Multiple Agency Fiscal Note Summary

Bill Number: 2225 HB	**Title:** AI companion chatbots

Estimated Cash Receipts

NONE

Agency Name	2025-27		2027-29		2029-31	
	GF- State	Total	GF- State	Total	GF- State	Total
Local Gov. Courts						
Loc School dist-SPI						
Local Gov. Other	No fiscal impact					
Local Gov. Total						

Estimated Operating Expenditures

Agency Name	2025-27				2027-29				2029-31			
	FTEs	GF-State	NGF-Outlook	Total	FTEs	GF-State	NGF-Outloo	Total	FTEs	GF-State	NGF-Outlook	Total
Office of Attorney General	.4	66,000	66,000	66,000	.5	132,000	132,000	132,000	.0	0	0	0
Department of Health	.0	0	0	0	.0	0	0	0	.0	0	0	0
Total $	**0.4**	**66,000**	**66,000**	**66,000**	**0.5**	**132,000**	**132,000**	**132,000**	**0.0**	**0**	**0**	**0**

Agency Name	2025-27			2027-29			2029-31		
	FTEs	GF-State	Total	FTEs	GF-State	Total	FTEs	GF-State	Total
Local Gov. Courts									
Loc School dist-SPI									
Local Gov. Other	No fiscal impact								
Local Gov. Total									

Estimated Capital Budget Expenditures

Agency Name	2025-27			2027-29			2029-31		
	FTEs	Bonds	Total	FTEs	Bonds	Total	FTEs	Bonds	Total
Office of Attorney General	.0	0	0	.0	0	0	.0	0	0
Department of Health	.0	0	0	.0	0	0	.0	0	0
Total $	**0.0**	**0**	**0**	**0.0**	**0**	**0**	**0.0**	**0**	**0**

Agency Name	2025-27			2027-29			2029-31		
	FTEs	GF-State	Total	FTEs	GF-State	Total	FTEs	GF-State	Total
Local Gov. Courts									
Loc School dist-SPI									
Local Gov. Other	No fiscal impact								
Local Gov. Total									

FNPID: 75275

FNS029 Multi Agency rollup

Estimated Capital Budget Breakout

NONE

Prepared by: Val Terre, OFM	**Phone:** (360) 280-3073	**Date Published:** Final 1/16/2026

FNPID: 75275

FNS029 Multi Agency rollup

Individual State Agency Fiscal Note

Bill Number: 2225 HB	Title: AI companion chatbots	Agency: 100-Office of Attorney General

Part I: Estimates

☐ **No Fiscal Impact**

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:

	FY 2026	FY 2027	2025-27	2027-29	2029-31
FTE Staff Years	0.0	0.7	0.4	0.5	0.0
Account					
General Fund-State 001-1	0	66,000	66,000	132,000	0
Total $	0	66,000	66,000	132,000	0

Estimated Capital Budget Impact:

NONE

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.

Check applicable boxes and follow corresponding instructions:

☒ If fiscal impact is greater than $50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.

☐ If fiscal impact is less than $50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).

☐ Capital budget impact, complete Part IV.

☐ Requires new rule making, complete Part V.

Legislative Contact:	Emily Poole	Phone: 360-786-7106	Date: 01/06/2026
Agency Preparation:	Amy Flanigan	Phone: 509-456-3123	Date: 01/12/2026
Agency Approval:	Leah Snow	Phone: 360-586-2104	Date: 01/12/2026
OFM Review:	Val Terre	Phone: (360) 280-3073	Date: 01/16/2026

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Significant provisions of the bill and any related workload or policy assumptions that have revenue or expenditure impact on the responding agency by section number.

Section 1 – New Section. Legislative findings.

Section 2 – New Section. Definitions.

Section 3 – New Section. Requires AI operators to issue clear and conspicuous notification indicating that a companion chatbot is artificially generated and not human if a reasonable person could be misled to believe that they are communicating with a human. Provides requirements for that notification.

Section 4 – New Section. Provided additional requirements when the AI operator knows that a user of the AI chatbot is a minor. Includes notification requirements and measures to prevent the AI chatbot from generating or producing sexually explicit content or engaging in suggestive dialog with the minor. Also prohibits manipulative engagement techniques, which are further defined in this section.

Section 5 – New Section. Prohibits AI operators from deploying AI companion chatbots unless they maintain and implement a protocol for detecting and addressing suicidal ideation or expressions of self-harm by users. Provides requirements for such protocol and public disclosure requirements.

Section 6 – New Section. Clarifies that this act does not apply to general purpose AI models unless those models are deployed or behave as an AI companion.

Section 7 – New Section. Provides that the practices covered under this act vitally affect the public interest for purposes of applying the consumer protection act (chapter 19.86 RCW). Violations of this chapter are unfair or deceptive acts in trade or commerce and unfair methods of competition under the consumer protection act.

Section 8 – New Section. Sections 1-7 of this act are a new chapter in Title 19 RCW.

Section 9 – New Section. Savings clause.

Section 10 – New Section. Act takes effect on January 1, 2027.

II. B - Cash receipts Impact

Cash receipts impact of the legislation on the responding agency with the cash receipts provisions identified by section number and when appropriate, the detail of the revenue sources. Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished between one time and ongoing functions.

None.

Attorney General's Office (AGO) Consumer Protection Division (CPR) activities are funded with General Fund-State dollars. No cash receipt impact. There is no client agency to bill for legal services.

II. C - Expenditures

Agency expenditures necessary to implement this legislation (or savings resulting from this legislation), with the provisions of the legislation that result in the expenditures (or savings) identified by section number. Description of the factual basis of the assumptions and the method by which the expenditure impact is derived. Explanation of how workload assumptions translate into cost estimates. Distinguished between one time and ongoing functions.

Legal services associated with the enactment of this bill will begin on January 1, 2027.

Location of staffing is assumed to be in a King County office building.

Total workload impact in this request includes standard assumption costs for goods & services, travel, and capital outlays for all FTE identified.

Agency administration support FTE are included in the tables. The Management Analyst 5 FTE (MA) is used as a representative classification. An example ratio is for every 1.0 Assistant Attorney General FTE (AAG), the AGO includes 0.5 Paralegal 1 FTE (PL1) and 0.4 MA.

1. Assumptions for the Attorney General's Office (AGO) Consumer Protection Division (CPR) Legal Services:

The AGO's CPR Division assumes the enactment of HB 2225 will require AAG, Paralegal 2 (PL2) and Investigator (INV) positions in order to monitor for compliance and conduct investigations. CPR assumes that other regulators outside WA, in particular other states, will enforce similar laws against industry participants, incentivizing compliance. The effective date of January 1, 2027, as set forth in Section 10, will allow industry participants additional time following passage to come into compliance with bill requirements. CPR assumes enforcement activity during the first 18 months after the effective date will take the form of monitoring for compliance and one to two new investigations, with no litigation activity. CPR assumes in FY 2027 0.2 AAG to investigate potential violations; draw conclusions from investigation; draft criminal investigative demands (CID)/discovery requests; engage in settlement negotiations, and 0.2 INV to interview witnesses; review investigative records; other investigative tasks as assigned, and 0.1 PL2 FTE to assist with CID preparation; document management; other tasks as assigned, and $1,000 in direct costs for electronic document management for investigative records. CPR assumes in FY 2028 0.3 AAG, 0.3 INV, and 0.1 PL2 along with $1,000 in direct costs for electronic document management for investigative records. Other states have passed bills addressing this issue. When multiple states take action on the same issue, companies are incentivized to come into compliance nationwide. CPR assumes that in the first 18 months, the industry will come into full or nearly-full compliance, requiring no further enforcement activity by CPR and no costs are assumed beyond FY 2028.

CPR total workload hours:
FY 2026: 0 hours
FY 2027: 225 AAG hours, 225 INV hours, and 90 PL2 hours
FY 2028: 450 AAG hours, 450 INV hours, and 180 PL2 hours
FY 2029 and every year thereafter: 0 hours

CPR total King County workload impact:
FY 2026: $0
FY 2027: $66,000 for 0.2 AAG, 0.1 PL1, 0.1 PL2, 0.2 INV, which includes direct litigation costs of $1,000
FY 2028: $132,000 for 0.3 AAG, 0.2 PL1, 0.1 PL2, 0.3 INV, which includes direct litigation costs of $1,000
FY 2029 and every year thereafter: $0

AGO total workload hours:
FY 2026: 0 hours
FY 2027: 225 AAG hours, 225 INV hours, and 90 PL2 hours
FY 2028: 450 AAG hours, 450 INV hours, and 180 PL2 hours
FY 2029 and every year thereafter: 0 hours

AGO total workload impact:
FY 2026: $0
FY 2027: $66,000 for 0.2 AAG, 0.1 PL1, 0.1 PL2, 0.2 INV, which includes direct litigation costs of $1,000
FY 2028: $132,000 for 0.3 AAG, 0.2 PL1, 0.1 PL2, 0.3 INV, which includes direct litigation costs of $1,000
FY 2029 and every year thereafter: $0

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2026	FY 2027	2025-27	2027-29	2029-31
001-1	General Fund	State	0	66,000	66,000	132,000	0
		Total $	0	66,000	66,000	132,000	0

III. B - Expenditures by Object Or Purpose

	FY 2026	FY 2027	2025-27	2027-29	2029-31
FTE Staff Years		0.7	0.4	0.5	
A-Salaries and Wages		46,000	46,000	92,000	
B-Employee Benefits		12,000	12,000	24,000	
C-Professional Service Contracts		1,000	1,000	1,000	
E-Goods and Other Services		7,000	7,000	14,000	
G-Travel				1,000	
J-Capital Outlays					
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
9-					
Total $	0	66,000	66,000	132,000	0

III. C - Operating FTE Detail: *List FTEs by classification and corresponding annual compensation. Totals need to agree with total FTEs in Part I and Part IIIA*

Job Classification	Salary	FY 2026	FY 2027	2025-27	2027-29	2029-31
Assistant Attorney General King County	139,558		0.2	0.1	0.2	
Management Analyst 5	98,040		0.1	0.1	0.1	
Paralegal 1 King County	747,000		0.1	0.1	0.1	
Paralegal 2 King County	82,392		0.1	0.1	0.1	
Senior Investigator King County	108,156		0.2	0.1	0.2	
Total FTEs			0.7	0.4	0.5	0.0

III. D - Expenditures By Program (optional)

Program	FY 2026	FY 2027	2025-27	2027-29	2029-31
Consumer Protection Division (CPR)		66,000	66,000	132,000	
Total $		66,000	66,000	132,000	

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B - Expenditures by Object Or Purpose

NONE

IV. C - Capital Budget Breakout

Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.

NONE

IV. D - Capital FTE Detail: *FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part IVB.*

NONE

Part V: New Rule Making Required

Provisions of the bill that require the agency to adopt new administrative rules or repeal/revise existing rules.

Individual State Agency Fiscal Note

Bill Number: 2225 HB	Title: AI companion chatbots	Agency: 303-Department of Health

Part I: Estimates

[X] **No Fiscal Impact**

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:
NONE

Estimated Capital Budget Impact:

NONE

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.

Check applicable boxes and follow corresponding instructions:

[ ] If fiscal impact is greater than $50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.

[ ] If fiscal impact is less than $50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).

[ ] Capital budget impact, complete Part IV.

[ ] Requires new rule making, complete Part V.

Legislative Contact:	Emily Poole	Phone: 360-786-7106	Date: 01/06/2026
Agency Preparation:	Bekki Ayres	Phone: 3604703623	Date: 01/08/2026
Agency Approval:	Kristin Bettridge	Phone: 3607911657	Date: 01/08/2026
OFM Review:	Amy Hatfield	Phone: (360) 280-7584	Date: 01/13/2026

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Significant provisions of the bill and any related workload or policy assumptions that have revenue or expenditure impact on the responding agency by section number.

The bill requires developers and operators of artificial intelligence systems to implement protocols for the detection of suicidal ideation or self-harm and for appropriate intervention or response.

This bill does not require any action by the Department of Health; therefore, there is no fiscal impact.

II. B - Cash receipts Impact

Cash receipts impact of the legislation on the responding agency with the cash receipts provisions identified by section number and when appropriate, the detail of the revenue sources. Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished between one time and ongoing functions.

II. C - Expenditures

Agency expenditures necessary to implement this legislation (or savings resulting from this legislation), with the provisions of the legislation that result in the expenditures (or savings) identified by section number. Description of the factual basis of the assumptions and the method by which the expenditure impact is derived. Explanation of how workload assumptions translate into cost estimates. Distinguished between one time and ongoing functions.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

NONE

III. B - Expenditures by Object Or Purpose

NONE

III. C - Operating FTE Detail: *FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part I and Part IIIA.*

NONE

III. D - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B - Expenditures by Object Or Purpose

NONE

IV. C - Capital Budget Breakout

Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.

NONE

IV. D - Capital FTE Detail: *FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part IVB.*

NONE

Part V: New Rule Making Required

Provisions of the bill that require the agency to adopt new administrative rules or repeal/revise existing rules.

LOCAL GOVERNMENT FISCAL NOTE

Department of Commerce

Bill Number: 2225 HB	Title: AI companion chatbots

Part I: Jurisdiction-Location, type or status of political subdivision defines range of fiscal impacts.

Legislation Impacts:

- ☐ Cities:
- ☐ Counties:
- ☐ Special Districts:
- ☐ Specific jurisdictions only:
- ☐ Variance occurs due to:

Part II: Estimates

- ☒ No fiscal impacts.
- ☐ Expenditures represent one-time costs:
- ☐ Legislation provides local option:
- ☐ Key variables cannot be estimated with certainty at this time:

Estimated revenue impacts to:

None

Estimated expenditure impacts to:

None

Part III: Preparation and Approval

Fiscal Note Analyst: Alice Zillah	Phone: 360-725-5035	Date: 01/08/2026
Leg. Committee Contact: Emily Poole	Phone: 360-786-7106	Date: 01/06/2026
Agency Approval: Allan Johnson	Phone: 360-725-5033	Date: 01/08/2026
OFM Review: Val Terre	Phone: (360) 280-3073	Date: 01/16/2026

Part IV: Analysis

A. SUMMARY OF BILL

Description of the bill with an emphasis on how it impacts local government.

Sec. 2 creates a new section to define "AI companion chatbot" or "AI companion," "user," and other terms used throughout the bill.

Sec. 3 creates a new section. If a reasonable person interacting with an AI chatbot would be misled to believe they are communicating with a human, the operator must issue a clear and conspicuous notification indicating that the companion chatbot is artificially generated and not human.

Sec. 4 creates a new section. If the operator knows that the user of an AI companion chatbot is a minor, the operator shall: (a) Issue a clear and conspicuous notification indicating that the chatbot is artificially generated and not human; (b) Implement reasonable measures to prevent its AI companion chatbot from generating or producing sexually explicit content or suggestive dialogue with minors; and (c) Prohibit the use of manipulative engagement techniques, which cause the AI companion chatbot to engage in or prolong an emotional relationship with the user.

Sec. 5 creates a new section. An operator may not make available or deploy an AI companion chatbot unless it maintains and implements a protocol for detecting and addressing suicidal ideation or expressions of self-harm by users. The operator shall publicly disclose on their website the details of the protocols required by this section, including safeguards used to detect and respond to self-harm expressions and the number of crisis referral notifications issued to users in the preceding calendar year.

Sec. 7 establishes that a violation of this chapter is an unfair or deceptive act in trade or commerce and an unfair method of competition for the purpose of applying the Consumer Protection Act, RCW 19.86.

Sec. 10 establishes that this act takes effect January 1, 2027.

B. SUMMARY OF EXPENDITURE IMPACTS

Expenditure impacts of the legislation on local governments with the expenditure provisions identified by section number and when appropriate, the detail of expenditures. Delineated between city, county and special district impacts.

The legislation would have no expenditure impacts for local governments.

A violation of the new provisions concerning AI chatbots would constitute an offense covered by the Consumer Protection Act, RCW 19.86. The Attorney General's Office enforces the Consumer Protection Act, and a company accused of a violation would not be entitled to a court-appointed defense attorney. Awarded penalties are civil in nature. As a result, there would not be any cost impacts for cities, counties, or special purpose districts.

C. SUMMARY OF REVENUE IMPACTS

Revenue impacts of the legislation on local governments, with the revenue provisions identified by section number, and when appropriate, the detail of revenue sources. Delineated between city, county and special district impacts.

The legislation would have no revenue impacts for local governments.