



**Testimony of
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Opposition to Maryland SB 827

**Before the
Senate Finance Committee**

March 12, 2026

Chair Beidle, and members of the committee, on behalf of CTIA®, the trade association for the wireless communications industry, I respectfully submit this testimony in opposition to House Bill 1250. While CTIA shares the goal of protecting consumers, especially children, from the potentially harmful uses of artificial intelligence chat programs, this bill contains overly broad definitions that directly conflict with Maryland’s recently enacted Online Data Privacy Act, and the strict liability framework would result in unintended consequences that would negatively impact businesses in Maryland. For these reasons, CTIA opposes SB 827.

AI customer service technologies, such as chatbots, help wireless companies ensure positive service experiences by providing 24/7 access, faster assistance, and more accurate call routing. As currently drafted, the bill’s scope is excessively broad and appears to encompass nearly all chatbots, whether they are meant to simulate human emotion or companionship, or solely to communicate customer feedback in a consumer-to-business relationship. Efforts to protect adults and children from potentially harmful experiences with



chatbots should be more precisely focused on those likely to engage with problematic topics that the legislature identifies and to which children might realistically be exposed.

Additionally, the bill's data provisions undermine the Maryland Online Data Privacy Act (MODPA) and would impose costly, redundant compliance obligations. MODPA went into effect just 5 months ago, establishing a comprehensive framework for how businesses collect, use, and protect consumer data. SB 827 introduces a conflicting set of definitions and consent requirements that are substantially different from MODPA's established standards. MODPA was the culmination of years of debate and dialogue among stakeholders that created these standards and led businesses to allocate more time and money to their compliance efforts before this went into effect. SB 827 would require them to do so again, on a separate track, for a single use case. If gaps exist in chatbot-related data protection, they should be addressed within the framework set by MODPA, not create conflicting or dual obligations.

Furthermore, the strict liability framework included in SB 827 is unprecedented and will harm consumers, not protect them. Section 14-5109 holds developers and operators strictly liable for any harm to a user, with no negligence standard and no reasonable care defense, in addition to an expansive private right of action. A broad private right of action here would invite class action litigation that would benefit the plaintiff's bar while offering little relief to consumers. Rather than protecting Maryland consumers, this provision would drive providers to exit the Maryland market or restrict consumer-facing functionality, leaving residents with less innovation and fewer useful consumer-facing tools.



Rather than imposing sweeping liability on all chatbot operators, the Committee should consider narrowly tailored legislation that targets the specific documented harms this bill seeks to address — namely, chatbots designed to simulate human emotion or companionship in inappropriate ways. This would address the genuine risk without regulating the customer service tools, productivity assistants, and informational chatbots that Maryland businesses and consumers rely on every day. For these reasons, we respectfully request that SB 827 not move forward in its current form. Thank you for the opportunity to raise our concerns and for your consideration.