



SENATE BILL 1700

By Akbari

AN ACT to amend Tennessee Code Annotated, Title 29;
Title 37 and Title 47, relative to artificial
intelligence.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Title 47, Chapter 18, is amended by adding the following as a new part:

47-18-5901. Short title.

This part is known and may be cited as the "Curbing Harmful AI Technology (CHAT) Act".

47-18-5902. Part definitions.

(1) "Artificial intelligence system" 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;

(2) "Companion chatbot":

(A) Means a generative artificial intelligence system with a natural language interface that simulates a sustained humanlike relationship with a user by:

(i) Retaining information on prior interactions or user sessions and user preferences to personalize the interaction and facilitate ongoing engagement with the companion chatbot;

(ii) Asking unprompted or unsolicited questions that go beyond a direct response to a user prompt; and

(iii) Sustaining an ongoing dialogue concerning matters personal to the user; and

(B) Does not include an artificial intelligence system used by a:

(i) Partnership, corporation, or state or local government agency solely for customer service or to strictly provide users with information about available services or products provided by that entity, customer service account information, or other information strictly related to its customer service; or

(ii) Partnership, corporation, or state or local government agency solely for internal purposes or employee productivity;

(3) "Covered product" means an artificial intelligence system, companion chatbot, generative artificial intelligence chatbot, or generative artificial intelligence system;

(4) "Deployer" means a person, partnership, state or local governmental agency, corporation, or developer, or any contract or agent of those entities, that uses a covered product for a commercial or public purpose;

(5) "Developer" means a person, partnership, state or local governmental agency, corporation, or deployer that designs, codes, substantially modifies, or otherwise produces a covered product;

(6) "Generative artificial intelligence chatbot":

(A) Means a generative artificial intelligence system with a natural language interface that provides adaptive, humanlike responses to user inputs; and

(B) Does not include a generative artificial intelligence chatbot used in:

(i) Clinical settings under the direct supervision of a licensed or credentialed professional;

(ii) Internal business settings, or for employee productivity; or

(iii) Customer service applications, when used only to provide users with information about offered products or services provided by the deployer, customer service account information, or other information strictly related to its customer service;

(7) "Generative artificial intelligence system" means an artificial intelligence system that can generate derived synthetic content, including text, images, video, and audio, that emulates the structure and characteristics of the artificial intelligence's training data;

(8) "Minor" means an individual who has not yet attained eighteen (18) years of age; and

(9) "Operator" means a person, partnership, corporation, entity, or state or local government agency that makes a companion chatbot available to a user in this state.

47-18-5903. Safety requirements.

An operator shall not make a companion chatbot available to a minor if the companion chatbot is capable of:

(1) Encouraging or manipulating the minor user to engage in self-harm, suicidal ideation, violence, consumption of drugs or alcohol, or disordered eating;

(2) Offering mental health therapy to the minor user without the direct supervision of a licensed professional, or discouraging the minor user from seeking help from a licensed professional or appropriate adult;

(3) Encouraging or manipulating the minor user to harm others or participate in illegal activity, including the creation of child sexual abuse materials;

(4) Engaging in erotic or sexually explicit interactions with the minor user or engaging in activities designed to lure minor users into such interactions;

(5) Encouraging or manipulating the minor user to maintain secrecy about interactions or to self-isolate from trusted peers or adults;

(6) Prioritizing mirroring or the validation of the minor user over the minor user's safety; or

(7) Optimizing engagement so that it supersedes the companion chatbot's safety guardrails.

47-18-5904. Design requirements.

The deployer of a covered product shall include a disclaimer to users that the covered product is not a human via a static, persistent disclosure and notify a user via a pop-up that the user is not engaging with a human at the following intervals:

(1) Upon login to the covered product;

(2) Every thirty (30) minutes of continuous user engagement;

(3) When prompted by the user; and

(4) When asked to provide advice legally regulated by a licensed industry, including medical advice, financial advice, or legal advice.

47-18-5905. Mental health redirect.

A developer or deployer shall not operate or provide a generative artificial intelligence chatbot to a user unless the generative artificial intelligence chatbot contains a protocol to take reasonable efforts for detecting and addressing suicidal ideation or expressions of self-harm expressed by a user to the generative artificial intelligence

chatbot. This protocol must include, but is not limited to, detection of user expressions of suicidal ideation or self-harm, and a notification to the user that refers the user to crisis service providers such as the 9-8-8 suicide prevention and behavioral health crisis hotline, a crisis text line, or other appropriate crisis services upon detection of such user's expressions of suicidal ideation or self-harm.

47-18-5906. Data privacy requirements.

A developer shall not train the underlying model of a generative artificial intelligence chatbot with the inputs of a minor unless the minor's parent or legal guardian has affirmatively provided written consent to the developer to use the minor's personal information specifically to train the underlying model of a generative artificial intelligence chatbot.

47-18-5907. Transparency requirements.

(a) A developer or deployer of a generative artificial intelligence chatbot shall establish a mechanism for a user of the generative artificial intelligence chatbot to report adverse incidents related to use of the chatbot to the company. The developer or deployer shall make the mechanism described in this subsection (a) publicly available and accessible to consumers.

(b) For safety testing conducted in furtherance of § 47-18-5903, developers and deployers shall publish safety test findings in a manner accessible for free by the general public.

(c) On April 1, 2027, and every three (3) months after, a developer or deployer of a generative artificial intelligence chatbot shall report to the attorney general and reporter:

(1) The number of times the generative artificial intelligence chatbot provided information about suicide, self-harm, suicidal ideation, harming others, or illegal activity; and

(2) The number of times a mental health redirect has been provided to users.

47-18-5908. Liability and enforcement.

(a) The attorney general and reporter may bring an action for a violation of this part seeking the following:

(1) A civil penalty of not more than twenty-five thousand dollars (\$25,000) per violation;

(2) Injunctive or declaratory relief; and

(3) Reasonable court costs and attorneys' fees.

(b) A user, including a minor user, who is aggrieved by a violation of this part, or a parent or legal guardian acting on behalf of a minor user, may bring a civil cause of action seeking:

(1) Actual damages;

(2) Punitive damages;

(3) Injunctive or declaratory relief;

(4) Reasonable court costs and attorneys' fees; and

(5) Any other relief the court deems proper.

SECTION 2. If any provision of this act or the application of any provision of this act to any person or circumstance is held invalid, the invalidity does not affect other provisions or applications of the act that can be given effect without the invalid provision or application, and to that end, the provisions of this act are severable.

SECTION 3. The headings in this act are for reference purposes only and do not constitute a part of the law enacted by this act. However, the Tennessee Code Commission is requested to include the headings in any compilation or publication containing this act.

SECTION 4. This act takes effect January 1, 2027, the public welfare requiring it, and applies to conduct occurring on or after that date.

Amendment No. 1 to SB1700

Bailey
Signature of Sponsor

AMEND Senate Bill No. 1700*

House Bill No. 1946

by deleting all language after the enacting clause and substituting:

SECTION 1. The Tennessee advisory commission on intergovernmental relations (TACIR) shall conduct a study of the potential regulation of artificial intelligence systems and generative artificial intelligence chatbots in this state. The study must include:

- (1) An analysis of existing federal law and pending federal regulatory actions applicable to artificial intelligence systems;
- (2) An analysis of regulatory frameworks adopted or proposed in other states;
- (3) An evaluation of potential constitutional considerations, including protections for speech and expression, due process safeguards, federal preemption, and limitations on state authority affecting interstate commerce;
- (4) An assessment of the potential fiscal impact on state and local government, including anticipated enforcement costs;
- (5) An evaluation of potential economic impacts on businesses, technology developers, educational institutions, and consumers in this state;
- (6) A review of safeguards relating to minors and mental health protections, including suicide prevention protocols; and
- (7) Recommendations, if any, for legislative action.

SECTION 2. TACIR shall publish a report of the study's findings and recommendations and shall deliver a copy of the report to the governor, the speaker of the senate, the speaker of the house of representatives, and the legislative librarian no later than January 31, 2027. The report may be delivered electronically.

SECTION 3. TACIR may request information and input from state and local governmental entities, industry stakeholders, academic experts, and advocacy organizations, as necessary to conduct the study. State and local governmental entities shall, to the extent permitted by law, provide information requested by TACIR. TACIR shall conduct the study using TACIR's existing resources.

SECTION 4. This act takes effect upon becoming a law, the public welfare requiring it.

Amendment No. 2 to SB1700

Watson
Signature of Sponsor

AMEND Senate Bill No. 1700*

House Bill No. 1946

by deleting Section 2 and substituting:

SECTION 2. TACIR shall publish a report of the study's findings and recommendations and shall deliver a copy of the report to the governor, the speaker of the senate, the speaker of the house of representatives, and the legislative librarian. The report may be delivered electronically.