

Date of Hearing: April 16, 2026

Fiscal: Yes

ASSEMBLY COMMITTEE ON PRIVACY AND CONSUMER PROTECTION

Rebecca Bauer-Kahan, Chair

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

SUBJECT: Customer service chatbots

SYNOPSIS

Customer service chatbots have become the norm, with the bulk of businesses relying on them as their primary means of addressing consumer concerns. These tools can manage a large volume of routine inquiries quickly, cheaply, and around-the-clock, reducing average response times. On the other hand, they can also frustrate consumers, as anyone who has been caught in “chatbot purgatory” – an endless loop of automated responses – can attest. This problem can be especially harmful to consumers seeking help with sensitive or urgent matters, such as legal rights, disputed transactions and debts, and healthcare.

This bill, the Right to Human Customer Service Act, 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.

The bill is sponsored by Communications Workers of America, District 9, and supported by other labor organizations and TechEquity. They argue the bill enhances consumer protections by ensuring that frustrated consumers can access a human who can resolve their problems. They also express alarm about the rapid displacement of workers as businesses rush to adopt chatbots.

The bill is opposed by a coalition of organizations representing various industries, led by Chamber of Commerce, who argue that the prior version of the bill creates infeasible and onerous requirements and a one-size-fits all approach that fails to account for the nuances of the operations of different types of businesses. The bill was recently amended, however, to require only that businesses make a “good faith effort,” significantly reducing the compliance burden.

If passed by this Committee, this bill will next be referred to the Judiciary Committee.

EXISTING LAW:

- 1) Prohibits any person from using 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. (Bus. & Prof. Code § 17941(a).)
- 2) Provides that a person using a bot will not be held liable if the person discloses that it is a bot. (Bus. & Prof. Code § 17941(a).)

- 3) Requires that disclosure of bots 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(b).)
- 4) Requires that whenever telephone calls are placed through the use of an automatic dialing-announcing device, the device may be operated only after an unrecorded, natural voice announcement has been made to the person called by the person calling, the announcement must do all of the following:
 - a. State the nature of the call and the name, address, and telephone number of the business or organization being represented, if any.
 - b. Inquire as to whether the person called consents to hear the prerecorded message of the person calling.
 - c. Inform the person called if the prerecorded message uses an artificial voice. (Public Utilities Code § 2874(a).)
- 5) Generally protects consumers and competitors against unlawful, unfair, or fraudulent business acts or practices. (Bus. & Prof. Code § 17200 et seq.)

THIS BILL:

- 1) Defines, among other terms:
 - “Customer” as a natural person residing in California.
 - “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.
 - “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.
 - “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.

- “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:
 - Provide a simple method for customers to request human assistance through online platforms.
 - Provide the customer with an estimate of the time it will take to connect with a customer service agent.
 - 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.
 - 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:

1) **Author's statement.** 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) **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 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:

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>.

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 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

² Teagane 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.*

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.*

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.

3) This bill seeks to enact a right to human customer service. 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 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. If the customer requests a human, the business must:

- Provide a simple method for customers to request human assistance through online platforms.
- Provide the customer with an estimate of the time it will take to connect with a customer service agent.
- 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.
- Allow the customer to choose whether to communicate with the customer service agent by text, email, or phone.

The bill additionally requires the business to make good faith efforts to connect the customer with a human within 15 minutes of a request if the interaction takes place by phone or online. Additionally, if the interaction is by phone, the large private business must make a good faith effort to ensure the cumulative hold time does not exceed one hour.

The bill also 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 human, the bill requires the large private business to provide a clear and conspicuous disclosure that the chatbot is AI. Existing law, adopted before the GenAI revolution, prohibits using a bot with deceptive intent in order to incentivize a commercial transaction, unless the operator of the bot discloses that the bot is, in fact, a bot. This bill recognizes the inherently deceptive potential of GenAI-powered chatbots in customer service communications, irrespective of whether the business harbors deceptive intent.

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>.

Violators are subject to a civil penalty of up to \$10,000 for violations in an action brought by a public prosecutor. The bill excepts from liability businesses that are unable to comply due to unforeseen circumstances beyond their control. The bill 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.

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 California Chamber of Commerce, writes of the prior version of the bill:

The California Chamber of Commerce and the undersigned respectfully **OPPOSE AB 1609 (Zbur)** as amended March 19, 2026, because it would create vastly infeasible and onerous requirements for human customer service support and communications by phone by operators of large businesses using customer service chatbots, AI, or automated customer service systems. While some of the problems we have identified may be a result of drafting issues, the end result is the same nonetheless, with massive costs placed on businesses of a certain size that will invariably impact the quality of customer service, but also the cost of services if compliance is to be sustainable in any way. In particular, we note that the bill appears to introduce an unprecedented and completely new requirement that online platforms offer telephonic customer service, regardless of whether such services are free or paid and applying to any type of customer service issue that a consumer may wish to contact the

platform about. While we appreciate that **AB 1609** does not apply to smaller businesses and explicitly states that no private right of action applies, there are a host of problems with the bill in print, including issues relating artificial time limits causing agents to be rushed, causing unforced errors, undue stress, and compromising data security.

As a general matter, **AB 1609** fails to account for 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. Implementing these mandates could harm both businesses and consumers by increasing costs, stressing employees, and compromising service, as further explained below. Among the biggest problems: the bill is not meaningfully limited in scope, other than applying to large operators using customer service chatbots for issues relating to goods or services – i.e., it is not even limited to *paid* services. Regardless of whether a customer is physically in California, resides in California but is temporarily going to school in New York, they seemingly are included in the right to promptly receive human customer service between 8 am and 6 pm [potentially California time; potentially their local time] upon request—and it seems that customer service must also be available by phone, with at no time being made to hold for five minutes, or holding for more than 10 minute cumulatively.

Unfortunately, as drafted, **AB 1609** seems to operate under an assumption that human customer service via telephone is paramount and preferable. Realistically, 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.

REGISTERED SUPPORT / OPPOSITION:

Support

Communications Workers of America, District 9 (Co-Sponsor)
California Conference Board of the Amalgamated Transit Union
California Conference of Machinists
California Federation of Labor Unions, Afl-cio
Cft – a Union of Educators & Classified Professionals, Aft, Afl-cio
Engineers and Scientists of California, IFPTE Local 20, Afl-cio
Teamsters California
Techequity Action
Unite Here International Union, Afl-cio
Utility Workers Union of America

Opposition

American Property Casualty Insurance Association
Calbroadband
California Association of Collectors, INC
California Association of Realtors

California Chamber of Commerce
California Manufacturers and Technology Association
California Travel Association
Civil Justice Association of California (CJAC)
Computer and Communications Industry Association
Electronic Transactions Association
Insights Association
Internet.works
National Association of Mutual Insurance Companies
Personal Insurance Federation of California
Technet
Travel Technology Association

Oppose Unless Amended

California Bankers Association
California Credit Union League

Analysis Prepared by: Josh Tosney / P. & C.P. / (916) 319-2200