



Senate Bill 827

Consumer Protection and Product Liability – Chatbots

MACo Position: **SUPPORT**
WITH AMENDMENTS

To: Finance Committee

Date: March 12, 2026

From: Karrington Anderson

The Maryland Association of Counties (MACo) **SUPPORTS SB 827 WITH AMENDMENTS**. This bill establishes regulations for chatbots including data safety and privacy protections, static and dynamic display warning requirements, monthly published reporting, data portability, and data retention.

While MACo appreciates the intent to protect consumer privacy and safety in the age of generative AI, the bill creates significant operational risks for local government public safety systems and essential internal operations. MACo supports reasonable, consumer-focused guardrails for commercial AI tools operating in the public marketplace. However, counties seek a carve-out to ensure the bill's provisions do not unnecessarily hinder internal government operations, public safety communications, or the delivery of public services by local government employees.

Local governments are increasingly considering the use of AI-powered tools in 3-1-1 and 9-1-1 non-emergency systems to reduce burdens on human dispatchers and improve response times for routine matters. These tools are evolving to allow automated escalation and routing during emergency situations. In this context, the bill's operational impositions and administrative hurdles may prevent counties from successfully adopting and scaling these life-saving technologies in the near future.

Counties are already deploying these tools responsibly within transparent processes inherently subject to both public oversight and direct voter accountability. As drafted, local governments are fully subject to the bill's extensive operational mandates. Counties that employ even limited AI tools would be required to implement layered transparency warnings, comply with long-term data retention requirements, conduct and publish monthly safety testing, and ensure data portability. Collectively, these ongoing technical, legal, and reporting requirements create significant administrative burdens and resource demands for local governments who may be operating basic public service platforms.

Additionally, counties make long-term, sometimes multi-million-dollar investments in enterprise software platforms. Many of these systems have or likely will introduce AI-driven features developed by third-party vendors. If Maryland adopts standards that are uniquely restrictive or operationally impractical, counties may be forced to disable critical functionality, abandon existing systems, or face higher costs due to reduced vendor participation and limited market competition.

As artificial intelligence continues to rapidly develop, legislation must strike a careful balance between consumer protection and operational practicality. As such, MACo urges the Committee to issue a **FAVORABLE WITH AMENDMENTS** report on SB 827 (*amendments follow on next page*).

MACo Amendments on SB 827

- On page 10, in line 25, strike “AND LOCAL”.
- On page 10, in line 26, after “CHATBOT” insert “**(C) NOTHING IN THIS SUBTITLE SHALL BE CONSTRUED TO APPLY TO A UNIT OF LOCAL GOVERNMENT.**”