

ASSEMBLY THIRD READING

AB 1609 (Zbur)

As Amended April 14, 2026

Majority vote

SUMMARY

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 provide customers with access to a human customer service agent within 15 minutes of a customer's request during the 10-hour period that comprises the business's regular business hours.

Major Provisions

- 1) Defines, among other terms:
 - a) "Customer" as a natural person residing in California.
 - b) "Customer service agent" as a natural person who, as an employee, contractor, or representative of a 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.
 - c) "Customer service chatbot" as 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 service to prospective and existing customers, 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.
 - d) "Large private business" as a business with more than five hundred million dollars (\$500,000,000) in gross annual revenue nationally that provides goods and services to customers, and makes a customer service chatbot available to a person in the state.
 - e) "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. "Services" do 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.
- 2) Prohibits a large private business from representing that a customer service chatbot is human. If the customer service chatbot would cause a reasonable person to believe it is a human,

requires the large private business to provide a clear and conspicuous disclosure that the chatbot is AI.

- 3) During the normal 10-hour period that comprises a large private business's regular business hours, requires the large private business to provide customers who require customer service assistance with goods or services offered or provided from the large private business with a clear and conspicuous customer service feature that allows customers to contact a customer service agent. During these times, the large private business must make a good faith effort to connect a person interacting with a customer service chatbot, or an automated support system, to a customer service agent within 15 minutes after the customer makes a request for human customer service.
- 4) If a customer requests a customer service agent, requires large private businesses to do all of the following:
 - a) Provide a simple method for customers to request human assistance through online platforms.
 - b) Provide the customer with an estimate of the time it will take to connect with a customer service agent.
 - c) Allow the customer to choose to connect with the customer service agent as soon as feasible or to make an appointment to connect with the customer service agent at a later time.
 - d) Allow the customer to choose whether to communicate with the customer service agent by text, email, or phone.
- 5) For telephonic customer service platforms, requires the large private business to make a good faith effort to ensure that customers who require customer service assistance with goods or services offered or provided from the large private business are not placed on hold for more than 15 minutes at any point after the call is answered, and that cumulative hold times for a call do not exceed more than one hour total. If the call is answered by a customer service chatbot, the large private business must make a good faith effort to provide human service within 15 minutes after the call is made. Telephonic customer service phone numbers must be posted clearly and conspicuously on the website.
- 6) For online customer service platforms, requires the large private business to ensure that a customer who requires customer service assistance with goods or services offered or provided from the large private business is given the option to request customer service assistance from a human being and, upon that request, the large private business must make a good faith effort to provide human assistance within fifteen minutes after the request is made.
- 7) Subjects violators to a civil penalty of up to \$10,000 for violations in an action brought by a public prosecutor.
- 8) Enables the AG to adopt regulations to implement the bill.
- 9) Excuses from liability large private businesses that are unable to comply with the bill due to unforeseen circumstances beyond its control.

- 10) Excludes certain utilities.
- 11) Specifies that it does not apply in circumstances where pressure on employees to meet strict timing standards may result in increased cases of fraud, unauthorized access, or financial harm.
- 12) Contains a savings clause that provides that the bill does not override any rights or remedies.

COMMENTS

Chatbots. A chatbot is an online application or interface designed to interact with users through either textual or verbal conversation. The first documented chatbot was developed in 1966 by Massachusetts Institute of Technology (MIT) scientist Joseph Weizenbaum, who named his program ELIZA. Dr. Weizenbaum designed ELIZA to simulate human conversation by using pattern matching to understand the context, generating pre-scripted responses accordingly.¹ ELIZA was most notably deployed as a tool for psychotherapy; however, the nascent chatbot was extremely limited in its ability to adapt and respond, often getting caught in recursive loops of dialogue.

Since this initial experiment, there has been an explosion of chatbot use cases in customer service, health care, education, and even recreation. Below are the main types of chatbots one may encounter:

Menu/Button-Based. The simplest form of chatbot, menu- or button-based bots, operate through scripted conversations. Users click on options that guide them through a decision tree or flowchart, narrowing down choices to reach a suitable response. These bots are typically used in industries with common, repetitive queries that can be answered through structured questioning. However, they lack the flexibility and nuance of more advanced chatbots.²

Rule-Based. Unlike menu-based bots, rule-based chatbots rely on predefined decision-making algorithms. These bots search user inputs by for specific keywords and generate responses based on a preprogrammed database of answers. Rather than functioning as a rigid flowchart, rule-based bots mimic human dialogue within a limited set of topics they have been trained on.³

AI Driven. GenAI has revolutionized chatbots, enabling them to simulate natural, human-like conversations. These chatbots are trained on massive datasets that include human dialogue, allowing them to recognize language patterns and understand context. AI-driven bots can generate responses that either directly address user inputs or ask clarifying questions to refine their understanding. They can operate through both text and voice interactions, making them highly versatile. Some AI-driven bots are trained on proprietary datasets tailored to specific use

¹ Joseph Weizenbaum. "ELIZA—a computer program for the study of natural language communication between man and machine," *Communications of the ACM, Volume 9, Issue 1* (Jan. 1, 1966), 36-45, accessed at <https://dl.acm.org/doi/10.1145/365153.365168>.

² Teaganne Finn, "6 types of chatbots and how to choose the right one for your business", *IBM* (7 March 2025), Accessed at <https://www.ibm.com/think/topics/chatbot-types>.

³ *Ibid.*

cases, while others, such as ChatGPT or Gemini, are powered by large language models capable of generating new content beyond their training data.⁴

Customer service chatbots. Customer service chatbots have become very popular among businesses in recent years; as of 2025, an estimated 80% of companies were using or planning to adopt chatbots for customer service.⁵ These tools can manage a large volume of routine inquiries quickly at a low cost, and can be deployed around-the-clock, reducing average response times. On the other hand, a 2024 white paper from Ipsos found that consumers have a much lower opinion of customer service chatbots: 35% of respondents said chatbots solve their problems effectively, 85% said they usually need a human to solve their problem, 77% said the bots are frustrating, and 88% prefer to talk to a human.⁶ The paper concludes: "It remains crucial that human interaction be available to customers when they request it. The AI experience must strike the right balance for customers in their moment of need."⁷

The inability to escalate a matter to a human – sometimes called "chatbot purgatory" – can be especially harmful when consumers are seeking help with sensitive or urgent matters, such as legal rights, disputed transactions and debts, and healthcare. Moreover, although model capabilities have been increasing rapidly, GenAI systems can go off-script, hallucinate – deliver confident-sounding, factually inaccurate outputs – and mishandle sensitive information. For instance, researchers showed that Lenovo's customer service chatbot, which was powered by ChatGPT, could be prompted in a manner that enabled attackers to access live chats and to potentially access past conversations and data.⁸ Chatbots can also be less effective across different cultures and languages, with only 29% of businesses having successfully deployed multilingual bots.⁹

Meanwhile, customer service chatbots are rapidly replacing human customer service jobs. A 2025 paper from Microsoft found that customer service representatives were among the jobs most likely to be automated by AI.¹⁰ Many of these positions offer substantial salaries and benefits and often do not require a college degree, providing upward mobility for individuals with disadvantaged backgrounds.

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,

⁴ *Ibid.*

⁵ ChatMaxima, "AI Customer Support Statistics: 30 Numbers You Need to Know" (Dec. 29, 2025), <https://chatmaxima.com/blog/ai-customer-support-statistics/>.

⁶ Ipsos, "Going all in with AI? How to keep the customer at the center," (Apr. 2025), p. 3, <https://www.ipsos.com/sites/default/files/ct/publication/documents/2023-09/N180-CEX-Going%20all%20in%20with%20AI%20-%20ENG.pdf>.

⁷ *Ibid.*

⁸ CX Today, "Lenovo's Customer Service AI Chatbot Got Tricked Into Revealing Sensitive Information. Here's How." (Aug. 20, 2025), <https://www.cxtoday.com/contact-center/lenovos-customer-service-ai-chatbot-got-tricked-into-revealing-sensitive-information-heres-how/>.

⁹ Sabrina McClune, "Customer Chatbots: The Good, The Bad, and the Ugly" (updated Feb. 17, 2026), <https://www.beyondencryption.com/blog/customer-chatbots-good-bad-ugly>.

¹⁰ Tomlinson et al., "Working with AI: Measuring the Applicability of Generative AI to Occupations," Arxiv (2025), <https://arxiv.org/pdf/2507.07935>.

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.

Arguments in Support

The bill's sponsor, Communications Workers of America, District 9, writes:

The use of AI driven customer service tools has increased in recent years. However, there are stipulations with these tools understanding complex situations. Consumers are often left on repetitive loops, with scripted responses, ultimately leading to customer frustration and unsolved issues. Additionally, these AI customer service tools require individuals to wait on hold for extended periods of time, sometimes being disconnected from the call without help. These issues are leading to wasted time, unresolved issues, and consumer frustration across California.

These challenges are not just minor inconveniences, they can have serious consequences. If individuals cannot connect effectively with the services and support they need, their health, employment, and ability to meet basic needs can be put at risk.

Not only are consumers being impacted by the increased use of AI customer service tools, but workers are too. These customer service professionals provide essential labor that cannot be fully understood by an automated tool. The expanding use of this technology, without proper protections, risks displacing workers.

AB 1609 establishes clear and reasonable standards to address these customer services issues by requiring large business providing goods and services in California to ensure access to human customer service during business hours. This helps ensure that automated tools are not a barrier to consumers receiving assistance.

CWA D9 recognizes the critical role humans play in customer service and want to make sure consumers are supported. At a time when AI is expanding rapidly in the workforce, it is critical California takes the necessary steps to protect both workers and consumers.

Arguments in Opposition

A coalition of opponents, led by the California Chamber of Commerce, writes:

The California Chamber of Commerce and the undersigned respectfully *OPPOSE AB 1609 (Zbur)* as amended April 14, 2026, because it would impose significant requirements for human customer service support and communications by "large private businesses" using customer service chatbots or automated customer service systems. While some of the problems we have identified may still be the result of drafting issues, the end result is the same

nonetheless: placing significant operational and compliance costs on businesses and impacting the quality of customer service as well as the cost of services.

To the extent that *AB 1609* still suggests that human customer service via telephone is paramount and preferable, we disagree. Due to security concerns, trying to handle account issues via phone is not always faster or more effective for users than online options. Verifying a caller's identification and their connection to an online account can require upload of documents, follow up communications, etc. Telephone customer service calls are frequently recorded which results in a great deal of highly sensitive personal information being stored in such recordings. That is, in fact, why a lot of companies have put a lot of resources into developing effective digital processes for resolving user issues in a safer and often quicker way.

To this end, we greatly appreciate that several issues we previously raised have been addressed by the April 14 amendments, including our concerns over the bill's application to both free and paid services, ambiguity around the requirement to provide live customer service from 8 a.m. to 6 p.m., the inclusion of smart speakers in the definition of customer service chatbots, unclear and burdensome disclosure requirements for informing consumers that chatbots are not human, and the overly narrow exemption for extraordinary or emergency situations. We also appreciate that the recent amendments attempt to at least partially address our overarching concern that the bill could introduce a significant new requirement that all covered businesses offer telephonic customer service. Unfortunately, this issue – and many others -- still requires further amendment to reach true resolution. With these new amendments in print, our coalition is working on possible ways to bridge some of the gaps that remain.

At a minimum, *AB 1609* needs to consider additional amendments to narrow the scope of the bill and address the arbitrary hold limits, further clarify that telephonic customer service is not mandated as the exclusive or required mechanism for providing human customer service and recognize alternative mechanisms for providing human customer service; preserve the ability for businesses to use automated systems and AI-powered support assistants to direct or address customer concerns prior to allowing customers to request escalation to a natural person; exclude exclusive employee and business-to-business lines; address the exceedingly high \$10,000 per violation fines for isolated agent errors, and remove the requirement for rulemaking; and address various drafting issues. Most importantly, the bill must adopt amendments that better reflect the operational realities of customer service, the need for careful handling of sensitive or complex situations, and the human factors that influence service quality or wait times. Otherwise, implementing these mandates could harm both businesses and consumers by increasing costs, stressing employees, and compromising service, as further explained below.

For example, new or newer call center employee learning the ropes may require more time (longer interactions) and supervisor assistance – often translating into longer hold times for the customer. Similarly, language barriers or complex inquiries (or even confusing ones, such as where the caller is not necessarily even clear how to frame their inquiry), can take longer to handle and extend call duration, impacting the queue hold time. Rigid time requirements could inadvertently push employees to prioritize speed over care, reducing empathy and service quality – an outcome none of us want. However well intended, arbitrarily rigid mandates that apply uniformly across all industries could realistically harm businesses and consumers alike, by increasing costs, stressing employees, and compromising service. While the April 14

amendments have made some improvements on this front, for reasons discussed below, they too fall short of a fix.

FISCAL COMMENTS

According to the Appropriations Committee:

- 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.

VOTES

ASM PRIVACY AND CONSUMER PROTECTION: 9-4-2

YES: Bauer-Kahan, Aguiar-Curry, Bryan, Irwin, Lowenthal, McKinnor, Ortega, Ward, Wicks

NO: Macedo, DeMaio, Hoover, Patterson

ABS, ABST OR NV: Petrie-Norris, Wilson

ASM JUDICIARY: 9-3-0

YES: Kalra, Bauer-Kahan, Bryan, Connolly, Harabedian, Pacheco, Papan, Stefani, Zbur

NO: Macedo, Dixon, Sanchez

ASM APPROPRIATIONS: 11-4-0

YES: Wicks, Aguiar-Curry, Calderon, Caloza, Fong, Mark González, Krell, Pacheco, Pellerin, Sharp-Collins, Solache

NO: Hoover, Dixon, Ta, Tangipa

UPDATED

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