service” in name only. Specifically, this bill requires large private businesses—those with other \$500 million in gross annual revenue that provide goods and services to consumers—to clearly disclose their use of customer service chatbots and to provide easy access to human customer service within 15 minutes of a request, or within one hour by appointment, as provided. The bill is enforceable only by a public prosecutor, and a violation is punishable by a civil penalty of up to \$5,000 for the first violation and \$10,000 for subsequent violations.

This bill is sponsored by the Communications Workers of America, District 9, and is supported by TechEquity and a number of labor organizations. This bill is opposed by a number of industry associations, including the California Bankers Association and

Technet. The Senate Privacy, Digital Technologies, and Consumer Protection Committee passed this bill with a vote of 7-0.

### PROPOSED CHANGES TO THE LAW

Existing law:

- 1) Defines “AI” as an engineered or machine-based system that varies in its level of autonomy and that can, for explicit or implicit objectives, infer from the input it receives how to generate outputs that can influence physical or virtual environments. (Gov. Code, § 11546.45.5.)
- 2) Makes it unlawful for any person to use a bot to communicate or interact with another person in California online, with the intent to mislead the other person about its artificial identity for the purpose of knowingly deceiving the person about the content of the communication in order to incentivize a purchase or sale of goods or services in a commercial transaction or to influence a vote in an election. A person using a bot is not liable if the person discloses that it is a bot. This disclosure must be clear, conspicuous, and reasonably designed to inform persons with whom the bot communicates or interacts that it is a bot. (Bus. & Prof. Code, § 17941.)
- 3) Defines “bot” as an automated online account where all or substantially all of the actions or posts of that account are not the result of a person. (Bus. & Prof. Code, § 17940.)
- 4) Defines “companion chatbot” as an AI system with a natural language interface that provides adaptive, human-like responses to user inputs and is capable of meeting a user’s social needs, including by exhibiting anthropomorphic features and being able to sustain a relationship across multiple interactions, subject to specified exemptions. (Bus. & Prof. Code § 22601.)
- 5) Requires an operator making a companion chatbot available, if a reasonable person interacting with a companion chatbot would be misled to believe that the person is interacting with a human, to issue a clear and conspicuous notification indicating that the companion chatbot is artificially generated and not human. (Bus. & Prof. Code, § 22602(a).)

This bill:

- 1) Defines the following terms:
  - a) “Artificial intelligence” means an engineered or machine-based system that varies in its level of autonomy and that can, for explicit or implicit objectives, infer from the input it receives how to generate outputs that can influence physical or virtual environments.

- b) "Customer" means a natural person residing in California, as determined by their account address.
- c) "Customer service agent" means a natural person who, as an employee, contractor, or representative of the large private business, provides either of the following:
  - i. Direct customer service, including service to prospective and existing customers, relating to the sale and delivery of goods and services.
  - ii. Direct customer support, including technical assistance functions relating to the sale and delivery of goods and services
- d) "Customer service chatbot" means an artificial intelligence system with a natural language interface that provides adaptive, human-like responses to user inputs and is used by an entity for any of the following purposes:
  - i. Direct customer service, including to prospective and existing consumers, relating to the sale or delivery of goods or services.
  - ii. Direct customer support, including technical assistance functions relating to the sale or delivery of goods or services.
- e) "Exclusive business lines" means telephone lines, chat lines, or other communications channels that are not intended for general customer use and are intended solely for use by employees of the business as it pertains to employee or employer issues and not for a customer line dedicated to employees, or for exclusive use by any vendors of the business or any business-to-business lines that are used exclusively for matters pertaining to a contract and not in their capacity as a customer of the business.
- f) "Hospital" means a health facility licensed under specified state law.
- g) "Large private business" means a business with more than \$500 million in gross annual revenue nationally that provides goods and services to customers.
- h) "Online customer service platforms" means large private businesses that primarily operate on public-facing internet websites, web applications, or digital applications, including a social network or publication, and may not offer telephonic means of communication for customer service inquiries.
- i) "Regular business hours" means the hours during which the business customarily maintains administrative, managerial, or customer-service functions, excluding on days that the business is ordinarily closed on state or federal holidays, and includes a 10-hour period per day over a 5-day week or 8 hours per day for a full 7-day week.
- j) "Services" means services for which a customer will provide or has provided monetary consideration, whether through a one-time payment, subscription, fee, or recurring charge; but does not include services or parts of services that offer a free option to persons with an opportunity to pay, subscribe, or otherwise provide monetary consideration for the service or upgraded services at a future time.

- k) "Telephonic customer service platforms" means any large private business that provides customer service to customers in California through telephonic means.
- 2) Provides that a large private business shall:
  - a) Not represent that a customer service chatbot is human.
  - b) Provide a clear and conspicuous disclosure that the customer service chatbot is artificially generated and not human if a reasonable person interacting with the customer service chatbot would be misled to believe that the person is interacting with a human; this disclosure shall be clear and conspicuous, and provided in the medium in which the customer service chatbot interacts with the customer.
- 3) Requires a large public business, during at least a private business's regular business hours, to provide customers who require customer assistance with goods or services offered by or provided from the large private business with a simple, clear, and conspicuous customer service feature on all platforms through which the large private business provides customer service, including online chatbot customer service and telephonic customer service platforms, that allows customers to request a customer service agent.
- 4) Requires a large private business to make a good faith effort to provide a customer who requests a customer service agent through the feature in 3) with one of the following:
  - a) Connection to a customer service agent within 15 minutes of the request.
  - b) A specific appointment time within one business day of the request at which a customer service agent will call or connect with the customer.
- 5) Requires a large private business to make a good faith effort to ensure a customer is not placed on hold or made to wait for more than 15 minutes at any time after connection with a customer service agent, and that cumulative hold or wait times or escalation queues do not exceed more than one hour total.
- 6) Requires a large private business that provides goods and services to customers in California through online platforms, and which has a telephonic customer service platform, to post its telephonic customer service telephone number clearly and conspicuously on its website.
- 7) Provides that an action to enforce the requirements of this measure may be brought by a public prosecutor, as follows:
  - a) A large private business that shall be liable for a civil penalty of not more than \$5,000 for an initial violation and \$10,000 for each subsequent violation.

- b) The “good faith effort” requirements are satisfied by the use of commercially reasonable and practicable standards that are designed and intended to achieve compliance.
- 8) Provides that this measure does not establish a private right of action.
  - 9) Provides that this measure does not require a large private business who, as of January 1, 2026, does not utilize any telephonic customer services to customers, to provide telephonic customer services, provided that the large private business offers customers service methods by which the customer may promptly connect with a customer service agent with the measure.
  - 10) Provides that a large private business’s inability to comply with this measure because of unforeseen circumstances beyond its reasonable control does not constitute a violation of the measure.
  - 11) Provides that this measure does not apply to any of the following:
    - a) Services a large private business provides to, and in compliance with, General Order 133, and compliance with a corrective action plan, if any, Rules Governing Telecommunications Services of the Public Utilities Commission of the State of California.
    - b) Exclusive business lines.
    - c) A hospital, when its communications relate to the provision, coordination, management, administration, payment, or operation of health care services, as specified.
    - d) A consumer reporting agency, as defined in federal law.
  - 12) Provides that the duties, remedies, and obligations imposed by this measure are cumulative to the duties, remedies, or obligations imposed under other any law and shall not be construed to relieve a large private business from any duties, remedies, or obligations imposed under any other law.

## COMMENTS

### 1. Author’s comment

According to the author:

Across industries, consumers increasingly report being unable to resolve basic issues because customer service systems rely heavily on automated chatbots and long telephone hold times. These systems often fail to understand complex or sensitive problems, repeat scripted responses, or disconnect calls without resolution – wasting hours of consumers' time and leaving critical issues unresolved. For Californians seeking help with housing services and appointments, utility services,

health care, travel or essential purchases, the inability to reach a human representative can have serious consequences.

Technology should make life easier – not lock people out of the help they need. When Californians reach out for customer support, they deserve timely, transparent access to a real human who can understand their situation and help solve the problem. AB 1609, the Right to Human Customer Service Act, applies to large businesses with over \$500,000,000 in annual revenue and ensures Californians can reach a real person for customer service instead of being trapped in endless phone holds or frustrating AI chatbot loops.

## 2. Businesses love customer service chatbots, people don't

As explained by the Senate Privacy, Digital Technologies, and Consumer Protection Committee's analysis of this bill:

In 2018, SB 1001 (Hertzberg, Ch. 892, Stats. 2018) was introduced to address one of the fundamental concerns underlying the use of bots online, the deception of their human counterparts. SB 1001 prohibited a person from using a bot to communicate or interact with another person in California online with intent to mislead the other person about its artificial identity for the purpose of knowingly deceiving the person about the content of the communication in order to incentivize a purchase or sale of goods or services in a commercial transaction or to influence a vote in an election.

Since then, the ubiquity of bots has only increased with the introduction of advanced GenAI systems and tools. According to reports: "Bots now account for nearly half of all internet traffic globally, with so-called 'bad bots' responsible for a third."<sup>1</sup> Estimates are that, by 2027, chatbots will become the primary customer service channel for roughly one fourth of organizations.<sup>2</sup>

While chatbots can be useful and provide great efficiencies, the concern is the deterioration in resolving consumer issues and the long delays in reaching a human agent. These concerns have spurred efforts at the federal level, albeit unsuccessfully thus far. Former President Joe Biden bemoaned the customer "doom loops" and declared that: "Consumers should be able to talk to real people instead of being sent through a maze of menu options and automated recordings."<sup>3</sup> Recently, two U.S.

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<sup>1</sup> Emma Woollacott, *Yes, The Bots Really Are Taking Over The Internet* (April 16, 2024) Forbes, <https://www.forbes.com/sites/emmawoollacott/2024/04/16/yes-the-bots-really-are-taking-over-the-internet/>. All internet citations are current as of June 13, 2026.

<sup>2</sup> *Gartner Predicts Chatbots Will Become a Primary Customer Service Channel Within Five Years* (July 27, 2022) Gartner, <https://www.gartner.com/en/newsroom/press-releases/2022-07-27-gartner-predicts-chatbots-will-become-a-primary-customer-service-channel-within-five-years>.

<sup>3</sup> Rhys Fisher, *President Biden Announces New Customer Service Actions, Targets Subscriptions and 'Doom Loops'* (August 14, 2024) CX Today, <https://www.cxtoday.com/contact-center/president-biden-announces-new-customer-service-actions-targets-subscriptions-and-doom-loops/>.

Senators proposed legislation that would force “contact center agents to immediately disclose their location and/or whether they’re AI. The bill would then make the agent, human or AI, transfer the contact to a US-based call center if the customer requests it.”<sup>4</sup>

Concerns are focused not only on the quality but also on the impact on the labor market. OpenAI chief Sam Altman recently painted his vision of the future in this space:

“Some areas, again, I think just like totally, totally gone,” he said, singling out customer support roles. “That’s a category where I just say, you know what, when you call customer support, you’re on target and AI, and that’s fine.”

The OpenAI founder described the transformation of customer service as already complete, telling the Federal Reserve vice-chair for supervision, Michelle Bowman: “Now you call one of these things and AI answers. It’s like a super-smart, capable person. There’s no phone tree, there’s no transfers. It can do everything that any customer support agent at that company could do. It does not make mistakes. It’s very quick. You call once, the thing just happens, it’s done.”<sup>5</sup>

However, customers do not seem to be coming to that same conclusion. “Indeed, 70 percent of Americans now feel it’s ‘frustrating’ to interact with automated phone systems instead of live support reps, according to a Data for Progress study.”<sup>6</sup> Another study further emphasizes consumers’ negative outlook on customer service chatbot deployment:

In a survey of 594 consumers my company conducted earlier this year, 81% reported that they would rather wait a minute or more for support from a live person than interact immediately with an AI assistant. Of this 81%, 12% said they would wait more than five minutes, and 16% said they would wait 11 or more minutes if it meant connecting to an actual person.

Consumers also doubt that such assistants are being offered in order to benefit their fellow consumers. When asked to identify the top reason why companies are

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<sup>4</sup> Charlie Mitchell, *US Senators Propose Bill to Mandate the Right to Human Customer Service* (August 4, 2025) CX Today, <https://www.cxtoday.com/contact-center/us-senators-propose-bill-to-mandate-the-right-to-human-customer-service/#:~:text=Two%20US%20senators%20have%20proposed,if%20the%20customer%20requests%20it.>

<sup>5</sup> Joseph Gedeon, *OpenAI CEO tells Federal Reserve confab that entire job categories will disappear due to AI* (July 22, 2025) The Guardian, [https://www.theguardian.com/technology/2025/jul/22/openai-sam-altman-congress-ai-jobs.](https://www.theguardian.com/technology/2025/jul/22/openai-sam-altman-congress-ai-jobs)

<sup>6</sup> See fn. 4.

implementing AI assistants like chatbots, 57% said it was to save money/eliminate jobs.<sup>7</sup>

3. This bill imposes minimum customer service requirements for very large companies

This bill doesn't prohibit customer service chatbots; it just asks companies to provide access to a human agent, including in circumstances where a chatbot isn't getting it done within a reasonable time. To that end, the bill places a series of obligations on only very large private businesses, i.e., those with annual gross revenue over \$500 million, and exempts a number of entities that are otherwise regulated, such as telecommunications entities.

First, the bill prohibits a large private business from representing that a chatbot is a human, and to expressly disclose that an agent is a chatbot if a reasonable person could think otherwise. The bill also requires businesses to provide timely and smooth access to human customer service agents: during normal business hours, the business must provide consumers with a clear and conspicuous feature allowing the consumer to request to connect with a human agent. The business must also make a good faith effort to provide a customer who requests to speak to a customer service agent with either: connection to an agent within 15 minutes; or a specific time, within one business day at which a customer service agent will connect with the customer. If a large private business has a telephonic customer service platform, they must post their customer service telephone number clearly and conspicuously on their website.

The bill is enforceable by public prosecutors only, and the bill expressly states that it does not create a private right of action. A business is deemed to have acted in good faith, and is therefore insulated from liability, if it uses "commercially reasonable and practicable standards that are designed and intended to achieve compliance" or if their inability to comply is due to unforeseen circumstances beyond their reasonable control. A violation is punishable by a civil penalty of up to \$5,000 for a first violation and \$10,000 for subsequent violations.

4. Arguments in support

According to a coalition of labor unions:

Customer service chatbots are often used to ineffectively replace qualified human customer service agents who can handle complex and new issues to line the pockets of CEOs and Venture Capitalists from Wall Street to the Silicon Valley. These chatbots often fail to understand complex needs, get stuck in loops, provide scripted, boilerplate answers, and make it difficult to resolve customer service needs

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<sup>7</sup> Ori Faran, *What If Customers Don't Want Your AI Chatbot?* (August 1, 2024) Forbes, <https://www.forbes.com/councils/forbesbusinesscouncil/2024/08/01/what-if-customers-dont-want-your-ai-chatbot/>.

and complaints. This leads to wasted time, consumer frustration, and unresolved issues, especially with nuanced and complicated problems. Customers experience similar frustration and difficulty in resolving consumer service complaints when companies require people to hold for long periods on telephonic customer service lines. This not only involves hours of waiting on hold, but also terminated calls without resolution.

The inability to resolve customer service needs and complaints is a serious issue for California consumers. The inability to reach a pharmacist or a health care professional could impact a person's health. Customers lose hours of time away from their jobs trying to resolve simple issues related to a home or other appointment, a travel resolution, or a status check on medication.

## 5. Arguments in opposition

According to InternetWorks:

One set of rules doesn't fit every service. AB 1609 would require human support for nearly all users, set strict timelines to reach a person, require phone support, and cap hold times. But it treats every service the same – a free app, a paid subscription, a business-to-business tool, and an online marketplace would all face identical rules. That is not how modern digital services work. The level of support naturally varies with the type of service and customer. Forcing the same service level on everyone undercuts how these businesses operate and will lead to higher prices or fewer services.

The bill discourages helpful AI tools. Many IW members use AI to give customers fast, scalable, and often better support. Under AB 1609, offering an AI chatbot to even a small group of users could trigger costly human-support obligations for *all* users – including for free services. That discourages investment in useful AI and pushes companies toward lower-quality options like static help centers and forums, leaving customers with less support overall.

Phone service isn't always better, and the time limits backfire. The bill assumes phone support is always best. Often it isn't. For many digital services, secure online tools are safer and faster than a phone call – especially when a customer needs to verify their identity or share documents. Requiring phone support can create new security risks, such as storing sensitive information in recorded calls. The bill's time limits make this worse: a 15-minute cap on any single hold, a one-hour cap on total hold time, and a 15-minute deadline to reach a live agent. These pressures push agents to prioritize speed over actually solving the customer's problem.

**SUPPORT**

Communications Workers of America, District 9 (sponsor)  
California Conference of Amalgamated Transit Union  
California Conference of Machinists  
California Federation of Labor Unions, AFL-CIO  
Engineers and Scientists of CA, IFPTE Local 20, AFL-CIO  
Teamsters California  
TechEquity Action  
UNITE HERE, AFL-CIO  
United Food and Commercial Workers Western States Council  
Utility Workers Union of America

**OPPOSITION**

American Car Rental Association  
American Council of Life Insurers  
American Property Casualty Insurance Association  
Association of California Life and Health Insurance Companies  
CalBroadband  
California Association of Collectors, Inc.  
California Bankers Association  
California Chamber of Commerce  
California Manufacturers and Technology Association  
California Travel Association  
California's Credit Unions  
Civil Justice Association of California  
Computer and Communications Industry Association  
Electronic Transactions Association  
Family Business Association of California  
Insights Association  
Internet Works  
National Association of Mutual Insurance Companies  
Personal Insurance Federation of California  
Silicon Valley Leadership Group  
TechNet  
Travel Technology Association

**RELATED LEGISLATION**

Pending legislation: None known.

Prior legislation:

SB 243 (Padilla, Ch. 677, Stats. 2025) imposed a number of obligations on operators of “companion chatbot platforms” in order to safeguard users, including requiring operators to maintain certain protocols aimed at preventing some of the worst outcomes and, when the user is known to the operator to be a minor, to make certain disclosures and to institute reasonable measures to prevent such things as sexually explicit material from being produced or from “directly stating that the minor should engage in sexually explicit conduct.”

AB 410 (Wilson, 2025) would have required that bots disclose their identity before interacting with another person, respond truthfully to any query about their identity, and otherwise refrain from misrepresenting themselves as human. AB 410 was held in the Senate Appropriations Committee.

SB 1001 (Hertzberg, Ch. 892, Stats. 2018) is discussed in Comment 2 of this analysis.

### **PRIOR VOTES**

Senate Privacy, Digital Technologies, and Consumer Protection Committee (Ayes 7,  
Noes 0)

Assembly Floor (Ayes 56, Noes 16)

Assembly Appropriations Committee (Ayes 11, Noes 4)

Assembly Judiciary Committee (Ayes 9, Noes 3)

Assembly Privacy and Consumer Protection Committee (Ayes 9, Noes 4)

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