

CHAPTER 1068

CONVERSATIONAL ARTIFICIAL INTELLIGENCE SERVICES — LIMITATIONS, REQUIRED DISCLOSURES, AND CIVIL PENALTIES

S.F. 2417

AN ACT establishing requirements and guidelines for conversational AI services, and providing civil penalties, and including applicability provisions.

Be It Enacted by the General Assembly of the State of Iowa:

Section 1. NEW SECTION. **554J.1 Definitions.**

For the purposes of this chapter:

1. “*Account holder*” means an individual to which an account or profile to use a conversational AI service belongs.

2. *a.* “*Conversational AI service*” means an artificial intelligence, available by software application, web interface, or computer program, that is accessible to the general public and that has the primary purpose of simulating human conversation and interaction through text, audio communication, or visual communication.

b. “*Conversational AI service*” does not include a software application, web interface, or computer program that is any of the following:

(1) Primarily designed and marketed for research and development purposes.

(2) A feature within another software application, web interface, or computer program that does not have the primary purpose of simulating human conversation and interaction through text, audio communication, or visual communication.

(3) Designed to provide outputs relating to a narrow and discrete topic.

(4) Primarily designed and marketed for commercial use by business entities to assist customers in obtaining services or purchasing goods from the business.

(5) Functions as a speaker and voice command interface or voice-activated virtual assistant for an electronic device widely available to consumers.

(6) Used by a business solely for internal purposes.

3. “*Minor*” means an individual an operator knows is, or is reasonably certain is, under eighteen years of age.

4. “*Operator*” means a person who develops and makes a conversational AI service available to the public. “*Operator*” does not include a mobile device application store or a search engine solely because the mobile device application store or a search engine provides access to a conversational AI service.

5. “*Sexually explicit conduct*” means the same as defined in 18 U.S.C. §2256.

6. “*Visual depiction*” means the same as defined in 18 U.S.C. §2256.

Sec. 2. NEW SECTION. **554J.2 Conversational AI services — minors — requirements.**

1. An operator shall clearly and conspicuously disclose to a minor account holder that the minor account holder is interacting with artificial intelligence through any of the following:

a. A persistent visible disclaimer.

b. All of the following:

(1) A disclaimer that appears at the beginning of each interaction between the operator’s conversational AI service and a minor account holder.

(2) A disclaimer that appears at least once every three hours of continuous interaction between the operator’s conversational AI service and a minor account holder.

2. An operator shall not provide a minor user with points or similar rewards at unpredictable intervals with the intent to encourage increased engagement with the operator’s conversational AI service.

3. An operator shall institute reasonable measures to prevent the operator’s conversational AI service from doing any of the following for minor account holders:

a. Producing visual depictions of sexually explicit material.

b. Stating that the minor account holder should engage in sexually explicit conduct.

c. Sexually objectifying the minor account holder.

4. An operator shall institute reasonable measures to prevent the operator's conversational AI service from generating statements that would lead a reasonable individual to believe that the individual is interacting with a human, including but not limited to all of the following:

- a. Explicit claims that the conversational AI service is sentient or human.
- b. Statements that simulate emotional dependence on a minor account holder.
- c. Statements that simulate a romantic interaction or a sexual innuendo.
- d. Role-playing an adult-minor romantic relationship.

5. a. An operator shall offer tools for minor account holders to manage the minor account holder's privacy and account settings.

b. An operator shall offer tools for the parent or guardian of a minor account holder to manage the minor account holder's privacy and account settings if the minor is under thirteen years of age.

c. An operator shall offer tools for the parent or guardian of a minor account holder to manage the minor account holder's privacy and account settings as appropriate based on relevant risks.

Sec. 3. NEW SECTION. 554J.3 Consumer disclosures.

An operator shall clearly and conspicuously disclose using a persistent visible disclaimer, or a disclaimer that appears after every three hours of continuous interaction with the operator's conversational AI service, that the operator's conversational AI service is artificial intelligence if a reasonable individual interacting with the conversational AI service would believe that the individual is interacting with a human.

Sec. 4. NEW SECTION. 554J.4 Suicide and self-harm protocol.

An operator shall adopt protocols for the operator's conversational AI service for responding to user prompts regarding suicidal ideation or self-harm that includes but is not limited to making reasonable efforts to refer the user to crisis service providers such as a suicide hotline, crisis text line, or other appropriate crisis service.

Sec. 5. NEW SECTION. 554J.5 Mental health care.

An operator shall not knowingly and intentionally cause or program a conversational AI service to make a representation or statement that would lead a reasonable individual to believe that the conversational AI service is designed to provide professional psychology or behavioral health services that an individual would require licensure under chapter 154B or 154D to provide.

Sec. 6. NEW SECTION. 554J.6 Penalties and enforcement.

1. An operator that violates this chapter shall be subject to an injunction and liable for the greater of the following:

a. Actual damages.

b. A civil penalty of one thousand dollars per violation, up to a maximum of five hundred thousand dollars per operator.

2. The attorney general shall have the authority to enforce this chapter and shall adopt rules pursuant to chapter 17A to administer this chapter.

3. A civil penalty collected under this section shall be deposited into the general fund of the state.

4. This chapter shall not be construed to create a private right of action under this chapter or any other law.

5. This section shall not be construed to make a developer of an artificial intelligence model liable solely because a third party used the developer's artificial intelligence model to create or train a conversational AI service.

Sec. 7. **APPLICABILITY.** This Act applies July 1, 2027.

Approved May 2, 2026