

Date of Hearing: May 6, 2026

ASSEMBLY COMMITTEE ON APPROPRIATIONS

Buffy Wicks, Chair

AB 1609 (Zbur) – As Amended April 14, 2026

Policy Committee:	Privacy and Consumer Protection	Vote:	9 - 4
	Judiciary		9 - 3

Urgency: No State Mandated Local Program: No Reimbursable: No

SUMMARY:

This bill requires large private businesses — those that make more than \$500 million in annual revenue and offer goods and services to Californians, other than certain utilities — to make a good faith effort to connect customers with a human customer service agent within 15 minutes, upon customer request, as specified.

Specifically, this bill:

- 1) Prohibits a large private business from representing that a customer service chatbot is human.
- 2) Requires a large private business to provide a clear and conspicuous disclosure that the chatbot is AI if a reasonable person would believe it is human.
- 3) Authorizes a public prosecutor to bring an action to enforce this bill.
- 4) Authorizes the Attorney General to adopt regulations to enforce the bill.
- 5) Establishes that a large private business will not be in violation of this bill if unforeseen circumstances beyond the business’s reasonable control cause the violation.

FISCAL EFFECT:

- 1) Possible costs (General Fund, special funds) to the Department of Justice (DOJ) of an unknown amount. Actual costs will depend on whether the Attorney General pursues enforcement actions, and, if so, the level of additional staffing DOJ needs to handle the related workload. If DOJ hires staff to handle enforcement actions authorized by this bill, the department would incur significant costs, likely in the low hundreds of thousands of dollars annually at a minimum. If DOJ does not pursue enforcement as authorized by this bill, the department would likely not incur any costs.
- 2) Cost pressure of an unknown amount to the DOJ should it choose to promulgate regulations authorized by this bill. (General Fund, special funds.)
- 3) Cost pressures (Trial Court Trust Fund, General Fund) of an unknown but potentially significant amount to the courts to adjudicate any additional filings. Actual costs will depend on the number of cases filed and the amount of court time needed to resolve each case. It generally costs approximately \$1,000 to operate a courtroom for one hour. Although courts are not funded on the basis of workload, increased pressure on the Trial Court Trust Fund

may create a demand for increased funding for courts from the General Fund. The state budget provides annual General Fund backfills to the Trial Court Trust Fund to offset revenue reductions, totaling approximately \$117.3 million in 2025-26.

The Legislative Analyst's Office recently warned of General Fund structural deficits of around \$35 billion per year beginning in the 2027-28 fiscal year.

COMMENTS:

1) **Purpose.** 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...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.

2) **Background.** A chatbot is an online application or interface designed to interact with users through either textual or verbal conversation. According to the Privacy and Consumer Protection analysis, as of 2025, an estimated 80% of companies were using or planning to adopt chatbots for customer service, ostensibly because these chatbots offer a lower cost alternative to human customer service agents. The policy analysis further notes that despite their ubiquity, chatbots are unpopular among consumers. Consumers report being annoyed by the chatbot's inability to understand prompts or to deliver actual solutions to their problems. Supporters of the measure state that in addition to the annoyance factor, chatbots could mishandle sensitive information. Furthermore, supporters argue that customer service chatbots are replacing human customer service operators; the committee is unable to verify how many such jobs are currently filled by Californians.

This bill requires large private businesses, those that have over \$500 million in gross annual revenue, to make connecting to a human customer service agent easier. The bill does this by requiring these businesses to connect customers with a human customer service agent within 15 minutes, when requested, within the business's regular hours. For online chatbots, these companies are required to include a button or other feature that customers can easily select and be directed to a human being. For automated phone services, a customer must be provided with an option to connect to a human being, and to not be placed on hold for more than 15 minutes after the call is answered, with cumulative wait time not to exceed one hour. The bill also requires these businesses to provide an option to schedule an appointment to speak to a human customer service agent. The bill expressly excludes a private right of action; it provides for public prosecutor enforcement and a penalty of up to \$10,000 per violation.

3) **Support and Opposition.** This bill is sponsored by the Communications Workers of America, District 9, and is broadly supported by several labor unions, who state that the expanded use of customer service chatbots, without proper protections, risks displacing

workers. The California Chamber of Commerce, and a coalition of business groups, raised concerns with elements of the prior version of the bill, including the imposition of rigid timelines. Opposition remains to the current version of the bill.

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