



Wes Moore | Governor
Aruna Miller | Lt. Governor
Katie Savage | Secretary

TO: Senate Finance Committee
FROM: Department of Information Technology
RE: Senate Bill 827 - Consumer Protection and Product Liability - Chatbots
DATE: March 12, 2026
POSITION: Letter of Information

The Honorable Pamela Beidle, Chair
Senate Finance Committee
3 East Miller Senate Office Building
Annapolis, Maryland 21401

Dear Chairwoman Beidle,

The Maryland Department of Information Technology (DoIT) respectfully submits this letter of information regarding Senate Bill 827 - Consumer Protection and Product Liability - Chatbots.

DoIT supports the goal of protecting consumers as artificial intelligence technologies continue to develop. However, we would like to highlight several concerns with the bill as currently drafted.

First, SB 827 may conflict with federal policy on artificial intelligence. The Trump Administration Executive Order on Artificial Intelligence directs federal agencies to develop national standards for AI and discourages regulatory approaches that could create barriers to innovation. Because SB 827 establishes new state-level rules and liability standards for chatbot systems, it could trigger federal review under that Executive Order and raise potential federal preemption concerns if the requirements conflict with federal guidance.

Second, the bill may create uncertainty for technology companies operating in Maryland. Classifying chatbots as products for liability purposes could make companies hesitant to develop or deploy AI tools in the State, particularly if Maryland adopts requirements that differ from federal or national standards.

Third, SB 827 puts onus on developers to a degree that is disproportionate to the onus put on operators. This deviates from laws that hold operators accountable for the impact of products and services that they create and provide. Developers employed by these operators build products that are protected by operators' intellectual property. As written, this bill therefore holds individual developers responsible for the corporate strategy, decisions, and intellectual property of operators.

Finally, SB 827 could affect how State agencies procure and use technology. Many agencies are beginning to use chatbot tools to improve customer service and digital access to



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government services. The liability framework proposed in the bill could complicate technology procurement and limit the State's ability to deploy these tools.

For these reasons, DoIT respectfully asks the Committee to carefully consider the potential federal policy implications and operational impacts of SB 827. Thank you for the opportunity to provide this information.

Best,

Katie Savage
Secretary
Department of Information Technology