
SENATE COMMITTEE ON APPROPRIATIONS

Senator Sabrina Cervantes, Chair
2025 - 2026 Regular Session

AB 1609 (Zbur) - Customer service chatbots

Version: June 25, 2026

Policy Vote: P., D.T., & C.P. 7 - 0, JUD.
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Urgency: No

Mandate: No

Hearing Date: August 3, 2026

Consultant: Bob Franzoia

Bill Summary: AB 1609 would require businesses with more than \$500 million in gross annual revenue nationally that provides goods and services to provide customers with timely access to human customer service and support, and to disclose the use of customer service chatbots.

Fiscal Impact: Potential costs 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. (General Fund).

Cost pressure 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. An eight-hour court day costs approximately \$10,500 based on the hourly rate of court personnel including at minimum the judge, clerk, bailiff, court reporter, jury administrator, administrative staff, and jury per-diems. While the courts are not funded on a workload basis, an increase in workload could result in delayed court services and increase pressure to fund additional staff and resources. The FY 2026-27 Budget appropriated \$70 million General Fund for this purpose (Trial Court Trust Fund, General Fund).

Proposed Law: This bill would prohibit a large private business, as defined, from representing that a customer service chatbot is human. The bill would also require the large private business to provide certain disclosures if a reasonable person interacting with the chatbot would be misled to believe they are interacting with a human. This bill would require a large private business to provide a customer service feature allowing customers to contact a customer service agent during its regular business hours, as defined. This bill would require large private businesses to make a good faith effort to connect a customer to an agent within 15 minutes after a request for human customer service is made, or schedule an appointment with the customer, as specified. For online chatbot customer service platforms and telephonic customer service platforms, the bill would require a large private business to make a good faith effort to limit initial and cumulative telephonic hold times and would require certain large private businesses to post prescribed contact information on their internet website. The bill would authorize a public prosecutor to enforce these provisions and would make a large private business that violates these provisions liable for a penalty of up to \$5,000 for an initial violation,

and \$10,000 for each subsequent violation. The bill would waive its requirements due to unforeseen circumstances beyond the reasonable control of a large private business and would exempt a large private business that provides services subject to, and is in compliance with, a specified public utilities law. The bill would further exempt exclusive business lines and communications by a hospital, as specified, and a consumer reporting agency, as prescribed. The bill would define terms for these purposes.

Staff Comments: This 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.