



March 3, 2026

The Honorable Kriselda Valderrama
Chair
House Economic Matters Committee
Taylor House Office Building, Room 362
6 Bladen Street Annapolis, MD 21401

RE: Oppose HB 1250 - "Curbing Harmful AI Technology Act"

Dear Chair Valderrama and members of the Committee:

On behalf of Chamber of Progress, a tech industry association working to ensure that all people benefit from technological advances, **I respectfully urge you to oppose HB 1250**, which would impose broad new regulations on AI chatbots that risk limiting Maryland residents' access to AI tools they use for education, accessibility, and everyday tasks.

We share this bill's concern for consumer protection and transparency in AI interactions. But HB 1250's approach goes well beyond those goals, and would end up harming the Maryland residents it aims to protect.

HB 1250's definitions are overly broad and capture low-risk and educational AI tools

HB 1250 defines covered AI chatbots so expansively that it captures any generative AI system with a natural language interface, pulling in low-risk and educational tools that are not relevant to do with the harms the bill is targeting.

An AI tutor that asks follow-up questions to help a student solve a math problem, a language-learning chatbot that practices conversational skills, or a customer-service bot that helps a consumer track a package could all fall within the bill's scope simply because they engage in dialogue. This matters because a 2025 peer-reviewed meta-analysis of 62 studies found that chatbots generally improve learning performance, especially in STEM subjects, at lower educational levels, and when used over longer durations.¹ Recent

¹ Martin Laun and Fabian Wolff. *Chatbots in education: Hype or help? A meta-analysis*. ScienceDirect, Apr. 2025. <https://www.sciencedirect.com/science/article/pii/S1041608025000226>

survey data backs this up: just over half of U.S. teens report using chatbots for help with schoolwork, and more teens say they think AI will be positive for them than negative.² Overbroad definitions risk cutting off tools that are actually helping students learn.

The bill also subjects all of these broadly defined tools to the same liability standard: an affirmative duty to "ensure" the chatbot "does not injure or harm a user." That is not a reasonable-care standard. It is effectively an absolute guarantee that no output will ever cause any harm under any circumstances – a standard no software product, AI or otherwise, can meet. Applying that bar to a math tutor or a package-tracking bot shows how far the bill's reach exceeds its stated purpose.

The bill's data provisions should align with Maryland's existing privacy framework

Maryland's Online Data Privacy Act (MODPA) took effect on October 1, 2025, and businesses have spent significant time and resources building compliance systems around it. HB 1250 creates a parallel set of data rules specifically for chatbots, with its own definitions of consent, profiling, de-identified data, and data sales that diverge from MODPA's standards. For parental consent alone, the bill introduces a written-consent requirement that differs from MODPA's existing consent provisions.

The result is two overlapping privacy regimes governing the same data, with different rules depending on whether a user interacts with a chatbot or any other digital service.

Businesses that just finished retooling their systems for MODPA compliance would need to build out a separate compliance track for a single product category. Privacy protections work best when they are consistent and predictable. Layering a chatbot-specific regime on top of a statewide framework that is barely five months old undermines both.

Advertising restrictions would eliminate free AI services without clear consumer benefit

HB 1250 prohibits chatbot operators from processing chat logs to determine or customize advertisements based on personal interests. Many of the most widely used AI tools offer free tiers supported in part by advertising revenue. Banning contextual ad customization does not protect consumers from an identified harm; it undermines a business model that helps keep these services accessible at no cost.

If ad-supported AI tools are no longer viable in Maryland, the most likely outcomes are paywalls or reduced availability. Either way, the residents who lose out are those who cannot afford a subscription and currently depend on free tools for schoolwork, health

² Pew Research Center. "How Teens Use and View AI." Feb. 24, 2026.
<https://www.pewresearch.org/internet/2026/02/24/how-teens-use-and-view-ai/>

questions, or day-to-day tasks. A provision intended to protect consumers should not make the tools they rely on less accessible.

Professional advice restrictions are vague and could prevent helpful informational uses

We agree that chatbots should not misrepresent themselves as licensed professionals. But the bill's prohibition on providing "financial, legal, or medical advice" draws no clear line between unauthorized practice and ordinary information sharing. A chatbot that breaks down the charges on a hospital statement, summarizes what a lease clause means in plain language, or helps a first-generation college student compare financial aid packages is not practicing medicine, law, or financial advising by a reasonable person standard. Yet each of those interactions could be characterized as prohibited "advice" under HB 1250's broad language.

For many Maryland residents, free AI tools are the most accessible way to get help working through complex paperwork and unfamiliar systems. Without clearer boundaries, providers will restrict these capabilities entirely to avoid liability, and the people who benefit most will be the ones who lose access first.

HB 1250 effectively pushes AI services toward more data collection, not less

Although HB 1250 does not explicitly require age verification, it conditions how AI services operate on whether a provider knows or reasonably believes a user is a minor. In practice, that means more age gates, screening, or identity checks for all users. Strict age verification that confirms a user's age without collecting additional personally identifiable information is not technically feasible while still respecting users' privacy and security.³

To avoid legal risk, companies would be incentivized to collect age or identity information from every user, increasing sensitive personal data collection rather than reducing it. The result is AI services that retain more user data than they otherwise would, the opposite of what a consumer-protection bill should accomplish.

Monthly safety testing mandates and hourly pop-ups are operationally impractical

HB 1250 requires operators to conduct safety testing every month and publish the results on their website. Responsible safety evaluation is important, but a rigid monthly cadence does not match how AI systems are actually developed or updated. The scope of possible chatbot interactions is effectively infinite, and compressing meaningful

³ Sarah Forland et al. *Age Verification: The Complicated Effort to Protect Youth Online*. Open Technology Institute, New America, Apr. 22, 2024. <https://www.newamerica.org/oti/reports/age-verification-the-complicated-effort-to-protect-youth-online/>

evaluation into a recurring 30-day cycle is more likely to produce formulaic reports than genuine safety insights. Requiring those results to be published also risks exposing the very vulnerabilities the testing is meant to catch. This requirement would also set Maryland apart in terms of a rigid, frequent reporting cycle for these tools.

The bill's disclosure requirements raise similar concerns. HB 1250 mandates a pop-up warning at the start of each session, again every hour during use, and again whenever a user asks how the chatbot works. Transparent disclosure that a user is interacting with AI is reasonable and something the industry already practices widely. But hourly interruptions go well beyond transparency. They degrade the user experience without evidence that repeated pop-ups improve understanding or safety outcomes.

For these reasons, **I respectfully urge you to oppose HB 1250.** While the bill's intent to protect consumers in AI interactions is well-meaning, its combination of overbroad definitions, operational mandates, and conflicting regulatory requirements would primarily harm Maryland residents by reducing their access to beneficial AI tools. We welcome the opportunity to work with the Committee on targeted approaches that protect consumers without cutting off access to technology that millions of Marylanders use every day.

Sincerely,

A handwritten signature in black ink, appearing to read "Brianna January". The signature is fluid and cursive, with the first name being more prominent.

Brianna January
Director of State & Local Government Relations, Northeast US