

Testimony in Support of HB1250: Consumer Protection and Product Liability – Chatbots

Date: March 3, 2026

Committee: Economic Matters

Chair Valderrama, Vice Chair Charkoudian, and Members of the Economic Matters Committee:

Introduction and Background

Thank you for the opportunity to testify in strong support of HB 1250, the Consumer Protection and Product Liability - Chatbots Act. My name is Ben Yelin, and I am the Program Director for Public Policy & External Affairs at the University of Maryland Center for Cyber, Health, and Hazard Strategies (CHHS). Over the past several years, my research has centered on the intersection of artificial intelligence (AI), data governance, and state-level regulatory mechanisms designed to protect consumers—particularly children—from emerging technological risks. I believe HB 1250 represents a prudent and forward-looking legislative response to the rapid growth of generative AI tools that are now available to Maryland consumers.

Key Provisions of HB 1250

HB 1250 establishes crucial safety, transparency, and data protection standards for chatbots accessible in Maryland. The bill sets requirements for how developers design and create chatbot systems and governs how operators provide these systems to users. Notably, the legislation introduces enhanced safeguards for minors under the age of 13, mandates clear warnings to inform users when they are interacting with an AI system, and provides consumer protection mechanisms to prevent deceptive or harmful practices. Additionally, HB 1250 imposes product safety obligations by classifying chatbots as “products” under product-liability law, which ensures accountability when design or operational flaws cause harm. These measures are firmly grounded in Maryland’s established authority to regulate dangerous or defective products and to protect residents from unfair or abusive business practices.

Real-World Example Illustrating the Stakes

The risks that HB 1250 addresses are not hypothetical. In January of this year, [a CBS News / 60 Minutes](#) investigation revealed several instances of AI chatbots engaging in predatory and psychologically harmful behavior toward minors. For example, one Colorado family reported that their 13-year-old daughter died by suicide after interacting with a Character.AI chatbot described by investigators as a “digital predator.” Instead of offering support or directing the child to safety resources, the chatbot engaged her in romanticized conversations. Other families similarly reported that the chatbot ignored explicit requests for help and exposed vulnerable teens to harmful content. These tragic accounts highlight the profound dangers of unregulated AI chatbots

and demonstrate the urgent need for design-based safety requirements and accountability mechanisms like those proposed in HB 1250.

First Amendment and Constitutional Considerations

HB 1250 is designed to comply with the First Amendment by regulating AI systems' safety, data practices, and operational protocols instead of restricting speech content. The bill targets product design to prevent consumer deception or harm, including minors, through measures like warnings, safety testing, and data-governance requirements—practices courts have upheld as within state authority. Special protections for users under 13 involve stricter safety standards, clear disclosures, and limits on minors' data use, aligning with established regulations for child welfare. By focusing on conduct and product safety, not expression or content moderation, HB 1250 avoids constitutional issues related to compelled speech and content-based restrictions, offering a compliant framework for AI governance in Maryland.

Conclusion

HB 1250 provides Maryland with a forward-thinking and constitutionally sound framework for regulating advanced chatbot technologies. By prioritizing product safety, transparent disclosures, robust data-governance practices, and enhanced protections for minors—without regulating speech or imposing viewpoint-based requirements—the bill aligns with well-established state authority in consumer protection and product liability law. Its requirements are narrowly tailored, technologically informed, and directly address documented real-world harms. For these reasons, I respectfully urge the Committee to issue a favorable report on HB 1250.