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(Original Signature of Member)

119TH CONGRESS
2D SESSION

H. R.

To prohibit the marketing, advertising, or provision of professional services without the appropriate licenses, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

Mr. MULLIN introduced the following bill; which was referred to the Committee on _____

A BILL

To prohibit the marketing, advertising, or provision of professional services without the appropriate licenses, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Curbing Harmful AI
5 Tools By Offering Transparency Act” or the “CHATBOT
6 Act”.

7 **SEC. 2. AI CHATBOT TRANSPARENCY.**

8 (a) PROHIBITION; REQUIREMENT.—

1 (1) IN GENERAL.—A covered entity may not
2 provide the generation of output from an AI chatbot,
3 or disseminate marketing or advertising materials,
4 that, from the perspective of a reasonable user—

5 (A) indicate or imply possession of an ap-
6 propriate license to practice a covered profes-
7 sion without, at that time, the possession of
8 such license; and

9 (B) falsely indicate or imply that the out-
10 put is provided or verified by a human in pos-
11 session of an appropriate license to practice a
12 covered profession.

13 (2) IMPLY DEFINED.—For purposes of para-
14 graph (1)(A), the term “imply”—

15 (A) means a representation that a reason-
16 able user would understand as claiming posses-
17 sion of a professional license, including a state-
18 ment about credentials, qualifications, fictitious
19 professional experience, or authoritative and
20 conclusive recommendations, advice, or guid-
21 ance that a reasonable user would understand
22 is typically only provided by a practitioner of a
23 covered profession; and

24 (B) does not include providing general in-
25 formation, procedural guidance not specific to

1 the circumstance of the user, or informative
2 content that does not represent or suggest li-
3 censure.

4 (b) GUIDANCE.—Not later than 12 months after the
5 date of the enactment of this section, the Commission, in
6 consultation with relevant agencies and stakeholders, in-
7 cluding consumer advocacy organizations and technology
8 experts, shall provide guidance on complying with the re-
9 quirements of this section.

10 (c) ENFORCEMENT BY FEDERAL TRADE COMMIS-
11 SION.—

12 (1) UNFAIR OR DECEPTIVE ACTS OR PRAC-
13 TICES.—A violation of subsection (a) or a regulation
14 promulgated under such subsection shall be treated
15 as a violation of a regulation under section
16 18(a)(1)(B) of the Federal Trade Commission Act
17 (15 U.S.C. 57a(a)(1)(B)) regarding unfair or decep-
18 tive acts or practices.

19 (2) POWERS OF COMMISSION.—The Federal
20 Trade Commission shall enforce subsection (a) and
21 a regulation promulgated under such subsection in
22 the same manner, by the same means, and with the
23 same jurisdiction, powers, and duties as though all
24 applicable terms and provisions of the Federal Trade
25 Commission Act (15 U.S.C. 41 et seq.) were incor-

1 porated into and made a part of this section. Any
2 person who violates subsection (a) or a regulation
3 promulgated under such subsection shall be subject
4 to the penalties and entitled to the privileges and
5 immunities provided in the Federal Trade Commis-
6 sion Act. Nothing in this Act may be construed to
7 limit the authority of the Commission under any
8 other provision of law.

9 (d) ACTIONS BY STATES.—

10 (1) IN GENERAL.—In any case in which the at-
11 torney general of a State, or an official or agency of
12 a State, has reason to believe that an interest of the
13 residents of such State has been or is threatened or
14 adversely affected by an act or practice in violation
15 of subsection (a) or a regulation promulgated under
16 such subsection, the State, as *parens patriae*, may
17 bring a civil action on behalf of the residents of the
18 State in an appropriate district court of the United
19 States to—

20 (A) enjoin such act or practice;

21 (B) enforce compliance with this sub-
22 section (a) or a regulation promulgated under
23 such subsection;

24 (C) obtain damages for actual monetary
25 loss from the violation or up to \$5,000 in dam-

1 ages for each such violation, whichever is great-
2 er, on behalf of residents State; or

3 (D) obtain such other legal and equitable
4 relief as the court may consider to be appro-
5 priate.

6 (2) NOTICE.—Before filing an action under this
7 subsection, the attorney general, official, or agency
8 of the State involved shall provide to the Federal
9 Trade Commission a written notice of such action
10 and a copy of the complaint for such action. If the
11 attorney general, official, or agency determines it is
12 not feasible to provide the notice described in this
13 paragraph before the filing of the action, the attor-
14 ney general, official, or agency shall provide written
15 notice of the action and a copy of the complaint to
16 the Federal Trade Commission immediately upon
17 the filing of the action.

18 (3) AUTHORITY OF THE FEDERAL TRADE COM-
19 MISSION.—

20 (A) IN GENERAL.—On receiving notice
21 under paragraph (2) of an action under this
22 subsection, the Federal Trade Commission shall
23 have the right—

24 (i) to intervene in the action;

- 1 (ii) upon so intervening, to be heard
2 on all matters arising therein; and
3 (iii) to file petitions for appeal.

4 (B) LIMITATION ON STATE ACTION WHILE
5 FEDERAL ACTION IS PENDING.—If the Federal
6 Trade Commission or the Attorney General of
7 the United States has instituted a civil action
8 for violation of this subsection (a) or a regula-
9 tion promulgated under such subsection (re-
10 ferred to in this subparagraph as the “Federal
11 action”), no State attorney general, official, or
12 agency may bring an action under this sub-
13 section during the pendency of the Federal ac-
14 tion against any defendant named in the com-
15 plaint in the Federal action for any violation of
16 such regulation alleged in such complaint.

17 (C) RULES OF CONSTRUCTION.—

18 (i) STATE AUTHORITY.—For purposes
19 of bringing a civil action under this sub-
20 section, nothing in this Act may be con-
21 strued to prevent an attorney general, offi-
22 cial, or agency of a State from exercising
23 the powers conferred on the attorney gen-
24 eral, official, or agency by the laws of such
25 State to conduct investigations, administer

1 oaths and affirmations, or compel the at-
2 tendance of witnesses or the production of
3 documentary and other evidence.

4 (ii) PRESERVATION OF STATE AU-
5 THORITY.—Nothing in this Act may be
6 construed to preempt, limit, or otherwise
7 affect or restrict the application of any
8 State law, rule, regulation, requirement, or
9 standard that provides a user with greater
10 or additional rights, remedies, or protec-
11 tions than the rights, remedies, and protec-
12 tions provided under this Act, including
13 any State law, rule, requirement, or stand-
14 ard governing the licensing, regulation, or
15 discipline of a covered profession regulated
16 under State law, including enforcement ac-
17 tions for the unlicensed practice of such
18 profession.

19 (e) PRIVATE RIGHT OF ACTION.—

20 (1) IN GENERAL.—A person injured by an act
21 or practice in violation of subsection (a) or a regula-
22 tion promulgated under such subsection may bring
23 in an appropriate district court of the United
24 States—

25 (A) an action to enjoin the violation;

1 (B) an action to recover damages for ac-
2 tual monetary loss from the violation, or to re-
3 ceive up to \$5,000 in damages for each such
4 violation, whichever is greater; or

5 (C) both such actions.

6 (2) WILLFUL OR KNOWING VIOLATIONS.—If the
7 court finds that the defendant acted willfully or
8 knowingly in committing a violation described in
9 paragraph (1), the court may, in its discretion, in-
10 crease the amount of the award to an amount equal
11 to not more than 3 times the amount available
12 under paragraph (1)(B).

13 (3) COSTS AND ATTORNEY'S FEES.—The court
14 shall award to a prevailing plaintiff in an action
15 under this subsection the costs of such action and
16 reasonable attorney's fees, as determined by the
17 court.

18 (4) LIMITATION.—An action may be com-
19 menced under this subsection not later than 5 years
20 after the date on which the person first discovered
21 or had a reasonable opportunity to discover the vio-
22 lation.

23 (5) NONEXCLUSIVE REMEDY.—The remedy pro-
24 vided by this subsection shall be in addition to any
25 other remedies available to the person.

1 (f) ADJUSTMENT FOR INFLATION FOR CIVIL PEN-
2 ALTIES AND DAMAGES.—Beginning on the date that the
3 Consumer Price Index is first published by the Bureau
4 of Labor Statistics that is at least 1 year after the date
5 of the enactment of this Act, and each year thereafter,
6 the amount specified in subsections (d)(1)(C) and
7 (e)(1)(B) shall be increased by the percentage increase,
8 if any, in the Consumer Price Index published on such
9 date from the Consumer Price Index published the pre-
10 vious year.

11 (g) DEFINITIONS.—In this section:

12 (1) APPROPRIATE LICENSE.—The term “appro-
13 priate license” means a permit or authorization re-
14 quired to practice a covered profession, as deter-
15 mined by the State in which the covered entity pro-
16 vides the service.

17 (2) AI CHATBOT.—The term “AI chatbot”
18 means a system that uses artificial intelligence to
19 engage in interactive conversations with a user simi-
20 lar to the communications that an individual would
21 have with a human.

22 (3) ARTIFICIAL INTELLIGENCE; AI.—The term
23 “artificial intelligence” or “AI” has the meaning
24 given that term in section 9401 of the National Arti-

1 ficial Intelligence Initiative Act of 2020 (15 U.S.C.
2 9401).

3 (4) COMMISSION.—The term “Commission”
4 means the Federal Trade Commission.

5 (5) COVERED ENTITY.—The term “covered en-
6 tity” means an individual or company that deploys
7 an AI chatbot.

8 (6) COVERED PROFESSION.—The term “covered
9 profession” means a profession that does any of the
10 following:

11 (A) Operates in the finance and insurance
12 sector (as defined in NAICS Code 52).

13 (B) Operates in the health care and social
14 assistance sector (as defined in NAICS Code
15 62).

16 (C) Provides legal services (as defined in
17 NAICS code 5411).

18 (D) Provides accounting, tax preparation,
19 bookkeeping, and payroll services (as defined in
20 NAICS code 5412).

21 (7) STATE.—The term “State” means each of
22 the several States, the District of Columbia, each
23 commonwealth, territory, or possession of the United
24 States, and each federally recognized Indian Tribe.