

A10494 • New York

Imposes liability for misleading, incorrect, contradictory or harmful information to a user by a chatbot that results in financial loss or other demonstrable harm.

Introduced

Risk: High

Comprehensive

Effective: Aug 27, 2024 | Last Action (May 29, 2024): referred to consumer affairs and protection

Summary

This bill imposes liability on chatbot proprietors for misleading or harmful information that causes user harm.

Business Impact

If you operate a chatbot in New York, you must ensure accurate information is provided or face liability for user harm.

Key Provisions

- Proprietors cannot disclaim liability for misleading chatbot information resulting in user harm.
- Proprietors must correct misleading information within 30 days of notice to avoid liability.
- Users must be clearly notified when interacting with a chatbot.
- Chatbots must provide accurate information aligned with formal policies and terms of service.
- Proprietors are defined as entities with more than 20 employees operating chatbots.

Compliance Checklist

- Ensure chatbot provides accurate information and corrects any misleading content. | Who: Chatbot proprietors | Penalty: Liability for user financial loss or demonstrable harm
- Provide clear notice to users that they are interacting with a chatbot. | Who: Chatbot proprietors | Penalty: Potential liability for misleading information

Industries Affected

Topics

User-Facing AI

Bill Sponsors

Name	Party	Role
Rules Committee		Primary
PICHARDO		Primary
Sarah Clark	Democratic/Working Families	Primary
Paula Kay	Democratic	Cosponsor
Albert A. Stirpe		Cosponsor
William Conrad		Cosponsor

Related Bills

- S05668 (NY)
- S09381 (NY)
- A00222 (NY)
- S 5668 (NY)

Official Source

<https://www.nysenate.gov/legislation/bills/2023/A10494>

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