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HOUSE BILL NO. 2554

Offered January 13, 2025

Prefiled January 11, 2025

A BILL to amend and reenact § 59.1-200, as it is currently effective and as it shall become effective, of the Code of Virginia and to amend the Code of Virginia by adding in Title 59.1 a chapter numbered 58, consisting of sections numbered 59.1-607, 59.1-608, and 59.1-609, relating to Artificial Intelligence Transparency Act established.

Patron—Henson

Referred to Committee on Communications, Technology and Innovation

Be it enacted by the General Assembly of Virginia:

1. That § 59.1-200, as it is currently effective and as it shall become effective, of the Code of Virginia is amended and reenacted and that the Code of Virginia is amended by adding in Title 59.1 a chapter numbered 58, consisting of sections numbered 59.1-607, 59.1-608, and 59.1-609, as follows:

§ 59.1-200. (Effective until July 1, 2025) Prohibited practices.

A. The following fraudulent acts or practices committed by a supplier in connection with a consumer transaction are hereby declared unlawful:

1. Misrepresenting goods or services as those of another;
2. Misrepresenting the source, sponsorship, approval, or certification of goods or services;
3. Misrepresenting the affiliation, connection, or association of the supplier, or of the goods or services, with another;
4. Misrepresenting geographic origin in connection with goods or services;
5. Misrepresenting that goods or services have certain quantities, characteristics, ingredients, uses, or benefits;
6. Misrepresenting that goods or services are of a particular standard, quality, grade, style, or model;
7. Advertising or offering for sale goods that are used, secondhand, repossessed, defective, blemished, deteriorated, or reconditioned, or that are "seconds," irregulars, imperfects, or "not first class," without clearly and unequivocally indicating in the advertisement or offer for sale that the goods are used, secondhand, repossessed, defective, blemished, deteriorated, reconditioned, or are "seconds," irregulars, imperfects, or "not first class";
8. Advertising goods or services with intent not to sell them as advertised, or with intent not to sell at the price or upon the terms advertised.

In any action brought under this subdivision, the refusal by any person, or any employee, agent, or servant thereof, to sell any goods or services advertised or offered for sale at the price or upon the terms advertised or offered, shall be prima facie evidence of a violation of this subdivision. This paragraph shall not apply when it is clearly and conspicuously stated in the advertisement or offer by which such goods or services are advertised or offered for sale, that the supplier or offeror has a limited quantity or amount of such goods or services for sale, and the supplier or offeror at the time of such advertisement or offer did in fact have or reasonably expected to have at least such quantity or amount for sale;

9. Making false or misleading statements of fact concerning the reasons for, existence of, or amounts of price reductions;

10. Misrepresenting that repairs, alterations, modifications, or services have been performed or parts installed;

11. Misrepresenting by the use of any written or documentary material that appears to be an invoice or bill for merchandise or services previously ordered;

12. Notwithstanding any other provision of law, using in any manner the words "wholesale," "wholesaler," "factory," or "manufacturer" in the supplier's name, or to describe the nature of the supplier's business, unless the supplier is actually engaged primarily in selling at wholesale or in manufacturing the goods or services advertised or offered for sale;

13. Using in any contract or lease any liquidated damage clause, penalty clause, or waiver of defense, or attempting to collect any liquidated damages or penalties under any clause, waiver, damages, or penalties that are void or unenforceable under any otherwise applicable laws of the Commonwealth, or under federal statutes or regulations;

13a. Failing to provide to a consumer, or failing to use or include in any written document or material provided to or executed by a consumer, in connection with a consumer transaction any statement, disclosure, notice, or other information however characterized when the supplier is required by 16 C.F.R. Part 433 to so provide, use, or include the statement, disclosure, notice, or other information in connection with the

- 59 consumer transaction;
- 60 14. Using any other deception, fraud, false pretense, false promise, or misrepresentation in connection
61 with a consumer transaction;
- 62 15. Violating any provision of § 3.2-6509, 3.2-6512, 3.2-6513, 3.2-6513.1, 3.2-6514, 3.2-6515, 3.2-6516,
63 or 3.2-6519 is a violation of this chapter;
- 64 16. Failing to disclose all conditions, charges, or fees relating to:
- 65 a. The return of goods for refund, exchange, or credit. Such disclosure shall be by means of a sign
66 attached to the goods, or placed in a conspicuous public area of the premises of the supplier, so as to be
67 readily noticeable and readable by the person obtaining the goods from the supplier. If the supplier does not
68 permit a refund, exchange, or credit for return, he shall so state on a similar sign. The provisions of this
69 subdivision shall not apply to any retail merchant who has a policy of providing, for a period of not less than
70 20 days after date of purchase, a cash refund or credit to the purchaser's credit card account for the return of
71 defective, unused, or undamaged merchandise upon presentation of proof of purchase. In the case of
72 merchandise paid for by check, the purchase shall be treated as a cash purchase and any refund may be
73 delayed for a period of 10 banking days to allow for the check to clear. This subdivision does not apply to
74 sale merchandise that is obviously distressed, out of date, post season, or otherwise reduced for clearance; nor
75 does this subdivision apply to special order purchases where the purchaser has requested the supplier to order
76 merchandise of a specific or unusual size, color, or brand not ordinarily carried in the store or the store's
77 catalog; nor shall this subdivision apply in connection with a transaction for the sale or lease of motor
78 vehicles, farm tractors, or motorcycles as defined in § 46.2-100;
- 79 b. A layaway agreement. Such disclosure shall be furnished to the consumer (i) in writing at the time of
80 the layaway agreement, or (ii) by means of a sign placed in a conspicuous public area of the premises of the
81 supplier, so as to be readily noticeable and readable by the consumer, or (iii) on the bill of sale. Disclosure
82 shall include the conditions, charges, or fees in the event that a consumer breaches the agreement;
- 83 16a. Failing to provide written notice to a consumer of an existing open-end credit balance in excess of \$5
84 (i) on an account maintained by the supplier and (ii) resulting from such consumer's overpayment on such
85 account. Suppliers shall give consumers written notice of such credit balances within 60 days of receiving
86 overpayments. If the credit balance information is incorporated into statements of account furnished
87 consumers by suppliers within such 60-day period, no separate or additional notice is required;
- 88 17. If a supplier enters into a written agreement with a consumer to resolve a dispute that arises in
89 connection with a consumer transaction, failing to adhere to the terms and conditions of such an agreement;
- 90 18. Violating any provision of the Virginia Health Club Act, Chapter 24 (§ 59.1-294 et seq.);
- 91 19. Violating any provision of the Virginia Home Solicitation Sales Act, Chapter 2.1 (§ 59.1-21.1 et seq.);
- 92 20. Violating any provision of the Automobile Repair Facilities Act, Chapter 17.1 (§ 59.1-207.1 et seq.);
- 93 21. Violating any provision of the Virginia Lease-Purchase Agreement Act, Chapter 17.4 (§ 59.1-207.17
94 et seq.);
- 95 22. Violating any provision of the Prizes and Gifts Act, Chapter 31 (§ 59.1-415 et seq.);
- 96 23. Violating any provision of the Virginia Public Telephone Information Act, Chapter 32 (§ 59.1-424 et
97 seq.);
- 98 24. Violating any provision of § 54.1-1505;
- 99 25. Violating any provision of the Motor Vehicle Manufacturers' Warranty Adjustment Act, Chapter 17.6
100 (§ 59.1-207.34 et seq.);
- 101 26. Violating any provision of § 3.2-5627, relating to the pricing of merchandise;
- 102 27. Violating any provision of the Pay-Per-Call Services Act, Chapter 33 (§ 59.1-429 et seq.);
- 103 28. Violating any provision of the Extended Service Contract Act, Chapter 34 (§ 59.1-435 et seq.);
- 104 29. Violating any provision of the Virginia Membership Camping Act, Chapter 25 (§ 59.1-311 et seq.);
- 105 30. Violating any provision of the Comparison Price Advertising Act, Chapter 17.7 (§ 59.1-207.40 et
106 seq.);
- 107 31. Violating any provision of the Virginia Travel Club Act, Chapter 36 (§ 59.1-445 et seq.);
- 108 32. Violating any provision of §§ 46.2-1231 and 46.2-1233.1;
- 109 33. Violating any provision of Chapter 40 (§ 54.1-4000 et seq.) of Title 54.1;
- 110 34. Violating any provision of Chapter 10.1 (§ 58.1-1031 et seq.) of Title 58.1;
- 111 35. Using the consumer's social security number as the consumer's account number with the supplier, if
112 the consumer has requested in writing that the supplier use an alternate number not associated with the
113 consumer's social security number;
- 114 36. Violating any provision of Chapter 18 (§ 6.2-1800 et seq.) of Title 6.2;
- 115 37. Violating any provision of § 8.01-40.2;
- 116 38. Violating any provision of Article 7 (§ 32.1-212 et seq.) of Chapter 6 of Title 32.1;
- 117 39. Violating any provision of Chapter 34.1 (§ 59.1-441.1 et seq.);
- 118 40. Violating any provision of Chapter 20 (§ 6.2-2000 et seq.) of Title 6.2;
- 119 41. Violating any provision of the Virginia Post-Disaster Anti-Price Gouging Act, Chapter 46 (§ 59.1-525

120 et seq.). For the purposes of this subdivision, "consumer transaction" has the same meaning as provided in §
121 59.1-526;

122 42. Violating any provision of Chapter 47 (§ 59.1-530 et seq.);

123 43. Violating any provision of § 59.1-443.2;

124 44. Violating any provision of Chapter 48 (§ 59.1-533 et seq.);

125 45. Violating any provision of Chapter 25 (§ 6.2-2500 et seq.) of Title 6.2;

126 46. Violating the provisions of clause (i) of subsection B of § 54.1-1115;

127 47. Violating any provision of § 18.2-239;

128 48. Violating any provision of Chapter 26 (§ 59.1-336 et seq.);

129 49. Selling, offering for sale, or manufacturing for sale a children's product the supplier knows or has
130 reason to know was recalled by the U.S. Consumer Product Safety Commission. There is a rebuttable
131 presumption that a supplier has reason to know a children's product was recalled if notice of the recall has
132 been posted continuously at least 30 days before the sale, offer for sale, or manufacturing for sale on the
133 website of the U.S. Consumer Product Safety Commission. This prohibition does not apply to children's
134 products that are used, secondhand or "seconds";

135 50. Violating any provision of Chapter 44.1 (§ 59.1-518.1 et seq.);

136 51. Violating any provision of Chapter 22 (§ 6.2-2200 et seq.) of Title 6.2;

137 52. Violating any provision of § 8.2-317.1;

138 53. Violating subsection A of § 9.1-149.1;

139 54. Selling, offering for sale, or using in the construction, remodeling, or repair of any residential dwelling
140 in the Commonwealth, any drywall that the supplier knows or has reason to know is defective drywall. This
141 subdivision shall not apply to the sale or offering for sale of any building or structure in which defective
142 drywall has been permanently installed or affixed;

143 55. Engaging in fraudulent or improper or dishonest conduct as defined in § 54.1-1118 while engaged in a
144 transaction that was initiated (i) during a declared state of emergency as defined in § 44-146.16 or (ii) to
145 repair damage resulting from the event that prompted the declaration of a state of emergency, regardless of
146 whether the supplier is licensed as a contractor in the Commonwealth pursuant to Chapter 11 (§ 54.1-1100 et
147 seq.) of Title 54.1;

148 56. Violating any provision of Chapter 33.1 (§ 59.1-434.1 et seq.);

149 57. Violating any provision of § 18.2-178, 18.2-178.1, or 18.2-200.1;

150 58. Violating any provision of Chapter 17.8 (§ 59.1-207.45 et seq.). For the purposes of this subdivision,
151 "consumer transaction" also includes transactions involving an automatic renewal or continuous service offer
152 by a supplier to a small business, as those terms are defined in § 59.1-207.45;

153 59. Violating any provision of subsection E of § 32.1-126;

154 60. Violating any provision of § 54.1-111 relating to the unlicensed practice of a profession licensed under
155 Chapter 11 (§ 54.1-1100 et seq.) or Chapter 21 (§ 54.1-2100 et seq.) of Title 54.1;

156 61. Violating any provision of § 2.2-2001.5;

157 62. Violating any provision of Chapter 5.2 (§ 54.1-526 et seq.) of Title 54.1;

158 63. Violating any provision of § 6.2-312;

159 64. Violating any provision of Chapter 20.1 (§ 6.2-2026 et seq.) of Title 6.2;

160 65. Violating any provision of Chapter 26 (§ 6.2-2600 et seq.) of Title 6.2;

161 66. Violating any provision of Chapter 54 (§ 59.1-586 et seq.);

162 67. Knowingly violating any provision of § 8.01-27.5;

163 68. Failing to, in accordance with § 59.1-207.46, (i) make available a conspicuous online option to cancel
164 a recurring purchase of a good or service or (ii) with respect to a free trial lasting more than 30 days, notify a
165 consumer of his option to cancel such free trial within 30 days of the end of the trial period to avoid an
166 obligation to pay for the goods or services;

167 69. Selling or offering for sale any substance intended for human consumption, orally or by inhalation,
168 that contains a synthetic derivative of tetrahydrocannabinol. As used in this subdivision, "synthetic
169 derivative" means a chemical compound produced by man through a chemical transformation to turn a
170 compound into a different compound by adding or subtracting molecules to or from the original compound.
171 This subdivision shall not (i) apply to products that are approved for marketing by the U.S. Food and Drug
172 Administration and scheduled in the Drug Control Act (§ 54.1-3400 et seq.) or (ii) be construed to prohibit
173 any conduct permitted under Chapter 16 (§ 4.1-1600 et seq.) of Title 4.1;

174 70. Selling or offering for sale to a person younger than 21 years of age any substance intended for human
175 consumption, orally or by inhalation, that contains tetrahydrocannabinol. This subdivision shall not (i) apply
176 to products that are approved for marketing by the U.S. Food and Drug Administration and scheduled in the
177 Drug Control Act (§ 54.1-3400 et seq.) or (ii) be construed to prohibit any conduct permitted under Chapter
178 16 (§ 4.1-1600 et seq.) of Title 4.1;

179 71. Selling or offering for sale any substance intended for human consumption, orally or by inhalation,
180 that contains tetrahydrocannabinol, unless such substance is (i) contained in child-resistant packaging, as

181 defined in § 4.1-600; (ii) equipped with a label that states, in English and in a font no less than 1/16 of an
 182 inch, (a) that the substance contains tetrahydrocannabinol and may not be sold to persons younger than 21
 183 years of age, (b) all ingredients contained in the substance, (c) the amount of such substance that constitutes a
 184 single serving, and (d) the total percentage and milligrams of tetrahydrocannabinol included in the substance
 185 and the number of milligrams of tetrahydrocannabinol that are contained in each serving; and (iii)
 186 accompanied by a certificate of analysis, produced by an independent laboratory that is accredited pursuant to
 187 standard ISO/IEC 17025 of the International Organization of Standardization by a third-party accrediting
 188 body, that states the tetrahydrocannabinol concentration of the substance or the tetrahydrocannabinol
 189 concentration of the batch from which the substance originates. This subdivision shall not (i) apply to
 190 products that are approved for marketing by the U.S. Food and Drug Administration and scheduled in the
 191 Drug Control Act (§ 54.1-3400 et seq.) or (ii) be construed to prohibit any conduct permitted under Chapter
 192 16 (§ 4.1-1600 et seq.) of Title 4.1;

193 72. Manufacturing, offering for sale at retail, or selling at retail an industrial hemp extract, as defined in §
 194 3.2-5145.1, a food containing an industrial hemp extract, or a substance containing tetrahydrocannabinol that
 195 depicts or is in the shape of a human, animal, vehicle, or fruit;

196 73. Selling or offering for sale any substance intended for human consumption, orally or by inhalation,
 197 that contains tetrahydrocannabinol and, without authorization, bears, is packaged in a container or wrapper
 198 that bears, or is otherwise labeled to bear the trademark, trade name, famous mark as defined in 15 U.S.C. §
 199 1125, or other identifying mark, imprint, or device, or any likeness thereof, of a manufacturer, processor,
 200 packer, or distributor of a product intended for human consumption other than the manufacturer, processor,
 201 packer, or distributor that did in fact so manufacture, process, pack, or distribute such substance;

202 74. Selling or offering for sale a topical hemp product, as defined in § 3.2-4112, that does not include a
 203 label stating that the product is not intended for human consumption. This subdivision shall not (i) apply to
 204 products that are approved for marketing by the U.S. Food and Drug Administration and scheduled in the
 205 Drug Control Act (§ 54.1-3400 et seq.), (ii) be construed to prohibit any conduct permitted under Chapter 16
 206 (§ 4.1-1600 et seq.) of Title 4.1, or (iii) apply to topical hemp products that were manufactured prior to July
 207 1, 2023, provided that the person provides documentation of the date of manufacture if requested;

208 75. Violating any provision of § 59.1-466.8;

209 76. Violating subsection F of § 36-96.3:1;

210 77. Selling or offering for sale (i) any kratom product to a person younger than 21 years of age or (ii) any
 211 kratom product that does not include a label listing all ingredients and with the following guidance: "This
 212 product may be harmful to your health, has not been evaluated by the FDA, and is not intended to diagnose,
 213 treat, cure, or prevent any disease." As used in this subdivision, "kratom" means any part of the leaf of the
 214 plant *Mitragyna speciosa* or any extract thereof;

215 78. Advertising of any ignition interlock system in Virginia by an ignition interlock vendor not approved
 216 by the Commission on the Virginia Alcohol Safety Action Program to operate in Virginia; targeted
 217 advertising of any ignition interlock system to a person before determination of guilt; and any advertising,
 218 whether before or after determination of guilt, without a conspicuous statement that such advertisement is not
 219 affiliated with any government agency. For purposes of this subdivision, "ignition interlock system" has the
 220 same meaning as ascribed to that term in § 18.2-270.1 and "targeted advertising" has the same meaning
 221 ascribed to that term in § 59.1-575 and includes direct mailings to an individual. This provision shall not
 222 apply to ignition interlock service vendor ads, pamphlets, or kiosk advertisements approved by the
 223 Commission on the Virginia Alcohol Safety Action Program and provided at a Commission-approved
 224 location;

225 79. Failing to disclose the total cost of a good or continuous service, as defined in § 59.1-207.45, to a
 226 consumer, including any mandatory fees or charges, prior to entering into an agreement for the sale of any
 227 such good or provision of any such continuous service;

228 80. Violating any provision of the Unfair Real Estate Service Agreement Act (§ 55.1-3200 et seq.);

229 81. Selling or offering for sale services as a professional mold remediator to be performed upon any
 230 residential dwelling without holding a mold remediation certification from the Institute of Inspection,
 231 Cleaning and Restoration Certification (IICRC); ~~and~~

232 82. Willfully violating any provision of § 59.1-444.4; *and*

233 83. *Violating any provision of the Artificial Intelligence Transparency Act (§ 59.1-607 et seq.).*

234 B. Nothing in this section shall be construed to invalidate or make unenforceable any contract or lease
 235 solely by reason of the failure of such contract or lease to comply with any other law of the Commonwealth
 236 or any federal statute or regulation, to the extent such other law, statute, or regulation provides that a violation
 237 of such law, statute, or regulation shall not invalidate or make unenforceable such contract or lease.

238 **§ 59.1-200. (Effective July 1, 2025) Prohibited practices.**

239 A. The following fraudulent acts or practices committed by a supplier in connection with a consumer
 240 transaction are hereby declared unlawful:

241 1. Misrepresenting goods or services as those of another;

242 2. Misrepresenting the source, sponsorship, approval, or certification of goods or services;

243 3. Misrepresenting the affiliation, connection, or association of the supplier, or of the goods or services,
244 with another;

245 4. Misrepresenting geographic origin in connection with goods or services;

246 5. Misrepresenting that goods or services have certain quantities, characteristics, ingredients, uses, or
247 benefits;

248 6. Misrepresenting that goods or services are of a particular standard, quality, grade, style, or model;

249 7. Advertising or offering for sale goods that are used, secondhand, repossessed, defective, blemished,
250 deteriorated, or reconditioned, or that are "seconds," irregulars, imperfects, or "not first class," without clearly
251 and unequivocally indicating in the advertisement or offer for sale that the goods are used, secondhand,
252 repossessed, defective, blemished, deteriorated, reconditioned, or are "seconds," irregulars, imperfects, or
253 "not first class";

254 8. Advertising goods or services with intent not to sell them as advertised, or with intent not to sell at the
255 price or upon the terms advertised.

256 In any action brought under this subdivision, the refusal by any person, or any employee, agent, or servant
257 thereof, to sell any goods or services advertised or offered for sale at the price or upon the terms advertised or
258 offered, shall be prima facie evidence of a violation of this subdivision. This paragraph shall not apply when
259 it is clearly and conspicuously stated in the advertisement or offer by which such goods or services are
260 advertised or offered for sale, that the supplier or offeror has a limited quantity or amount of such goods or
261 services for sale, and the supplier or offeror at the time of such advertisement or offer did in fact have or
262 reasonably expected to have at least such quantity or amount for sale;

263 9. Making false or misleading statements of fact concerning the reasons for, existence of, or amounts of
264 price reductions;

265 10. Misrepresenting that repairs, alterations, modifications, or services have been performed or parts
266 installed;

267 11. Misrepresenting by the use of any written or documentary material that appears to be an invoice or bill
268 for merchandise or services previously ordered;

269 12. Notwithstanding any other provision of law, using in any manner the words "wholesale,"
270 "wholesaler," "factory," or "manufacturer" in the supplier's name, or to describe the nature of the supplier's
271 business, unless the supplier is actually engaged primarily in selling at wholesale or in manufacturing the
272 goods or services advertised or offered for sale;

273 13. Using in any contract or lease any liquidated damage clause, penalty clause, or waiver of defense, or
274 attempting to collect any liquidated damages or penalties under any clause, waiver, damages, or penalties that
275 are void or unenforceable under any otherwise applicable laws of the Commonwealth, or under federal
276 statutes or regulations;

277 13a. Failing to provide to a consumer, or failing to use or include in any written document or material
278 provided to or executed by a consumer, in connection with a consumer transaction any statement, disclosure,
279 notice, or other information however characterized when the supplier is required by 16 C.F.R. Part 433 to so
280 provide, use, or include the statement, disclosure, notice, or other information in connection with the
281 consumer transaction;

282 14. Using any other deception, fraud, false pretense, false promise, or misrepresentation in connection
283 with a consumer transaction;

284 15. Violating any provision of § 3.2-6509, 3.2-6512, 3.2-6513, 3.2-6513.1, 3.2-6514, 3.2-6515, 3.2-6516,
285 or 3.2-6519 is a violation of this chapter;

286 16. Failing to disclose all conditions, charges, or fees relating to:

287 a. The return of goods for refund, exchange, or credit. Such disclosure shall be by means of a sign
288 attached to the goods, or placed in a conspicuous public area of the premises of the supplier, so as to be
289 readily noticeable and readable by the person obtaining the goods from the supplier. If the supplier does not
290 permit a refund, exchange, or credit for return, he shall so state on a similar sign. The provisions of this
291 subdivision shall not apply to any retail merchant who has a policy of providing, for a period of not less than
292 20 days after date of purchase, a cash refund or credit to the purchaser's credit card account for the return of
293 defective, unused, or undamaged merchandise upon presentation of proof of purchase. In the case of
294 merchandise paid for by check, the purchase shall be treated as a cash purchase and any refund may be
295 delayed for a period of 10 banking days to allow for the check to clear. This subdivision does not apply to
296 sale merchandise that is obviously distressed, out of date, post season, or otherwise reduced for clearance; nor
297 does this subdivision apply to special order purchases where the purchaser has requested the supplier to order
298 merchandise of a specific or unusual size, color, or brand not ordinarily carried in the store or the store's
299 catalog; nor shall this subdivision apply in connection with a transaction for the sale or lease of motor
300 vehicles, farm tractors, or motorcycles as defined in § 46.2-100;

301 b. A layaway agreement. Such disclosure shall be furnished to the consumer (i) in writing at the time of
302 the layaway agreement, or (ii) by means of a sign placed in a conspicuous public area of the premises of the
303 supplier, so as to be readily noticeable and readable by the consumer, or (iii) on the bill of sale. Disclosure

304 shall include the conditions, charges, or fees in the event that a consumer breaches the agreement;
305 16a. Failing to provide written notice to a consumer of an existing open-end credit balance in excess of \$5
306 (i) on an account maintained by the supplier and (ii) resulting from such consumer's overpayment on such
307 account. Suppliers shall give consumers written notice of such credit balances within 60 days of receiving
308 overpayments. If the credit balance information is incorporated into statements of account furnished
309 consumers by suppliers within such 60-day period, no separate or additional notice is required;
310 17. If a supplier enters into a written agreement with a consumer to resolve a dispute that arises in
311 connection with a consumer transaction, failing to adhere to the terms and conditions of such an agreement;
312 18. Violating any provision of the Virginia Health Club Act, Chapter 24 (§ 59.1-294 et seq.);
313 19. Violating any provision of the Virginia Home Solicitation Sales Act, Chapter 2.1 (§ 59.1-21.1 et seq.);
314 20. Violating any provision of the Automobile Repair Facilities Act, Chapter 17.1 (§ 59.1-207.1 et seq.);
315 21. Violating any provision of the Virginia Lease-Purchase Agreement Act, Chapter 17.4 (§ 59.1-207.17
316 et seq.);
317 22. Violating any provision of the Prizes and Gifts Act, Chapter 31 (§ 59.1-415 et seq.);
318 23. Violating any provision of the Virginia Public Telephone Information Act, Chapter 32 (§ 59.1-424 et
319 seq.);
320 24. Violating any provision of § 54.1-1505;
321 25. Violating any provision of the Motor Vehicle Manufacturers' Warranty Adjustment Act, Chapter 17.6
322 (§ 59.1-207.34 et seq.);
323 26. Violating any provision of § 3.2-5627, relating to the pricing of merchandise;
324 27. Violating any provision of the Pay-Per-Call Services Act, Chapter 33 (§ 59.1-429 et seq.);
325 28. Violating any provision of the Extended Service Contract Act, Chapter 34 (§ 59.1-435 et seq.);
326 29. Violating any provision of the Virginia Membership Camping Act, Chapter 25 (§ 59.1-311 et seq.);
327 30. Violating any provision of the Comparison Price Advertising Act, Chapter 17.7 (§ 59.1-207.40 et
328 seq.);
329 31. Violating any provision of the Virginia Travel Club Act, Chapter 36 (§ 59.1-445 et seq.);
330 32. Violating any provision of §§ 46.2-1231 and 46.2-1233.1;
331 33. Violating any provision of Chapter 40 (§ 54.1-4000 et seq.) of Title 54.1;
332 34. Violating any provision of Chapter 10.1 (§ 58.1-1031 et seq.) of Title 58.1;
333 35. Using the consumer's social security number as the consumer's account number with the supplier, if
334 the consumer has requested in writing that the supplier use an alternate number not associated with the
335 consumer's social security number;
336 36. Violating any provision of Chapter 18 (§ 6.2-1800 et seq.) of Title 6.2;
337 37. Violating any provision of § 8.01-40.2;
338 38. Violating any provision of Article 7 (§ 32.1-212 et seq.) of Chapter 6 of Title 32.1;
339 39. Violating any provision of Chapter 34.1 (§ 59.1-441.1 et seq.);
340 40. Violating any provision of Chapter 20 (§ 6.2-2000 et seq.) of Title 6.2;
341 41. Violating any provision of the Virginia Post-Disaster Anti-Price Gouging Act, Chapter 46 (§ 59.1-525
342 et seq.). For the purposes of this subdivision, "consumer transaction" has the same meaning as provided in §
343 59.1-526;
344 42. Violating any provision of Chapter 47 (§ 59.1-530 et seq.);
345 43. Violating any provision of § 59.1-443.2;
346 44. Violating any provision of Chapter 48 (§ 59.1-533 et seq.);
347 45. Violating any provision of Chapter 25 (§ 6.2-2500 et seq.) of Title 6.2;
348 46. Violating the provisions of clause (i) of subsection B of § 54.1-1115;
349 47. Violating any provision of § 18.2-239;
350 48. Violating any provision of Chapter 26 (§ 59.1-336 et seq.);
351 49. Selling, offering for sale, or manufacturing for sale a children's product the supplier knows or has
352 reason to know was recalled by the U.S. Consumer Product Safety Commission. There is a rebuttable
353 presumption that a supplier has reason to know a children's product was recalled if notice of the recall has
354 been posted continuously at least 30 days before the sale, offer for sale, or manufacturing for sale on the
355 website of the U.S. Consumer Product Safety Commission. This prohibition does not apply to children's
356 products that are used, secondhand or "seconds";
357 50. Violating any provision of Chapter 44.1 (§ 59.1-518.1 et seq.);
358 51. Violating any provision of Chapter 22 (§ 6.2-2200 et seq.) of Title 6.2;
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362 in the Commonwealth, any drywall that the supplier knows or has reason to know is defective drywall. This
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364 drywall has been permanently installed or affixed;
365 55. Engaging in fraudulent or improper or dishonest conduct as defined in § 54.1-1118 while engaged in a

366 transaction that was initiated (i) during a declared state of emergency as defined in § 44-146.16 or (ii) to
 367 repair damage resulting from the event that prompted the declaration of a state of emergency, regardless of
 368 whether the supplier is licensed as a contractor in the Commonwealth pursuant to Chapter 11 (§ 54.1-1100 et
 369 seq.) of Title 54.1;

370 56. Violating any provision of Chapter 33.1 (§ 59.1-434.1 et seq.);

371 57. Violating any provision of § 18.2-178, 18.2-178.1, or 18.2-200.1;

372 58. Violating any provision of Chapter 17.8 (§ 59.1-207.45 et seq.). For the purposes of this subdivision,
 373 "consumer transaction" also includes transactions involving an automatic renewal or continuous service offer
 374 by a supplier to a small business, as those terms are defined in § 59.1-207.45;

375 59. Violating any provision of subsection E of § 32.1-126;

376 60. Violating any provision of § 54.1-111 relating to the unlicensed practice of a profession licensed under
 377 Chapter 11 (§ 54.1-1100 et seq.) or Chapter 21 (§ 54.1-2100 et seq.) of Title 54.1;

378 61. Violating any provision of § 2.2-2001.5;

379 62. Violating any provision of Chapter 5.2 (§ 54.1-526 et seq.) of Title 54.1;

380 63. Violating any provision of § 6.2-312;

381 64. Violating any provision of Chapter 20.1 (§ 6.2-2026 et seq.) of Title 6.2;

382 65. Violating any provision of Chapter 26 (§ 6.2-2600 et seq.) of Title 6.2;

383 66. Violating any provision of Chapter 54 (§ 59.1-586 et seq.);

384 67. Knowingly violating any provision of § 8.01-27.5;

385 68. Failing to, in accordance with § 59.1-207.46, (i) make available a conspicuous online option to cancel
 386 a recurring purchase of a good or service or (ii) with respect to a free trial lasting more than 30 days, notify a
 387 consumer of his option to cancel such free trial within 30 days of the end of the trial period to avoid an
 388 obligation to pay for the goods or services;

389 69. Selling or offering for sale any substance intended for human consumption, orally or by inhalation,
 390 that contains a synthetic derivative of tetrahydrocannabinol. As used in this subdivision, "synthetic
 391 derivative" means a chemical compound produced by man through a chemical transformation to turn a
 392 compound into a different compound by adding or subtracting molecules to or from the original compound.
 393 This subdivision shall not (i) apply to products that are approved for marketing by the U.S. Food and Drug
 394 Administration and scheduled in the Drug Control Act (§ 54.1-3400 et seq.) or (ii) be construed to prohibit
 395 any conduct permitted under Chapter 16 (§ 4.1-1600 et seq.) of Title 4.1;

396 70. Selling or offering for sale to a person younger than 21 years of age any substance intended for human
 397 consumption, orally or by inhalation, that contains tetrahydrocannabinol. This subdivision shall not (i) apply
 398 to products that are approved for marketing by the U.S. Food and Drug Administration and scheduled in the
 399 Drug Control Act (§ 54.1-3400 et seq.) or (ii) be construed to prohibit any conduct permitted under Chapter
 400 16 (§ 4.1-1600 et seq.) of Title 4.1;

401 71. Selling or offering for sale any substance intended for human consumption, orally or by inhalation,
 402 that contains tetrahydrocannabinol, unless such substance is (i) contained in child-resistant packaging, as
 403 defined in § 4.1-600; (ii) equipped with a label that states, in English and in a font no less than 1/16 of an
 404 inch, (a) that the substance contains tetrahydrocannabinol and may not be sold to persons younger than 21
 405 years of age, (b) all ingredients contained in the substance, (c) the amount of such substance that constitutes a
 406 single serving, and (d) the total percentage and milligrams of tetrahydrocannabinol included in the substance
 407 and the number of milligrams of tetrahydrocannabinol that are contained in each serving; and (iii)
 408 accompanied by a certificate of analysis, produced by an independent laboratory that is accredited pursuant to
 409 standard ISO/IEC 17025 of the International Organization of Standardization by a third-party accrediting
 410 body, that states the tetrahydrocannabinol concentration of the substance or the tetrahydrocannabinol
 411 concentration of the batch from which the substance originates. This subdivision shall not (i) apply to
 412 products that are approved for marketing by the U.S. Food and Drug Administration and scheduled in the
 413 Drug Control Act (§ 54.1-3400 et seq.) or (ii) be construed to prohibit any conduct permitted under Chapter
 414 16 (§ 4.1-1600 et seq.) of Title 4.1;

415 72. Manufacturing, offering for sale at retail, or selling at retail an industrial hemp extract, as defined in §
 416 3.2-5145.1, a food containing an industrial hemp extract, or a substance containing tetrahydrocannabinol that
 417 depicts or is in the shape of a human, animal, vehicle, or fruit;

418 73. Selling or offering for sale any substance intended for human consumption, orally or by inhalation,
 419 that contains tetrahydrocannabinol and, without authorization, bears, is packaged in a container or wrapper
 420 that bears, or is otherwise labeled to bear the trademark, trade name, famous mark as defined in 15 U.S.C. §
 421 1125, or other identifying mark, imprint, or device, or any likeness thereof, of a manufacturer, processor,
 422 packer, or distributor of a product intended for human consumption other than the manufacturer, processor,
 423 packer, or distributor that did in fact so manufacture, process, pack, or distribute such substance;

424 74. Selling or offering for sale a topical hemp product, as defined in § 3.2-4112, that does not include a
 425 label stating that the product is not intended for human consumption. This subdivision shall not (i) apply to
 426 products that are approved for marketing by the U.S. Food and Drug Administration and scheduled in the

427 Drug Control Act (§ 54.1-3400 et seq.), (ii) be construed to prohibit any conduct permitted under Chapter 16
 428 (§ 4.1-1600 et seq.) of Title 4.1, or (iii) apply to topical hemp products that were manufactured prior to July
 429 1, 2023, provided that the person provides documentation of the date of manufacture if requested;

430 75. Violating any provision of § 59.1-466.8;

431 76. Violating subsection F of § 36-96.3:1;

432 77. Selling or offering for sale (i) any kratom product to a person younger than 21 years of age or (ii) any
 433 kratom product that does not include a label listing all ingredients and with the following guidance: "This
 434 product may be harmful to your health, has not been evaluated by the FDA, and is not intended to diagnose,
 435 treat, cure, or prevent any disease." As used in this subdivision, "kratom" means any part of the leaf of the
 436 plant *Mitragyna speciosa* or any extract thereof;

437 78. Advertising of any ignition interlock system in Virginia by an ignition interlock vendor not approved
 438 by the Commission on the Virginia Alcohol Safety Action Program to operate in Virginia; targeted
 439 advertising of any ignition interlock system to a person before determination of guilt; and any advertising,
 440 whether before or after determination of guilt, without a conspicuous statement that such advertisement is not
 441 affiliated with any government agency. For purposes of this subdivision, "ignition interlock system" has the
 442 same meaning as ascribed to that term in § 18.2-270.1 and "targeted advertising" has the same meaning
 443 ascribed to that term in § 59.1-575 and includes direct mailings to an individual. This provision shall not
 444 apply to ignition interlock service vendor ads, pamphlets, or kiosk advertisements approved by the
 445 Commission on the Virginia Alcohol Safety Action Program and provided at a Commission-approved
 446 location;

447 79. Failing to disclose the total cost of a good or continuous service, as defined in § 59.1-207.45, to a
 448 consumer, including any mandatory fees or charges, prior to entering into an agreement for the sale of any
 449 such good or provision of any such continuous service;

450 80. Violating any provision of the Unfair Real Estate Service Agreement Act (§ 55.1-3200 et seq.);

451 81. Selling or offering for sale services as a professional mold remediator to be performed upon any
 452 residential dwelling without holding a mold remediation certification from the Institute of Inspection,
 453 Cleaning and Restoration Certification (IICRC);

454 82. Willfully violating any provision of § 59.1-444.4; ~~and~~

455 83. Violating any provision of Chapter 23.2 (§ 59.1-293.10 et seq.); *and*

456 84. *Violating any provision of the Artificial Intelligence Transparency Act (§ 59.1-607 et seq.).*

457 B. Nothing in this section shall be construed to invalidate or make unenforceable any contract or lease
 458 solely by reason of the failure of such contract or lease to comply with any other law of the Commonwealth
 459 or any federal statute or regulation, to the extent such other law, statute, or regulation provides that a violation
 460 of such law, statute, or regulation shall not invalidate or make unenforceable such contract or lease.

461 **CHAPTER 58.**

462 **ARTIFICIAL INTELLIGENCE TRANSPARENCY ACT.**

463 **§ 59.1-607. Definitions.**

464 *As used in this chapter, unless the context requires a different meaning:*

465 *"Artificial intelligence" means a set of technologies that enables machines to perform tasks under varying*
 466 *and unpredictable circumstances that typically require human oversight or intelligence, or that can learn*
 467 *from experience and improve performance when exposed to datasets.*

468 *"Artificial intelligence chatbot" means a generative artificial intelligence system with which users can*
 469 *interact through an interface that approximates or simulates conversation, including by means of text or*
 470 *voice interaction.*

471 *"Artificial intelligence-generated content" or "AI-generated content" means audio, images, text, or video*
 472 *content that is substantially created or modified by a generative artificial intelligence system such that the*
 473 *use of such system materially alters a reasonable person's understanding of the meaning or significance of*
 474 *such content.*

475 *"Artificial intelligence system" means any machine-based system that, for any explicit or implicit*
 476 *objective, infers from the inputs such system received how to generate outputs, including content, decisions,*
 477 *predictions, and recommendations, that can influence physical or virtual environments.*

478 *"Developer" means any person doing business in the Commonwealth that develops or significantly*
 479 *updates an artificial intelligence system that is offered, sold, leased, given, or otherwise provided to*
 480 *consumers in the Commonwealth.*

481 *"Generative artificial intelligence" means artificial intelligence based on a foundation model that is*
 482 *capable of and used to produce synthetic digital content, including audio, images, text, and videos.*

483 *"Generative artificial intelligence system" means any artificial intelligence system or service that*
 484 *incorporates generative artificial intelligence.*

485 *"Metadata" means structural or descriptive information about data.*

486 *"Third-party licensee" means any person in the Commonwealth who has obtained a license from a*
 487 *developer to access and use a generative artificial intelligence system for its own purposes.*

488 **§ 59.1-608. Disclosure requirements for artificial intelligence-generated content.**

489 A. A developer of a generative artificial intelligence system made available in the Commonwealth shall
490 ensure that any generative artificial intelligence system that produces audio, images, or video content
491 includes on such AI-generated content a clear and conspicuous disclosure that meets the following
492 requirements:

493 1. The disclosure shall include a clear and conspicuous notice, as appropriate for the medium of the
494 content that identifies the content as AI-generated content.

495 2. The output's metadata shall include an identification of the content as being AI-generated content, the
496 identity of the tool used to create the content, and the date and time the content was created.

497 3. The disclosure shall, to the extent technically feasible, be permanent or unable to be easily removed by
498 subsequent users.

499 B. A developer of a generative artificial intelligence system made available in the Commonwealth shall
500 ensure that any generative artificial intelligence system that produces text content, including through an
501 artificial intelligence chatbot, includes on such AI-generated content a clear and conspicuous disclosure that
502 identifies the content as AI-generated content and that is, to the extent technically feasible, permanent or
503 unable to be easily removed by subsequent users.

504 C. For a disclosure to be "clear and conspicuous" as required by subsections A and B, it shall meet the
505 following criteria:

506 1. For any content that is solely visual or solely audible, the disclosure shall be made through the same
507 means through which the content is presented;

508 2. For any content that is both visual and audible, the disclosure shall be visual and audible;

509 3. A visual disclosure, by its size, contrast, location, the length of time it appears, and other
510 characteristics, shall stand out from any accompanying text or other visual elements so that the disclosure is
511 easily noticed, read, and understood;

512 4. An audible disclosure shall be delivered in a volume, speed, and cadence sufficient for a reasonable
513 person to easily hear and understand the disclosure;

514 5. The disclosure shall be unavoidable;

515 6. The disclosure shall use diction and syntax understandable to a reasonable person; and

516 7. The disclosure shall not be contradicted or mitigated by, or inconsistent with, anything else in the
517 communication.

518 D. A developer of a generative artificial intelligence system shall implement reasonable procedures to
519 prevent downstream use of such system without the disclosures required under subsections A and B, which
520 shall include:

521 1. Requiring by contract that end users and third-party licensees of the system refrain from removing any
522 required disclosure;

523 2. Requiring certification that end users and third-party licensees will not remove any such disclosure;
524 and

525 3. Terminating access to the system when the developer has reason to believe that an end user or
526 third-party licensee has removed the required disclosure.

527 E. Any third-party licensee of a generative artificial intelligence system shall implement reasonable
528 procedures to prevent downstream use of such system without the disclosures required under subsections A
529 and B, which shall include:

530 1. Requiring by contract that end users of the system refrain from removing any required disclosure;

531 2. Requiring certification that end users will not remove any such disclosure; and

532 3. Terminating access to the system when the developer has reason to believe that an end user has
533 removed the required disclosure.

534 **§ 59.1-609. Enforcement; right to cure; right of individual action for monetary damages or equitable
535 relief.**

536 A. Any violation of this chapter shall constitute a prohibited practice under the provisions of § 59.1-200
537 and shall be subject to the enforcement provisions of the Virginia Consumer Protection Act (§ 59.1-196 et
538 seq.).

539 B. Prior to initiating an enforcement action for a violation of this chapter, the Attorney General may
540 provide a developer 30 days' written notice identifying the specific provisions of this chapter the Attorney
541 General alleges have been or are being violated. If within the 30-day period the developer cures the noticed
542 violation and provides the Attorney General an express written statement that the alleged violations have
543 been cured and that no further violations shall occur, no action shall be initiated against the developer.

544 C. Any person or entity claiming to be injured due to a violation of this chapter shall be entitled to initiate
545 an action to recover monetary damages pursuant to § 59.1-204 or to obtain injunctive or any other available
546 equitable relief. In granting equitable relief, the court may award reasonable attorney fees and costs to the
547 person or entity injured.