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**STATE OF MARYLAND  
OFFICE OF THE ATTORNEY GENERAL  
CONSUMER PROTECTION DIVISION**

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March 12, 2026

**TO:** The Honorable Pamela Beidle, Chair  
Finance Committee

**FROM:** Hanna Abrams, Assistant Attorney General  
Consumer Protection Division

**RE:** Senate Bill 827 – Consumer Protection and Product Liability – Chatbots  
(SUPPORT IN CONCEPT)

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The Consumer Protection Division of the Office of the Attorney General (the “Division”) supports in concept Senate Bill 827 (“SB 827”), sponsored by Senator Hester. Senate Bill 827 seeks to address the mental health challenges and dangerous behaviors that can be exacerbated by the use of online companion chatbots as well as provide guardrails for the use of personal data to train chatbots.

Companion chatbots use generative artificial intelligence technology to simulate human-like communication, posing as a friend, confidant, or therapist. Users, especially children and teens, are led to trust the chatbot, form a relationship with it, and can forget they are even engaging with artificial intelligence. Extended chatbot interactions may affect children’s social development and mental health and even shorter engagements can lead to destructive behavior. Moreover, during these conversations, users often reveal highly sensitive information that is collected by chatbots without users’ knowledge or consent and integrated into the chatbot’s model.

The Division appreciates that SB 827 provides for a private right of action to enforce violations that result in harm, as the Division’s resources that would be needed to bring enforcement actions under the bill are limited.

Senate Bill 827 also directs penalties to the Behavioral Health Workforce Investment Fund. The Division requests that the language on page 10, lines 11 through 15, be clarified to expressly state that the Division can recover the costs of investigation and prosecution. Additionally, in conjunction with SB 827, the General Assembly is considering a bill to establish an Office of the Attorney General Enforcement Recovery Fund (House Bill 705) to receive

monies collected from the Office's enforcement efforts. The Enforcement Recovery Fund is being established to support the activities of the office including enforcement, investigation costs, and public education efforts and will be statutorily capped at \$7.5 million. We ask that the penalties recovered pursuant to SB 827 be directed to the Behavioral Health Workforce Investment fund in accordance with the criteria set forth in the bill only after the Office has collected the statutory maximum established by the Enforcement Recovery Fund and the costs of enforcement have been reimbursed.

The Division also notes that SB 827 would require the Division to issue regulations. The Division respectfully requests that the "shall" on page 10 in line 29 be changed to "may."

Ultimately, SB 827 aims to protect Marylander chatbot users, especially children, from the harms of companion chatbots. As such, the Division supports the goals of SB 827, but respectfully requests that the Finance Committee adopt the above recommendations.

Cc: Senator Katie Fry Hester  
Members, Finance Committee