

February 27, 2026

Maryland General Assembly
House Economic Matters Committee

Dear Chair Valderrama and Members of the Committee:

EPIC writes in support of H.B. 1250, An Act concerning Consumer Protection and Products Liability — Chatbots. Chatbot use is increasing rapidly, and the harms this technology is causing are also skyrocketing. States should act swiftly to protect residents from this plethora of harms that chatbots are causing. Maryland has been a leader on online privacy and safety, and passing this bill would build on the state's existing protections by placing commonsense safeguards on chatbots.

The Electronic Privacy Information Center (EPIC) is an independent nonprofit research organization in Washington, D.C., established in 1994 to protect privacy, freedom of expression, and democratic values in the information age.¹ EPIC has a long history of advocating for safe and responsible technology and for tech policy that protects the privacy and civil rights of all people.

Chatbots Are Causing Devastating Harms to People of All Ages

Chatbots are quickly gaining traction among people of all ages. Two-thirds of teens report having used a chatbot, and 30% of teens use chatbots every day.² The number of adults who have used ChatGPT doubled from mid-2023 to mid-2025, with over one-third of adults having used the chatbot.³ Use of chatbots is causing devastating harms, including suicide, self-harm, violence against others, sexual exploitation and predation, financial scams, reputational injuries, and mental health harms like anxiety, depression, unhealthy emotional attachment, and AI psychosis.⁴ Because chatbots are almost entirely unregulated, these harms will only grow. The Legislature should act now to force tech companies to act more responsibly and design chatbots that are safer for everyone.

¹ EPIC, *About EPIC*, <https://epic.org/about/>.

² Michelle Faverio & Olivia Sidoti, *Teens, Social Media and AI Chatbots 2025*, Pew Research Ctr. (Dec. 9, 2025), <https://www.pewresearch.org/internet/2025/12/09/teens-social-media-and-ai-chatbots-2025/>.

³ Olivia Sidoti & Colleen McClain, *34% of U.S. Adults Have Used ChatGPT, About Double the Share in 2023*, Pew Research Ctr. (June 25, 2025), <https://www.pewresearch.org/short-reads/2025/06/25/34-of-us-adults-have-used-chatgpt-about-double-the-share-in-2023/>.

⁴ See, e.g., Kashmir Hill, *They Asked an A.I. Chatbot Questions. The Answers Sent Them Spiraling.*, N.Y. Times (June 13, 2025), <https://www.nytimes.com/2025/06/13/technology/chatgpt-ai-chatbots-conspiracies.html>; Noor Al-Sibai, *Psychiatrists Warn that Talking to AI Is Leading to Severe Mental Health Issues*, Futurism (Aug. 19, 2025), <https://futurism.com/psychiatrists-ai-mental-health-chatbots>; Nguyen, Meyer & Levine, *AI Sycophancy: Impacts, Harms & Questions*, Georgetown Law Inst. for Technology Law & Policy (Aug. 11, 2025), <https://www.law.georgetown.edu/tech-institute/research-insights/insights/ai-sycophancy-impacts-harms-questions/>.

Maryland Should Continue Leading on Protecting Residents' Privacy and Online Safety

The Maryland General Assembly has been a leader in protecting data privacy and kids' online safety. The passage of the Maryland Online Data Privacy Act and the Maryland Age-Appropriate Design Code gave Maryland residents some of the strongest privacy protections in the country, including banning the sale of residents' sensitive data, protecting minors from targeted advertising, and limiting the overcollection and abuse of personal data. This bill would extend these critical data protections to the information Marylanders feed into chatbots.

Just as Big Tech companies have a long history of exploiting people's personal data to profile and target them with advertisements, as well as engaging in many other harmful practices, AI companies are using the same playbook in the chatbot context. This data exploitation begins at the development stage. Chatbots are powered by large-language models—algorithms that were trained using data that was scraped indiscriminately from across the internet without anyone's knowledge or consent, including copyrighted and other protected work, as well as sensitive personal information.⁵ And once deployed, AI companies continue to perpetuate data-driven harms through chatbots. Some of the biggest AI companies, including OpenAI and Meta, have already begun or announced plans to integrate their chatbots into their targeted advertising business streams.⁶

In addition to these harmful data practices, there are also data-driven harms unique to chatbots. For example, chatbot providers use personal information about users—including sensitive information such as whether someone is struggling with mental health issues, substance abuse, relationship or family problems, and more—to develop chatbots that are manipulative and incentivize unhealthy attachments. These companies will take the sensitive information that people have fed to chatbots and use it for profit—for example, a teenager who tells a chatbot that she is struggling with her body image and is engaging in disordered eating to lose weight may be fed a targeted advertisement for a GLP-1 or a fad diet. Allowing these chatbots to operate without guardrails to safeguard personal data is setting the scene for this dangerous reality.

To stop chatbots from continuing to harm Marylanders, this Committee should give H.B. 1250 a favorable report. Doing so would ensure that Maryland remains a leader in protecting the privacy of its residents.

⁵ Lauren Leffer, *Your Personal Data Is Probably Being Used to Train Generative AI Models*, Scientific American (Oct. 19, 2023), <https://www.scientificamerican.com/article/your-personal-information-is-probably-being-used-to-train-generative-ai-models/>; Michael M. Grynbaum & Ryan Mac, *The Times Sues OpenAI and Microsoft over A.I. Use of Copyrighted Work*, N.Y. Times (Dec. 27, 2023), <https://www.nytimes.com/2023/12/27/business/media/new-york-times-open-ai-microsoft-lawsuit.html>.

⁶ Maxwell Zeff, *Meta Plans to Sell Targeted Ads Based on Data in Your AI Chats*, TechCrunch (Oct. 1, 2025), <https://techcrunch.com/2025/10/01/meta-plans-to-sell-targeted-ads-based-on-data-in-your-ai-chats/>; Maxwell Zeff, *Ads Are Coming to ChatGPT. Here's How They'll Work*, Wired (Jan. 16, 2026), <https://www.wired.com/story/openai-testing-ads-us/>; Shira Ovide, *Here Comes the Advertising in AI Chatbots*, Wash. Post (Jan. 13, 2026), <https://www.washingtonpost.com/technology/2026/01/13/advertising-google-ai-mode-chatgpt/>.

H.B. 1250 Is the Most Effective, Workable, and Constitutional Way to Protect Marylanders from Chatbot Harms

The Committee should advance H.B. 1250 because it is the best way to address these problems and to make chatbots safer for people of all ages. This bill addresses privacy and cybersecurity gaps that exist in most commercially available chatbots, and it places essential guardrails around what AI companies can do with the personal information users feed into chatbots. It requires companies to be transparent about the fact that users are interacting with a chatbot, not a human, and that chatbots are not qualified or licensed to give certain advice. It requires chatbot providers to publish key safety metrics and to mitigate any risks of harms the Attorney General identifies. Because the Attorney General has the authority to identify the harms that chatbot providers must prevent, this bill will be flexible enough to evolve as the technology does and protect Marylanders for years to come. Importantly, this bill also gives Marylanders the right to hold chatbot providers accountable for harm that their products do cause.

This bill is the best approach to chatbot safety because rather than attempting to ban anyone from accessing chatbots, this bill requires the companies that create and make chatbots available to the public do so safely and responsibly. In doing so, this bill is on strong constitutional footing. This bill does not restrict or regulate any content or expression—it simply requires commonsense data privacy protections, transparency for users, and basic safety assessments and risk mitigations.

Big Tech companies are currently operating with very few rules and very little oversight, and they've proven time and time again that they cannot be trusted to self-regulate. Thus, it is essential that the Committee advance this bill to set clear rules of the road for chatbot providers and to ensure Marylanders are protected from the harms of this unregulated technology.

* * *

EPIC urges the Committee to support this bill because the harms caused by chatbots are an urgent problem. We cannot afford to wait to act on this issue; Marylanders are being actively harmed by chatbots every day. Passing this bill would build on the protections in the Maryland Online Data Privacy Act and the Maryland Age-Appropriate Design Code to further protect Marylanders from chatbot harms.

Thank you for the opportunity to speak today. EPIC is happy to be a resource to the Committee on these issues.

Sincerely,

/s/ Kara Williams

Kara Williams
EPIC Counsel