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March 3, 2026

TO: The Honorable Kriselda Valderrama, Chair
Economic Matters Committee

FROM: Hanna Abrams, Assistant Attorney General

RE: House Bill 1261 – Consumer Protection – Artificial Intelligence Toys
(Artificial Intelligence Toy Safety Act)
(LETTER OF INFORMATION)

The Consumer Protection Division of the Office of the Attorney General (the “Division”) submits this letter of information regarding House Bill 1261 (“HB 1261”). House Bill 1261 requires developers of artificial intelligence toys to implement certain protections and creates an Artificial Intelligence Toy Safety Review Panel within the Division.

While the Division is not taking a position on the merits of HB 1261, the Division notes that the bill establishes a data minimization standard that is different from the data minimization standard applied to children’s data in the Maryland Online Data Privacy Act (MODPA). Creating multiple standards that are similar, but not identical, can create confusion regarding the applicable minimization standard. The Division recommends replacing page 5, lines 11-14 with the children’s data minimization standard found in MODPA:

A [manufacturer] may not, except where the collection or processing is strictly necessary to provide or maintain a specific product or service requested by the [user] to whom the personal data pertains, collect, process, or share [child user data] concerning a consumer.¹

HB 1261 also establishes an Artificial Intelligence Toy Safety Review Panel within the Division. This type of review panel requires technical specialization and its mission – review of product safety – differs from that of the Division – prosecution of unfair or deceptive trade practices. The blending of missions, combined with a lack of the necessary technical expertise, suggests that the Division may not be the most appropriate placement for the review panel.

¹ Md. Code Ann., Com. Law § 14-4707(a)(1). Under MODPA, children’s data is sensitive data. *Id.* at 4701(gg)(3).

The Division asks the Economic Matters Committee to consider the concerns discussed above when it considers HB 1261.

Cc: Delegate Derrick Coley
Delegate Marlon Amprey
Delegate Bernice Mireku-North
Delegate Cheryl E. Pasteur
Delegate Denise Roberts
Delegate Mike Rogers
Delegate Malcolm P. Ruff
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