



Montgomery County

Office of Intergovernmental Relations

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SB 827

DATE: March 12, 2026

SPONSOR: Senator Hester

ASSIGNED TO: Finance

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POSITION: Support with Amendments (Montgomery County Department of Technology and Enterprise Business Solutions)

Consumer Protection and Product Liability – Chatbots

Senate Bill 827 regulates the manner in which developers and operators make available to users in the State a chatbot, including among other things: establishing safety and privacy protections for users' personal data; enhanced protection for users who are minors under the age of 13 years; requiring the display of certain warnings when using a chatbot; establishing that a chatbot is considered a product for certain product liability actions; and applying certain provisions of the bill to governmental units.

The Montgomery County Department of Technology and Enterprise Business Solutions (TEBS), supports SB 827 with amendments. We request that the requirement to provide chatlogs be limited to developers that collect user data and that the definition of chatbots be narrowed to exclude chatbots used for customer service that allow anonymous use or that do not store customer data.

Background:

On December 9, 2025, forty-two Attorneys General from the National Association of Attorneys General (including Maryland Attorney General Anthony Brown) sent a letter to large technology companies insisting that they take more care in developing chatbots. In this letter, the Attorneys General's reminded the technology companies that there are already laws with civil and common law requirements: (1) to warn users of applicable risks; (2) to avoid marketing defective products; (3) to refrain from engaging in unfair, deceptive, or unconscionable acts and practices; and (4) to safeguard the privacy of children online. The Attorneys General's worry that the tech companies are allowing "widespread sycophantic and delusional GenAI outputs." They cited many extreme and horrifying examples of GenAI causing damage to vulnerable people, particularly young people. They emphasized that more regulation is needed but stressed that already existing consumer protection and even criminal laws already impact the developers of chatbots. (For example, Maryland already prohibits companies from encouraging children to take actions that are not in their best

interests and requires companies to conduct impact assessments of their online products or services. Md. Code, Ann., Com. Law § 14-4801, *et seq.*)

In contrast to recently enacted New York and California legislation, which regulate chatbots that can "sustain" relationships or "retain information on prior interactions," SB 827 broadly applies to all chatbots, including simple customer service chatbots. It is not directed purely at the companion-type chatbots. For comparison, see [House Bill 952](#), *Consumer Protection – Companion Chatbots – Regulation*. House Bill 952 more narrowly defines and applies requirements to a "Companion Chatbot," similar to the new California and New York laws.

Montgomery County could be considered a developer under SB 827, as the developer of the public-facing Artificial Intelligence (AI) chatbot, "Monty," which would likely be covered by the provisions of SB 827. The AI Monty chatbot provides a 24/365 means for users to access Montgomery County's 311 services. Monty provides information about Montgomery County, Maryland, and County services, by using information from Montgomery County's 311 knowledge base and other County-maintained application programming interfaces (APIs). The chatbot does not ask for, and has no mechanism for, users to enter their personal information. On the Monty FAQ page, in response to the question, "How will my information be used with Monty," it states:

Monty will never ask you for personal information, except for your Montgomery County address to gather information on leaf collection dates and early voting, ballot drop box, and election day polling locations, where applicable. Monty does not store any information besides what is in the conversation. Please do not provide any personal or sensitive information to Monty, such as credit card or social security numbers.

Support with Amendments:

TEBS maintains and operates both Monty and the MC 311 system. TEBS supports this legislation with amendments because we support the goals of promoting the transparent and responsible use and development of AI chatbots and enhancing consumer protections when providing personal information to AI chatbots, especially when using AI chatbots for mental health therapy and companionship. However, TEBS requests that SB 827 be amended to eliminate the unintended consequence of requiring the County to abolish anonymous use of its Monty AI chatbot by users and to collect unneeded personal user data, which it does not now collect, to enable compliance with the chatlog disclosure requirements of SB 827. Moreover, TEBS requests that the definition of chatbot be narrowed so that customer service chatbots are not required to comply with the SB 827 requirements created for chatbots that provide longer-term, ongoing companion services.

AMENDMENT ONE:

Chatbot Logs, Page 8, Lines 8-11

Add "IF THE CHATBOT COLLECTS USER DATA," at the beginning of Line 8, to limit the applicability of the requirement to provide chatlogs to users, to only those developers that collect user data. Montgomery County's Monty chatbot is used anonymously by users. We do not have a mechanism to identify and tie a user to their chatlog. Compliance with this provision would require a complete redesign of our Monty chatbot and would negatively

impact users' ability to request information about County services without having to first provide identifying data. This may in turn discourage people from using the chatbot.

AMENDMENT TWO:

Chatbot Definition, Page 2, Lines 15-17

Add after the definition of "Chatbot", new section (E)(1):

- (1) A CHATBOT DOES NOT INCLUDE A BOT USED ONLY FOR CUSTOMER SERVICE, TECHNICAL ASSISTANCE, BUSINESS ANALYTICS, OR INTERNAL RESEARCH.
- (2) A CONSUMER ELECTRONIC DEVICE THAT:
 - A. FUNCTIONS AS A SPEAKER AND A VOICE COMMAND INTERFACE;
 - B. DOES NOT SUSTAIN A RELATIONSHIP ACROSS MULTIPLE INTERACTIONS; AND
 - C. DOES NOT GENERATE OUTPUTS THAT ARE LIKELY TO ELICIT EMOTIONAL RESPONSES FROM THE USER.

(For comparison, see the definition of "Companion Chatbot" and the exclusion in HB 952, Pages 2, Lines 15 to Page 3, Line 11.)

The exclusion of chatbots used for customer service and similar business purposes would exempt the County's Monty chatbot and similar chatbots from the requirements of the bill that are not necessary for this type of 311 chatbot or other chatbots designed to promote business efficiencies. For example, SB 827 requires a chatbot to have "a static, persistent warning that continuously appears on the screen" ... "based on a model warning developed by the Attorney General." Page 7, Lines 20-21, and Page 8, Lines 4-5. This warning will likely be more than necessary for a person using Monty to request a new recycling bin. Moreover, the chatbot definition likely applies to AI tools such as "Siri." Requiring a warning every time a user uses Siri is not likely the intended purpose of the bill, but Siri is likely a chatbot under the bill as currently drafted. Narrowing the chatbot definition will help SB 827 address the type of chatbots it is intended to reach, and to avoid adding unnecessary requirements to the chatbots it was not intended to reach.

Finally, for the Committee's benefit, Montgomery County TEBS also provides herein additional technical information about the impact and compliance requirements of SB 827 on the County's Monty AI Chatbot.

The Montgomery County Department of Technology and Enterprise Business Solutions respectfully request a favorable report with amendments.

“Monty” is Montgomery County’s 311 AI Chatbot, designed to help residents find information about County services. Monty is available 24/365, in multiple languages. Monty is a “chatbot” under SB 827. The following is information about Montgomery County’s ability to comply with the requirements of SB 827 as they apply to our AI Chatbot Monty.

1. Mandatory AI Disclosure & Warning Design

The bill requires both a **static, persistent warning** continuously visible on-screen and a **dynamic pop-up warning** that the user must actively respond to at the start of every session, after every hour of continuous use, and whenever a user asks how the chatbot functions. Warnings must appear in every language the chatbot supports and must be accessible to users with disabilities (ADA-compliant).

For Monty: We have included instructions that will appear when the chatbot launches. Chatbot sessions expire after 60 minutes and must be restarted (retriggering the chat initiation message/instructions).

There is no static, persistent warning that is continuously visible on screen. The chat initiation message is available in English by default (though Google Translate is available on the Google webpage). The chat initiation message does not require user affirmation. There is no dynamic pop-up warning that appears when a user asks how the chatbot functions. User interface read aloud features are currently unavailable.

2. Affirmative Consent Architecture

The bill mandates clear, explicit, unambiguous user consent before data is used for training or profiling. Silence or continued use does not count as consent, and consent cannot be buried in general terms of use. "Dark patterns" that manipulate users into consenting are prohibited.

Recommendation: Avoid pre-checked boxes, confusing language, and bundling consent with other agreements.

For Monty: We don’t have any functionality for accepting user consent and we don’t collect user data for training. All user data is protected by enterprise agreements.

3. Data Minimization & Use Restrictions

The bill mandates clear, explicit, unambiguous user consent before data is used for training or profiling. Silence or continued use does not count as consent, and consent cannot be buried in general terms of use. "Dark patterns" that manipulate users into consenting are prohibited. Define clearly what data is collected, for what purpose, and for how long. Avoid building features that profile citizens behaviorally. For chatbots that

touch legal or benefits-related topics (e.g., unemployment, healthcare), include hard guardrails that route users to licensed human professionals rather than providing direct advice.

For Monty: We do not have any logs that profile citizens' behavior or address any legal or benefits-related topics. All users are anonymous. All chatbot answers are sourced from County-approved knowledge and direct users to humans for assistance (via web form or phone call).

4. Enhanced Protection for Children Under 13

As per the bill, if the chatbot knows or reasonably should know a user is under 13, the bill prohibits using their input as training data or processing their personal data without written parental/guardian consent.

For Monty, all information is public data protected by established guardrails, which prevent it from exceeding the knowledge sources we provide. All users are anonymous. Data is never used for training purposes.

5. Data Security & Monthly Safety Testing

Operators must implement a comprehensive data security program with administrative, technical, and physical safeguards proportionate to the volume and sensitivity of data retained. Monthly safety testing is required.

We worked with Microsoft and created content safety filters that were established for Monty.

6. Chat Log Transparency & Portability

Users must be able to inspect their own chat logs in a portable, downloadable, and human- and machine-readable format.

We don't have a feature for users to download chat logs for Monty. All user sessions are completely anonymous and cannot be traced. Technically, if a chatbot does not require a log-in mechanism, there is no simple way to provide an option to download a chatlog. (Counties do not want to require a login to find information about bulk trash pick-ups, etc.) We would have to rework the entire chatbot to create a mechanism to collect user info to enable identification of a user chatlog.

7. De-Identification Standards for Data Sharing

Any data shared with third parties must meet the bill's de-identification standards, and third parties must be contractually obligated to maintain those standards.

For Monty, we are not sharing any data with third parties. Data is secured within our tenant and never used for third-party purposes.

Monty Data Disclosure (in FAQs)

- How is my data being used with Monty?

Monty will never ask you for personal information, except for your Montgomery County address to gather information on leaf collection dates and early voting, ballot drop box, and election day polling locations, where applicable. Monty does not store any information besides what is in the conversation. Please do not provide any personal or sensitive information to Monty, such as credit card or social security numbers.

8. Behavioral Health Reporting & Mental Health Integration

The bill requires the Maryland Behavioral Health Administration to develop educational materials about behavioral health resources for chatbot users, particularly relevant when chatbots interact with individuals in distress.

The chatbot initiation language notes that the chatbot is used for general information only and directs emergencies to 911. The chatbot also refers distressed users to the 988 hotline (or 911, in the event of emergencies).

Monty Initiation Message:

I'm Monty! Before we chat, you should know that I am an artificial intelligence bot and not a human. I can only answer questions about Montgomery County (MD) and I cannot assist with emergencies. To speak with a human, contact MC311 Customer Service at (240) 777-0311.

For life-threatening emergencies that require Police/Fire/Ambulance services, dial or text 911. For non-emergency public safety services, dial (301) 279-8000. If you or someone you know is struggling or in a mental-health or suicide crisis, dial or text 988.

For more information about me, please visit: [Monty FAQs](#)

How can I help you? Start a chat with me in your preferred language!