

## Opening Statement

My name is Jai Jaisimha and I am a co-founder of the **Transparency Coalition**. We are a non-partisan organization dedicated to ensuring that as AI scales, it does so with the guardrails necessary to protect our most vulnerable citizens: our children. I have over 30 years of experience in the tech industry and have a PhD from the University of Washington on what you might call AI today. I am here today to testify in strong support of SB 827.

We helped pass California SB 243 last year and in recent weeks have worked to pass robust chatbot safety bills in WA and OR. We are also involved in supporting bills that seek to regulate chatbots in dozens of other states. I urge this committee to issue a **favorable report** on SB 827. In the rush to adopt generative AI, we have allowed a "wild west" environment where Marylanders' data is harvested and their trust is exploited. This bill establishes the common-sense boundaries necessary for the 21st-century digital economy.

### 1. Ending Consumer Deception

SB 827's transparency requirements are vital. Currently, many companies deploy "human-mimicking" bots designed to build false rapport with users. This is not just a matter of preference—it is a matter of **informed consent**. By requiring a clear disclosure that a user is interacting with an automated system, Maryland will prevent deceptive marketing practices and ensure that vulnerable populations, such as seniors, are not misled.

### 2. Protecting Personal Data Sovereignty

Perhaps the most critical component of SB 827 is the prohibition on the unauthorized sale of user input. When a Marylander uses a chatbot to help with a medical question, a financial plan, or a sensitive work document, that information should not become a commodity sold to data brokers. This bill ensures that **data stays with the user**, limiting processing to only the "reasonably necessary" functions of the bot.

### 3. Accountability Through Safety Testing

Unlike traditional software, chatbots can produce "hallucinations" or harmful biases that evolve over time. The requirement for **monthly safety testing** and public disclosure is a major step forward in corporate accountability. It shifts the burden of safety from the consumer to the multi-billion-dollar entities deploying these tools, ensuring that if a bot becomes predatory or provides dangerous misinformation, it is caught and corrected.

## Closing

Maryland has the opportunity to be a national leader in AI ethics. SB 827 does not stifle innovation; it creates a framework of **trust** that allows innovation to flourish safely. I respectfully request a **favorable report**.