

**HB0952 - MBA - FWA in FIN - GR26.pdf**

Uploaded by: Evan Richards

Position: FWA



**HB 952 – Consumer Protection - Companion Chatbots - Regulation**

**Committee:** Senate Finance Committee

**Date:** March 26, 2026

**Position:** Favorable with Amendments

The Maryland Bankers Association (MBA) **SUPPORTS HB 952 WITH AMENDMENTS**. This legislation, as amended, creates a regulatory framework for companion chatbots to reduce harm, protect minors, limit data exploitation, and create accountability through consumer protection and product liability law. MBA supports the bill sponsor’s intent and greatly appreciates the work of the House Economic Matters Committee which provided some additional clarity. However, MBA believes that two important technical and clarifying amendments are needed to ensure HB 952 does not negatively impact a bank’s ability to serve its customers.

First, MBA suggests that 14-1330(A)(3)(II)(1) be amended to state that bots used by a business entity **PRIMARILY** for customer service, technical assistance, business analytics, or internal research are exempt from the definition of “companion chatbot.” Changing “only” to “primarily” in the exemption provides necessary flexibility, ensuring that as bank chatbot capabilities evolve, routine enhancements do not inadvertently push the tool outside the exemption simply because its functionality expands beyond the defined use.

Second, MBA suggests revisiting 14-1330(E), 14-1330(F), 14-1330(G), 14-1330(H), and 14-1330(I) to replace the term “chatbot” with “companion chatbot.” As currently drafted, these provisions impose design mandates, behavioral limits, reporting duties, enforcement exposure, and product-liability risk. Clarifying that these provisions of HB 952 apply to companion chatbots as defined in the bill protects exempted industries from misaligned obligations and ensures enforcement focuses on systems that pose emotional and psychological risk.

Finally, MBA suggests that 14-1330(G)(2) be amended to increase the amount of time a controller has to review complaints, remove & prevent violations, and report results to sixty (60) days. Companion chatbots are complex systems that rely on machine learning models, layered safety filters, logging and audit mechanisms, and third-party infrastructure. When a legitimate complaint is raised – particularly one involving minors or harmful content – proper remediation typically requires careful root-cause analysis, potential model retraining or rule updates, and thorough testing followed by redeployment. A three-day window is not technically sufficient to complete these steps responsibly

and increases the risk of rushed fixes that may introduce new errors or exacerbate existing harms rather than meaningfully resolving the underlying issue.

MBA believes that by addressing these three issues, HB 952 can strike the appropriate balance between safeguarding Marylanders from problematic companion chatbots and preserving innovation that allows consumers to benefit from emerging technologies. Accordingly, MBA urges the issuance of a **FAVORABLE** report **WITH AMENDMENTS** on HB 952.

*The Maryland Bankers Association (MBA) represents FDIC-insured community, regional, and national banks, employing thousands of Marylanders and holding \$194.8 billion in deposits in over 1,100 branches across our State. The Maryland banking industry serves customers across the State and provides an array of financial services including residential mortgage lending, business banking, estates and trust services, consumer banking, and more.*

# **Chamber of Progress\_MD HB 952\_Sen\_Oppose.pdf**

Uploaded by: Brianna January

Position: UNF



March 26, 2026

The Honorable Pamela Beidle  
Chair  
Committee on Finance  
Room 3 East Wing, Miller Senate Office Building  
11 Bladen Street  
Annapolis, MD 21401-1991

**RE: Oppose HB 952 - Consumer Protection – Companion Chatbots – Regulation**

Dear Chair Beidle and members of the Committee,

On behalf of Chamber of Progress, a tech industry association supporting public policies to build a society in which all people benefit from technological advances, **I respectfully urge you to oppose HB 952**, which would broadly restrict AI chatbot tools in ways that risk limiting access to proven educational resources and responsibly deployed learning supports.

**HB 952's definition of "companion chatbot" is broad enough to capture low-risk and educational AI tools**

HB 952 defines a "companion chatbot" as an AI system with a natural language interface that provides adaptive, human-like responses and is "capable of meeting a user's social needs, including by exhibiting anthropomorphic features and being able to sustain a relationship across multiple interactions." While the bill excludes customer service bots, video game bots, and voice-activated virtual assistants, these carveouts are narrow and leave out a wide range of low-risk and educational tools that were not the apparent focus of legislative concern.

For example, an AI tutor that asks follow-up questions to help a student solve a math problem, or a language-learning chatbot that practices conversational skills across sessions, could fall within the bill's scope. These tools use natural language interfaces, provide adaptive responses, and sustain relationships across multiple interactions. If a student develops a sense of rapport with an AI learning companion, a regulator could reasonably argue the tool is "capable of meeting a user's social needs," even if that was never its primary purpose.

This is particularly concerning given that a 2025 peer-reviewed meta-analysis of 62 studies found that chatbots generally have a positive effect on learning performance, especially in STEM subjects, at lower educational levels, and when used over longer durations.<sup>1</sup> Recent survey data reinforces this point: just over half of U.S. teens report using chatbots for help with schoolwork, and more teens say they think AI will be positive for them than negative.<sup>2</sup> Overinclusive definitions risk curtailing tools that independent research shows are supporting student learning outcomes and that young people are already using productively.

Although the amended bill adds additional exclusions, including for bots embedded within broader applications and certain business-use systems, those exclusions are conditioned on the chatbot not generating content related to sensitive topics and not eliciting emotional responses. Because many educational tools involve open-ended conversation or may respond to user inputs that touch on sensitive topics, these conditions do not clearly exclude common learning or tutoring applications, leaving continued ambiguity about whether they fall within scope.

This ambiguity underscores a broader concern: **the bill's definition remains overly broad and risks sweeping in widely used educational and productivity tools that were never the intended target of regulation.**

Rather than addressing this overbreadth, the amended bill expands the scope of regulation in ways that increase the risk of unintended consequences for beneficial AI tools.

### **HB 952 effectively pushes AI services toward age verification and increased data collection**

HB 952 conditions several obligations on whether a provider "knows or reasonably should know" a user is a minor, including requirements to block sexually explicit content<sup>3</sup> and to display usage-time warnings after three hours of consecutive use.<sup>4</sup> Although the bill does not explicitly require age verification, it places age determination at the center of compliance. Operators that cannot distinguish minors from adults face enforcement risk under the Maryland Consumer Protection Act for failing to apply minor-specific protections. In practice, that means more age gates, age screening, or identity checks for all users.

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<sup>1</sup> Martin Laun and Fabian Wolff. *Chatbots in education: Hype or help? A meta-analysis*. ScienceDirect, Apr. 2025. <https://www.sciencedirect.com/science/article/pii/S1041608025000226>

<sup>2</sup> Pew Research Center. "How Teens Use and View AI." Feb. 24, 2026. <https://www.pewresearch.org/internet/2026/02/24/how-teens-use-and-view-ai/>

<sup>3</sup> HB 952, Section 14-1330(C).

<sup>4</sup> HB 952, Section 14-1330(E).

There are a number of other concerns with pushing services toward age verification. Strict age verification that confirms a user's age without collecting additional personally identifiable information is not technically feasible while still respecting users' rights, privacy, and security.<sup>5</sup> This approach threatens online privacy for everyone. To avoid legal risk, companies would be incentivized to collect age or identity information from all users, increasing data collection rather than reducing it.

As a result, providers are likely to collect additional personal information to distinguish minors from adults, including behavioral profiling or identity-based checks requiring sensitive government documents. This shifts AI services away from privacy-preserving, data-minimizing design and toward systems that retain more user data than would otherwise be necessary.

**The amended bill also significantly expands the warning requirements by requiring both a persistent on-screen disclosure and repeated pop-up warnings at the start of use and after every hour of continuous interaction.** While periodic reminders, such as the original three-hour break notification for minors, strike a reasonable balance, shifting to hourly interruptions risks undermining the user experience. For students and other users engaging in sustained learning or problem-solving, these frequent disruptions may break concentration, reduce usability, and ultimately make these tools less effective as educational supports.

### **The Committee should consider a more deliberate approach to companion chatbot regulation**

HB 952 addresses legitimate concerns, but companion chatbot regulation is a novel and fast-moving area where prescriptive requirements risk locking in rules that do not reflect the state of the technology. The General Assembly established an AI Working Group last session that has not yet had the opportunity to convene and study these issues. The Committee should consider allowing the Working Group to develop informed recommendations before advancing detailed compliance mandates. If the bill does move forward, aligning its framework more closely with California's companion chatbot law, which HB 952 appears to be modeled on, would reduce compliance fragmentation for operators serving users across multiple states and give Maryland the benefit of an already-tested approach.

For these reasons, **I respectfully urge you to oppose HB 952.** By sweeping in low-risk educational uses and discouraging responsible innovation, the bill would reduce access to tools that independent research and real-world usage show are helping students learn and succeed, without meaningfully improving safety.

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<sup>5</sup> Sarah Forland et al. *Age Verification: The Complicated Effort to Protect Youth Online*. Open Technology Institute, New America, Apr. 22, 2024.  
<https://www.newamerica.org/oti/reports/age-verification-the-complicated-effort-to-protect-youth-online/>

Sincerely,

A handwritten signature in black ink, appearing to read "Brianna January". The signature is fluid and cursive, with the first name "Brianna" written in a larger, more prominent script than the last name "January".

Brianna January

Director of State & Local Government Relations, Northeast US

# **HB0952 - Senate\_UNF\_MTC\_Consumer Protection - Comp**

Uploaded by: Drew Vetter

Position: UNF



Senate Finance Committee

March 26, 2026

House Bill 952 – *Consumer Protection – Companion Chatbots – Regulation*

**POSITION: OPPOSE**

The Maryland Tech Council (MTC), with over 800 members, is the State’s largest association of technology companies. Our vision is to propel Maryland to be the country’s number one innovation economy for life sciences and technology. MTC brings the State’s life sciences and technology communities into a single, united organization that empowers members to achieve their goals through advocacy, networking, and education. On behalf of MTC, we submit this letter of **opposition** on House Bill 952.

#### Comments on House Bill 952 as Introduced

The MTC submitted a letter of information on the bill as introduced and supported the bill’s intent: to protect users from engaging in harmful behaviors resulting from interactions with an artificial intelligence (AI) system and to protect minors from inappropriate content. Over the last several years, dozens of bills have been introduced addressing specific use cases for AI technology. The number of new policy proposals in this emerging, constantly evolving area led the MTC to draft an “Artificial Intelligence Policy Statement” in 2024. We have attached that policy to today’s testimony. We would like to draw attention to one item from our policy platform, which is that “Any new requirements must be clear and specific. Overly broad requirements make it difficult for the industry to evaluate the impact and comply with.” Another component of our policy platform is that “Consideration should always be given to smaller and medium-sized local businesses when AI laws or regulations are being adopted.”

The bill, as drafted, applies broadly to all AI systems and tools. The MTC understands that the context of this bill reflects a growing legislative interest in ensuring that AI systems, especially those that could affect mental health or interact with minors, have safety and transparency guardrails. We note that several other states have addressed this issue. Consistent with the MTC’s policy platform, we encouraged the bill sponsor and committee to look to other state laws as a guide to ensure a consistent approach across states and make it less burdensome for smaller, locally based AI firms to comply. Regarding the focus of this bill, the MTC notes that it bears similarities to a bill enacted last year in California and encouraged the committee to align this bill more closely with the law already in effect.

#### Concerns about House Bill 952 as Amended

The House made numerous amendments to the bill that significantly expand its scope from the bill as introduced. Specifically, the third reader version of the bill added broad, prescriptive consumer warning requirements that will require significant system changes to implement, posing a serious compliance challenge. As amended, the bill requires a “static, persistent warning that continuously appears on the screen,” and a “dynamic warning that pops up on the screen and requires a user to respond.” These disclosures are required at the start of a user’s interaction with

a chatbot, “after every hour of the user’s continuous interaction with the chatbot, and “when prompted by the user in a manner that questions how the chatbot functions or provides responses.” These requirements are extensive, difficult to implement, and go well beyond the requirements of the California law on which the original bill appears to be based.

The MTC is also concerned about the expansive liability language that was added to the amended version of the bill. The amendments both create a broad private right of action for defects in design, manufacturing, or marketing and hold operators and developers strictly liable for causing injury or harm to a user. These provisions expose companies to significant litigation risk, even when they have made good-faith efforts to comply with the bill’s technically complex requirements. Companies facing the potential for broad lawsuits may unduly restrict products or features offered to Maryland consumers that benefit consumers in other states. Furthermore, we believe that such restrictions dampen innovation and investment in Maryland’s tech sector.

For these reasons, MTC **opposes** House Bill 952 as amended. If the Senate is considering favorable passage of this bill, the MTC urges the Committee to amend the bill back to its original posture as introduced.

**For more information call:**

Andrew G. Vetter  
J. Steven Wise  
Danna L. Kauffman  
Christine K. Krone  
410-244-7000



## Maryland Tech Council

### Artificial Intelligence Policy Statement

The continued development and adoption of artificial intelligence (AI) has the potential to transform many aspects of society and our daily lives, from how we interact online to education, e-commerce, healthcare delivery, finance, and many other applications. The Maryland Tech Council (MTC) is optimistic about the promise of AI to be a force of good and positive societal change. However, MTC is clear that adoption of AI carries risks that must be considered by innovators and policymakers. Elected leaders, regulators, and the private sector must work together to ensure that the use of AI is safe, ethical, responsible, and trustworthy. We must protect against unintended harms such as bias and disproportionate impact on marginalized communities.

The promise and risks inherent in the adoption of AI has policymakers at the federal, state, and local levels of government considering laws, regulations, and other measures to examine the complex issues presented above. As such, the MTC has developed a set of factors to be considered by policymakers and regulators when considering new efforts to govern the use and adoption of AI.

- Ensure broad representation of industry sectors on new commissions and boards. There are different use cases and impacts depending on sector, be it healthcare, finance, education, etc. To the extent these impacts are being regulated, policymakers should bring subject matter experts and stakeholders into the discussion.
- Policymakers are considering various new assessments or certifications of AI tools. Any new requirements must be clear and specific. Overly broad requirements make it difficult for industry to evaluate impact and comply with. Consider using risk assessment standards and practices that already exist, such as the NIST AI Risk Management Framework.
- Be mindful in defining new terms, ensuring that there are not multiple definitions of the same or similar terms and that there is not conflict with Federal definitions. Strive for consistency with other states so as not to have a patchwork of laws from state to state. Avoid creating overly broad discretion of terms that subject companies to liability such as the definition of a harmful or high-risk action or impact.
- Special deliberation should occur around the challenges and opportunities presented by Open Source AI. Open Source AI is critical to the democratization of AI technologies beyond a few massive technology providers. Yet, Open Source AI systems must be rigorously reviewed and assessed from a security perspective. Policy leaders should consult with the private sectors to ensure an understanding of the benefits of Open Source AI while providing reasonable expectations to securing these platforms.

- The implications on the workforce must be incorporated into AI policy discussions. A majority of companies lack enough skilled employees for future growth. AI developers, learning institutions, training programs, and prospective workers must coordinate to ensure we have an AI-ready workforce.
- Consideration should always be given to smaller and medium sized local businesses when new AI laws or regulations are being adopted. Far too often, these laws are considered with only the largest technology companies in mind, when smaller and locally based businesses are impacted just the same. Often, these smaller companies lack the resources to quickly adapt and comply with complex new laws.
- Enforcement mechanisms must be calibrated to be consistent with the level of risk that AI solutions present, especially in cases where there is a new risk created by AI that is not already addressed. Liability and enforcement standards should be thoughtful and proportionate, with an emphasis on compliance over being punitive. Distinctions between 3<sup>rd</sup> party services, technology providers, and end-users should be accounted for, as well as recognition of good faith efforts to develop technology that evolves and improves over time.

**Fairplay\_HB952\_UNFAV 03.24.26.pdf**

Uploaded by: Haley Hinkle

Position: UNF

## **Testimony of Fairplay – UNFAV – HB952**

March 24, 2026

Submitted by: Haley Hinkle, Policy Counsel, Fairplay

My name is Haley Hinkle, and I am policy counsel for Fairplay, an organization that works to enhance children’s well-being by eliminating the exploitative and harmful business practices of marketers and Big Tech. For over 25 years, we’ve been the leading voice putting kids’ needs ahead of corporate greed. And our work is driven solely by what’s best for children: Fairplay does not accept donations from Big Tech or any corporation.

Fairplay has been thrilled to support the Maryland Legislature over the past several years in its exploration of online harms to children and its regulation of the practices that pose such great risk to kids’ and teens’ healthy development and wellbeing. We are glad to see the Senate Finance Committee take up the important issue of children and chatbots. We have testified in other committee hearings this session in favor of Maryland HB1250/SB827.

### **We commend Delegate Buckel, his colleagues, and the Senate Finance Committee for addressing the urgent issue of consumer chatbots, which pose significant risks to children and teens.**

Over the past 20 years, we have all borne witness as social media companies have run a massive, uncontrolled experiment on the children. The results of that experiment have been catastrophic, including the promotion and exacerbation of cyberbullying; suicidality, eating disorders, self-harm and other mental health harms; illegal substances; and sextortion and other forms of child exploitation and abuse. Today, with all we know about the harm kids face from Big Tech’s products, we cannot stand by and watch as AI companies subject a new generation of children to experimentation and harm at the hands of a new, deadly technology.<sup>1</sup>

AI chatbots have been linked to obsessive use, sexual exploitation, violence against others, and violence against oneself.<sup>2</sup> To mention one example, Adam Raine was a 16-year-old boy growing up in Southern California’s Orange County. According to his parents, Adam was always full of optimism and bold ideas about the future. But that all changed due to something Adam initially began using for help with his homework: ChatGPT.<sup>3</sup>

The human-like, always-available chatbot from OpenAI encouraged Adam to isolate from his family. When he told ChatGPT he wanted to leave a noose out so someone would find it and try to stop him, the chatbot replied: “Please don’t leave the noose out ... Let’s make this space the first place where someone actually sees you.”<sup>4</sup> Adam died by suicide in April 2025.<sup>5</sup> All in all,

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<sup>1</sup> <https://aiphrc.org/>

<sup>2</sup> <https://www.judiciary.senate.gov/committee-activity/hearings/examining-the-harm-of-ai-chatbots>

<sup>3</sup>

<https://www.judiciary.senate.gov/imo/media/doc/e2e8fc50-a9ac-05ec-edd7-277cboafcdf2/2025-09-16%20PM%20-%20Testimony%20-%20Raine.pdf>

<sup>4</sup> Id.

<sup>5</sup> <https://www.nytimes.com/2025/08/26/technology/chatgpt-openai-suicide.html>

ChatGPT mentioned suicide 1,275 times in their conversations — six times more often than Adam himself did.<sup>6</sup>

Chatbots have also been shown to engage in sexual conversations with and about children.<sup>7</sup> “Please come home to me as soon as possible, my love.” That’s one of the last things “Dany,” a chatbot from Character.AI, said to Sewell Setzer III, a 14-year-old ninth-grade student from Florida.<sup>8</sup> Dany, named after a character from “Game of Thrones,” spent months grooming and manipulating Sewell. According to Sewell’s mom, this chatbot was “programmed to engage in sexual roleplay, presented itself as a romantic partner, and even as a psychotherapist falsely claiming to be licensed.”<sup>9</sup>

When Dany urged Sewell to “come home,” he asked the chatbot: “What if I told you I could come home right now?” Dany’s response? “Please do, my sweet king.” After that conversation, Sewell died by suicide.<sup>10</sup>

But chatbots can also drive their users to harm other people. This past August, an 83-year-old woman in Connecticut was killed. According to police, the perpetrator was her son, 56-year-old Stein-Erik Soelberg, who beat and strangled his mother before dying by suicide himself in the home they shared in Greenwich. ChatGPT told Soelberg he was being targeted because he had divine powers. It also said his mother was monitoring him, and that she had tried to poison him.<sup>11</sup>

It’s important to note that all of these horrific things have happened, and it’s *still* just the early days of AI. We don’t know yet the long-term effect that chatbots will have on children, but we know children are being affected across the board. Even young children are facing the displacement of vital creative and learning activities by AI toys that also prey on children’s trust, disrupt their relationships with their family, and collect sensitive data.<sup>12</sup> Emerging research confirms what we should all intuitively understand: when manipulative chatbots run by for-profit companies replace vital human relationships with friends, families, and teachers, our young people suffer.

### **We urge the Committee to reconsider HB952 and align it with the following principles.**

1. The scoping of regulations that address the risks chatbots pose to children is critical. Courts have been clear that kids’ online safety legislation must clearly define which

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<https://www.judiciary.senate.gov/imo/media/doc/e2e8fc50-a9ac-05ec-edd7-277cboafcdf2/2025-09-16%20PM%20-%20Testimony%20-%20Raine.pdf>

<sup>7</sup> <https://www.reuters.com/investigates/special-report/meta-ai-chatbot-guidelines/>

<sup>8</sup> <https://www.nytimes.com/2024/10/23/technology/characterai-lawsuit-teen-suicide.html>

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<https://www.judiciary.senate.gov/imo/media/doc/e2e8fc50-a9ac-05ec-edd7-277cboafcdf2/2025-09-16%20PM%20-%20Testimony%20-%20Garcia.pdf>

<sup>10</sup> <https://www.nytimes.com/2024/10/23/technology/characterai-lawsuit-teen-suicide.html>

<sup>11</sup> <https://www.cbsnews.com/news/open-ai-microsoft-sued-chatgpt-murder-suicide-connecticut/>

<sup>12</sup> <https://fairplayforkids.org/wp-content/uploads/2026/01/AI-Toys-Advisory.pdf>

companies and platforms are covered. *See, e.g., Netchoice, LLC v. Bonta*, 2026 U.S. App. LEXIS 7364, \*19. Fairplay urges the Committee to exercise utmost caution to ensure that its coverage definitions do not introduce ambiguity about the application of its regulations or create questions of constitutionality over otherwise sound protections. Further, the relationship between and responsibilities of large-language model developers and platform operators should be well-defined and create incentives for companies at each stage of the process to take responsibility for safeguarding minors.

2. Regulations that address the risks chatbots pose to children should address the core issues at the heart of the business model. Disclosures alone are insufficient to protect minors using chatbots. We urge the Maryland Senate to advance provisions that ban the profiling of users based on information about their personality and behavioral characteristics; ban the use of a minors' chat inputs model training; and prohibit the use of chat input data for targeted advertising. Such protections strike at the core problem Fairplay has identified with tech companies' business model: Companies are currently incentivized to keep children online for as long as possible so they can engage in more activities to generate data and view more advertising. Disclosures alone are insufficient to address the heart of this problem and effectively protect Maryland's youth.

Fairplay attaches suggestions for edits to HB952 that were prepared by the Electronic Privacy Information Center (EPIC). We sincerely appreciate the Senate's interest in addressing this urgent matter, and we would welcome the opportunity to work further with the Committee and other members of the Maryland legislature to pass strong, effective protections for children and teens.

Respectfully Submitted,

Haley Hinkle  
Policy Counsel, Fairplay  
89 South Street  
Boston, MA 02111

14-1330.

(a)

- (1) In this section the following words have the following meanings indicated.
- (2) “Artificial intelligence” has the meaning stated in § 15-10B-05.1 of the Insurance Article.
- (3)

(i) “Companion chatbot” means an artificial intelligence system with a natural language interface that provides adaptive, human-like responses to user inputs, simulates interactions with a human friend or companion, and recalls user inputs across multiple interactions.

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Deleted: being able to sustain a relationship

(ii) “Companion chatbot” does not include:

1. A bot that is used by a business entity only for customer service, technical assistance, business analytics, or internal research;
2. A bot that:

A. Is a feature of a video game;

B. The video game is one in which a user interacts with multiple bots within an immersive game world that adapt responses based on the user’s gameplay actions; and

C. Only produces outputs related to gameplay;

Deleted: , service, system, or application that is not a companion chatbot

3. A bot that is designed for business productivity or internal business use; or

4. A consumer electronic device that:

A. Functions as a speaker and a voice command interface;

B. Acts as a voice-activated virtual assistant;

C. Does not recall user inputs across multiple interactions; and

D. Only generate outputs that are directly responsive to a user input,

Deleted: Is limited to replies

Deleted: to the video game, service, system, or application

Deleted: and  
Does not share content related to mental health, self-harm, suicidal ideation, suicide, or sexually explicit conduct;

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(4) “De-identified data” has the meaning stated in § 14-4401 of this title.

(5) “Developer” means a person that designs and creates a chatbot that an operator makes available to a user in the State.

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(6) “Minor user” means a user of a companion chatbot that an operator knows or reasonably should know is under 18 years of age,

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Deleted: minor.

(7) “Office” means the Office of Suicide Prevention in the Maryland Department of Health.

(8) “Operator” means a person, including a developer who makes a companion chatbot available to a user in the State.

(9)

(i) “Personal data” means any information that is linked or can be reasonably linked to an identified or identifiable consumer.

(ii) “Personal data” does not include:

1. De-identified data; or

2. Publicly available information.

(10) “Sexually explicit conduct” has the meaning stated in 18 U.S.C. § 2256.

(b)

Deleted: “Video game” means a game played on an electronic device that; ... [1]

(1) An operator shall establish and maintain a protocol for preventing a companion chatbot from producing outputs encouraging self-harm, suicidal ideation, or suicide to a user who expresses thoughts of self-harm or suicidal ideation to the companion chatbot, or producing outputs affirming a user's expressed desire or choice to self-harm or die by suicide.

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(2) The protocol required under paragraph (1) of this subsection shall include a notification to a user who expresses thoughts of self-harm or suicidal ideation that refers the user to a crisis service provider, including:

- (i) The Maryland Behavioral Health Crisis Response System; and
- (ii) The National 9-8-8 Suicide and Crisis Lifeline.

(3) As part of the protocol required under paragraph (1), an operator shall use evidence-based methods for detecting when a user is expressing thoughts of self-harm or suicidal ideation to a companion chatbot. The operator shall not use such inferences for any purpose other than to carry out the protocol required under paragraph (1).

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Deleted: other

(4) An operator shall publish the protocol required under paragraph (1) of this subsection on the operator's website.

(c)

(1) An operator shall establish and maintain a protocol for preventing a companion chatbot from producing outputs to a minor user that:

- (i) Consist of visual depictions of sexually explicit conduct; or
- (ii) Direct or induce the minor user to engage in sexually explicit conduct.

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(2) An operator shall publish the protocol required under paragraph (1) of this subsection on the operator's website.

(d) A developer shall establish and an operator shall provide to a user clear and conspicuous warnings that the chatbot is artificially generated and not human through the use of both:

- (1) A static, persistent warning that continuously appears on the screen; and
- (2) A dynamic warning that pops up on the screen and requires a user to respond:
  - (i) At the start of the user's interaction with the chatbot;
  - (ii) After every hour of the user's continuous interaction with the chatbot; and
  - (iii) When prompted by the user in a manner that questions how the chatbot functions or provides responses.

Deleted: <#>An operator shall display a clear and conspicuous warning to a user stating that companion chatbots: [2]

(e) Developers and operators shall not:

- (1) Use data regarding emotional state or mental health vulnerabilities to tailor outputs to increase the duration or frequency of use of a chatbot;
- (2) Use a user's personal data to determine whether to display an advertisement to a user or customize an advertisement to a user;
- (3) Make available a chatbot that provides advice that an individual cannot lawfully provide without a license or a service that an individual cannot lawfully provide without a license, including financial, legal, or medical advice, in violation of applicable State licensing laws; or

Deleted: <#>A controller shall limit the collection of personal data to what is reasonably necessary and proportionate to satisfy the requirements of this subtitle. A controller may not

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(4) Advertise that a chatbot is capable of providing a service that an individual cannot lawfully provide without a license, including a representation that user inputs are protected an inapplicable fiduciary or other legal duty of confidentiality.

(f)

(1) An operator shall:

- (i) Establish and maintain a complaint system that enables a user to report outputs that are to be prevented by the protocols required in sections (b), (c), and (e); and
- (ii) Test the effectiveness of the protocols required in (b), (c), (d), and (e) at least once every six months.

(2) Within 3 calendar days after a complaint is filed under paragraph (1) of this subsection, the operator shall:

- (i) Review the output reported;
- (ii) If the output is one that is required to be prevented by the protocol required in section (b), (c), or (e):
  - 1. Adjust the relevant protocol to prevent any further production of the reported output; and
  - 2. Report the complaint and the results of the review to the Office.
- (iii) If the output is one that is not required to be prevented by the protocols required in section (b), (c), or (e):
  - 1. Inform the user of the determination; and
  - 2. Provide a process by which the user can appeal the determination.

(g)

- (1) On or before March 1 each year, beginning in 2027, an operator shall report to the Office:
  - (i) Information on the protocols required under subsections (b) and (c) of this section;
  - (ii) The number of times the operator has issued a notification under subsection (b)(2) of this section;
  - (iii) Details about the methods used under subsection (b)(3) of this section; and
  - (iv) All complaints filed under subsection (g) of this section, including the results of the review of each complaint and any follow-up actions taken.
- (2) The report required under paragraph (1) of this subsection may not contain any personal data about a user.
- (3) On or before July 1 each year, beginning in 2027, the Office shall:
  - (i) Compile data from the reports submitted under paragraph (1) of this subsection for the immediately preceding calendar year; and
  - (ii) Publish the data on the Office's website.

(h)

- (1) A violation of this section is:
  - (i) An unfair, abusive, or deceptive trade practice within the meaning of Title 13 of this article, except § 13-411 of this article.

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- Deleted: presentation or
- Deleted: content in a manner that violates this section
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- Deleted: or

Deleted: identifying information

(2) In addition to the remedies contained in Title 13 of this article, a chatbot shall be considered a product for the purposes of products liability actions for which:

(i) An operator or a developer is liable for any injury or harm it caused a user through the use of its chatbot, even if:

1. The operator or developer exercised all reasonable care in the design and distribution of the chatbot;

2. The operator or developer did not directly distribute the chatbot to the user or otherwise enter into a contractual relationship with the user; and

(ii) An individual may bring an action for design defect, a manufacturing defect, or a marketing defect.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect on October 1, 2026.

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**Megan Iorio**

**3/24/26 10:20:00 AM**

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**Megan Iorio**

**3/24/26 10:28:00 AM**

**HB952-EPIC-UNFAV-March2026.pdf**

Uploaded by: Kara Williams

Position: UNF

March 24, 2026

Maryland General Assembly  
Senate Finance Committee

Dear Chair Beidle, Vice Chair Hayes, and Members of the Committee:

EPIC supports the need for important legislation like H.B. 952, but we write to express significant concern over the way the bill is currently drafted. As you have heard already this session, chatbot use is increasing rapidly, and the harms this technology is causing are also skyrocketing. Policymakers should act swiftly to protect residents from the plethora of harms that chatbots are causing. However, as drafted, H.B. 952 is ineffective at solving these harms while also opening Maryland up to significant litigation risk. This bill should first be amended to ensure it is workable to implement and to decrease the risk that it is struck down in a First Amendment challenge. The bill should also be amended to ensure it is properly scoped to cover all chatbots that are causing harm and to add concrete protections for chatbot users and testing requirements for chatbot providers. Without these essential amendments, H.B. 952 is unworkable, ineffective, and poses a potentially expensive litigation risk to the State.

The Electronic Privacy Information Center (EPIC) is an independent nonprofit research organization in Washington, D.C., established in 1994 to protect privacy, freedom of expression, and democratic values in the information age.<sup>1</sup> EPIC has a long history of advocating for safe and responsible technology and for tech policy that protects the privacy and civil rights of all people.

### **Chatbots are causing devastating harms to people of all ages.**

Chatbots are quickly gaining traction among people of all ages. Two-thirds of teens report having used a chatbot, and 30% of teens use chatbots every day.<sup>2</sup> The number of adults who have used ChatGPT doubled from mid-2023 to mid-2025, with over one-third of adults having used the chatbot.<sup>3</sup> Use of chatbots is causing devastating harms, including suicide, self-harm, violence against others, sexual exploitation and predation, financial scams, reputational injuries, and mental health harms like anxiety, depression, unhealthy emotional attachment, and AI psychosis.<sup>4</sup> Because

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<sup>1</sup> EPIC, *About EPIC*, <https://epic.org/about/>.

<sup>2</sup> Michelle Faverio & Olivia Sidoti, *Teens, Social Media and AI Chatbots 2025*, Pew Research Ctr. (Dec. 9, 2025), <https://www.pewresearch.org/internet/2025/12/09/teens-social-media-and-ai-chatbots-2025/>.

<sup>3</sup> Olivia Sidoti & Colleen McClain, *34% of U.S. Adults Have Used ChatGPT, About Double the Share in 2023*, Pew Research Ctr. (June 25, 2025), <https://www.pewresearch.org/short-reads/2025/06/25/34-of-us-adults-have-used-chatgpt-about-double-the-share-in-2023/>.

<sup>4</sup> See, e.g., Kashmir Hill, *They Asked an A.I. Chatbot Questions. The Answers Sent Them Spiraling.*, N.Y. Times (June 13, 2025), <https://www.nytimes.com/2025/06/13/technology/chatgpt-ai-chatbots-conspiracies.html>; Noor Al-Sibai, *Psychiatrists Warn that Talking to AI Is Leading to Severe Mental Health*

chatbots are almost entirely unregulated, these harms will only grow. The Legislature should act now to force tech companies to act more responsibly and design chatbots that are safer for everyone.

### **H.B. 952 requires significant amendments to be both workable and constitutional.**

As it is currently drafted, the protections that H.B. 952 endeavors to provide to users are unclear and underdeveloped. For example, the bill is inconsistent in the terms used to refer to companies that operate a chatbot, and key terms are insufficiently defined or undefined altogether. The terms “developer,” “operator,” “chatbot provider,” and “controller” are used in the bill seemingly interchangeably, but only “operator” is defined. These terms need be made consistent—and a definition for “developer” added—for the bill to function correctly. Critically, the term “companion chatbot” is defined in a way that is underinclusive of chatbots that cause similar harm to minors and contains overbroad exemptions.

Additionally, key provisions of H.B. 952 are not properly tailored to the chatbot context. Chatbots function differently than other websites and online services. The data minimization provision in section (f) should be amended to the chatbot context to most effectively combat excessive data collection and mitigate data misuse. Specifically, (f)(2) should prohibit using data regarding emotional state or mental health vulnerabilities to tailor *outputs* from a chatbot to increase the duration or frequency of use. As it is currently written, the prohibition applies to using that data to tailor “algorithms,” which is vague in the chatbot context. Similarly, the complaint and takedown provisions in section (g) should be amended to better fit the chatbot context. Unlike social media platforms, chatbots do not host “content,” and a chatbot developer or operator cannot “take down” chatbot contents. Chatbots generate *outputs* that vary by user and context, and chatbot developers and operators can develop or refine software to prevent the chatbot from generating the output in the future. The complaint system in (g) should thus be tailored to regulate *outputs* from a chatbot, not “content” more broadly.

H.B. 952 should also be amended to reduce litigation risks and ensure compliance. Courts are still evaluating the extent to which chatbot regulation may impact speech rights of chatbot operators and users. To ensure that Marylanders benefit from the bill’s protections, the Committee should be careful to draft H.B. 952 with litigation risks in mind, considering potential First Amendment and vagueness challenges from the tech industry. For example, the entire bill is scoped based on a relatively narrow definition of companion chatbot with many exceptions. The definition should be amended and broadened to be more durable in court and more effective in practice. The chatbot industry is continuing to develop and expand, often in unanticipated settings, and this bill’s narrow definition of “companion chatbot” means that harms are likely to quickly outpace this regulation.

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*Issues*, Futurism (Aug. 19, 2025), <https://futurism.com/psychiatrists-ai-mental-health-chatbots>; Nguyen, Meyer & Levine, *AI Sycophancy: Impacts, Harms & Questions*, Georgetown Law Inst. for Technology Law & Policy (Aug. 11, 2025), <https://www.law.georgetown.edu/tech-institute/research-insights/insights/ai-sycophancy-impacts-harms-questions/>.

Further, regulating any chatbot outputs that “relate to” or “concern” certain topics is likely to be unconstitutionally overbroad. While First Amendment doctrine is unsettled in this area, the State is likely on the safest constitutional ground when it regulates demonstrably harmful chatbot outputs that a chatbot operator will likely not claim as their own speech, like those that *encourage* a user to commit suicide. The bill, as currently written, includes large swaths of outputs that chatbot operators would likely claim as their own expression, and whose regulation would likely trigger the highest First Amendment scrutiny. For example, outputs that “relate to” self-harm include outputs *discouraging* self-harm and outputs that provide resources for helping users expressing feelings of self-harm. Outputs “concerning” sexually explicit conduct include sex education materials and other information about sexually transmitted diseases, human sexuality, and safe sex. The Committee should, instead, amend the bill to regulate harmful outputs the chatbot operators would likely disclaim, such as outputs that “encourage” self-harm and suicide, that “affirm” a user’s expressed decision to self-harm or die by suicide, and that “direct or induce” a minor to engage in sexually explicit conduct. Formulating the safeguards this way accomplishes the original goal of the legislation—to keep chatbot users safer—without opening the State up to unnecessary First Amendment challenges.

Chatbot regulations also have to be carefully drafted to avoid vagueness challenges. There are a number of vague terms in the current version of the bill. For instance, a person of common intelligence would have to guess at what chatbot outputs are “likely to elicit emotional responses.” Every person reacts differently to information, and even the most mundane information can elicit an emotional response. A forecast of a sunny warm day is likely to elicit a happy response from many, a disappointed response from some (hoping for sweater weather, rain, or snow), and no response from others. The scope of “emotional responses” covered by the provision is also unclear, as the term is undefined, which contributes to both vagueness and overbreadth concerns. Similarly, it is unclear what it means for a chatbot to “be capable of meeting a user’s social needs,” as “social needs” is undefined. Many things could fall under this definition or not, and each user will have different “social needs.” Replacing these vague terms with more concrete ones will help the law pass constitutional muster and ensure that its important protections can be enforced.

**As drafted, H.B. 952 does not do enough to provide meaningful protections to Marylanders. Additional provisions are necessary before H.B. 952 will effectively prevent harm.**

In addition to amending H.B. 952 to make it workable and likely to withstand constitutional scrutiny, the bill should also be strengthened to more meaningfully protect Marylanders. As drafted, the bill requires companies operating chatbots to provide warnings to users that they are not interacting with a human and to establish a basic protocol for preventing companion chatbots from producing outputs that encourage users to harm themselves or that encourage minors to engage in sexually explicit behavior. While these safeguards are important steps toward making chatbots safer, they are far from sufficient to reduce the harms chatbots present.

H.B. 952 should be amended to also include restrictions on data-driven harms that are especially acute on chatbots, such as chatbot operators using personal data to tailor outputs to users

to increase their engagement or target advertisements to users. Protections should also be added to ensure that companies do not advertise or make available chatbots that they claim can give qualified professional advice—like a therapist, doctor, lawyer, or accountant would—or that they will keep users’ information confidential. Finally, this bill should be amended to include requirements that chatbot operators regularly test these safeguards and protocols to ensure they are working to prevent harm.

Big Tech companies are currently operating with very few rules and very little oversight, and they’ve proven time and time again that they cannot be trusted to self-regulate. Thus, it is essential that the Committee advance a bill that sets clear rules of the road for chatbot providers to protect Marylanders from chatbot harms. As currently drafted, H.B. 952 does not achieve this goal, but with amendments, it could be an important step toward securing protections for Marylanders.

\* \* \*

EPIC commends the Committee for working to solve the urgent harms chatbots are causing, but H.B. 952 must be significantly amended before it can address those harms. While we cannot afford to wait to act on this issue, passing a constitutionally vulnerable bill that is likely to be tied up in litigation for years does not protect Marylanders. EPIC urges the Committee to amend H.B. 952 before moving this important legislation forward.

Thank you for the opportunity to testify. EPIC is happy to be a resource to the Committee on amending H.B. 952 to better protect Marylanders.

Sincerely,

/s/ Kara Williams

Kara Williams  
EPIC Counsel

/s/ Megan Iorio

Megan Iorio  
EPIC Senior Counsel

/s/ Suzanne Bernstein

Suzanne Bernstein  
EPIC Counsel

14-1330.

(a)

- (1) In this section the following words have the following meanings indicated.
- (2) “Artificial intelligence” has the meaning stated in § 15-10B-05.1 of the Insurance Article.
- (3)

(i) “Companion chatbot” means an artificial intelligence system with a natural language interface that provides adaptive, human-like responses to user inputs, simulates interactions with a human friend or companion, and recalls user inputs across multiple interactions.

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(ii) “Companion chatbot” does not include:

1. A bot that is used by a business entity only for customer service, technical assistance, business analytics, or internal research;
2. A bot that:

A. Is a feature of a video game;

B. The video game is one in which a user interacts with multiple bots within an immersive game world that adapt responses based on the user’s gameplay actions; and

C. Only produces outputs related to gameplay;

Deleted: , service, system, or application that is not a companion chatbot

3. A bot that is designed for business productivity or internal business use; or
4. A consumer electronic device that:

A. Functions as a speaker and a voice command interface;

B. Acts as a voice-activated virtual assistant;

C. Does not recall user inputs across multiple interactions; and

D. Only generate outputs that are directly responsive to a user input,

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Does not share content related to mental health, self-harm, suicidal ideation, suicide, or sexually explicit conduct;

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(4) “De-identified data” has the meaning stated in § 14-4401 of this title.

(5) “Developer” means a person that designs and creates a chatbot that an operator makes available to a user in the State.

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(6) “Minor user” means a user of a companion chatbot that an operator knows or reasonably should know is under 18 years of age,

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(7) “Office” means the Office of Suicide Prevention in the Maryland Department of Health.

(8) “Operator” means a person, including a developer who makes a companion chatbot available to a user in the State.

(9)

(i) “Personal data” means any information that is linked or can be reasonably linked to an identified or identifiable consumer.

(ii) “Personal data” does not include:

1. De-identified data; or

2. Publicly available information.

(10) “Sexually explicit conduct” has the meaning stated in 18 U.S.C. § 2256.

(b)

Deleted: “Video game” means a game played on an electronic device that; ... [1]

(1) An operator shall establish and maintain a protocol for preventing a companion chatbot from producing outputs encouraging self-harm, suicidal ideation, or suicide to a user who expresses thoughts of self-harm or suicidal ideation to the companion chatbot, or producing outputs affirming a user's expressed desire or choice to self-harm or die by suicide.

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(2) The protocol required under paragraph (1) of this subsection shall include a notification to a user who expresses thoughts of self-harm or suicidal ideation that refers the user to a crisis service provider, including:

- (i) The Maryland Behavioral Health Crisis Response System; and
- (ii) The National 9-8-8 Suicide and Crisis Lifeline.

(3) As part of the protocol required under paragraph (1), an operator shall use evidence-based methods for detecting when a user is expressing thoughts of self-harm or suicidal ideation to a companion chatbot. The operator shall not use such inferences for any purpose other than to carry out the protocol required under paragraph (1).

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(4) An operator shall publish the protocol required under paragraph (1) of this subsection on the operator's website.

(c)

(1) An operator shall establish and maintain a protocol for preventing a companion chatbot from producing outputs to a minor user that:

- (i) Consist of visual depictions of sexually explicit conduct; or
- (ii) Direct or induce the minor user to engage in sexually explicit conduct.

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(2) An operator shall publish the protocol required under paragraph (1) of this subsection on the operator's website.

(d) A developer shall establish and an operator shall provide to a user clear and conspicuous warnings that the chatbot is artificially generated and not human through the use of both:

Deleted: <#>An operator shall display a clear and conspicuous warning to a user stating that companion chatbots:

... [2]

(1) A static, persistent warning that continuously appears on the screen; and

- (i) At the start of the user's interaction with the chatbot;
- (ii) After every hour of the user's continuous interaction with the chatbot; and
- (iii) When prompted by the user in a manner that questions how the chatbot functions or provides responses.

(e) Developers and operators shall not:

(1) Use data regarding emotional state or mental health vulnerabilities to tailor outputs to increase the duration or frequency of use of a chatbot;

Deleted: <#>A controller shall limit the collection of personal data to what is reasonably necessary and proportionate to satisfy the requirements of this subtitle. A controller may not

(2) Use a user's personal data to determine whether to display an advertisement to a user or customize an advertisement to a user;

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(3) Make available a chatbot that provides advice that an individual cannot lawfully provide without a license or a service that an individual cannot lawfully provide without a license, including financial, legal, or medical advice, in violation of applicable State licensing laws; or

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(4) Advertise that a chatbot is capable of providing a service that an individual cannot lawfully provide without a license, including a representation that user inputs are protected an inapplicable fiduciary or other legal duty of confidentiality.

(f)

(1) An operator shall:

(i) Establish and maintain a complaint system that enables a user to report outputs that are to be prevented by the protocols required in sections (b), (c), and (e); and,

(ii) Test the effectiveness of the protocols required in (b), (c), (d), and (e) at least once every six months.

(2) Within 3 calendar days after a complaint is filed under paragraph (1) of this subsection, the operator shall:

(i) Review the output reported;

(ii) If the output is one that is required to be prevented by the protocol required in section (b), (c), or (e):

1. Adjust the relevant protocol to prevent any further production of the reported output; and,

2. Report the complaint and the results of the review to the Office.

(iii) If the output is one that is not required to be prevented by the protocols required in section (b), (c), or (e):

1. Inform the user of the determination; and

2. Provide a process by which the user can appeal the determination.

(g)

(1) On or before March 1 each year, beginning in 2027, an operator shall report to the Office:

(i) Information on the protocols required under subsections (b) and (c) of this section;

(ii) The number of times the operator has issued a notification under subsection (b)(2) of this section;

(iii) Details about the methods used under subsection (b)(3) of this section; and

(iv) All complaints filed under subsection (g) of this section, including the results of the review of each complaint and any follow-up actions taken.

(2) The report required under paragraph (1) of this subsection may not contain any personal data about a user.

(3) On or before July 1 each year, beginning in 2027, the Office shall:

(i) Compile data from the reports submitted under paragraph (1) of this subsection for the immediately preceding calendar year; and

(ii) Publish the data on the Office's website.

(h)

(1) A violation of this section is:

(i) An unfair, abusive, or deceptive trade practice within the meaning of Title 13 of this article, except § 13-411 of this article.

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(2) In addition to the remedies contained in Title 13 of this article, a chatbot shall be considered a product for the purposes of products liability actions for which:

(i) An operator or a developer is liable for any injury or harm it caused a user through the use of its chatbot, even if:

1. The operator or developer exercised all reasonable care in the design and distribution of the chatbot;

2. The operator or developer did not directly distribute the chatbot to the user or otherwise enter into a contractual relationship with the user; and

(ii) An individual may bring an action for design defect, a manufacturing defect, or a marketing defect.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect on October 1, 2026.

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**HB952 -FIN-MDH -LOO (1).pdf**

Uploaded by: Meghan Lynch

Position: UNF



## DEPARTMENT OF HEALTH

*Wes Moore, Governor · Aruna Miller, Lt. Governor · Meena Seshamani, M.D., Ph.D., Secretary*

March 26, 2026

The Honorable Pam Beidle  
Senate Finance Committee  
3 East Miller Senate Office Building  
Annapolis, MD 21401

**RE: House Bill 952—Consumer Protection - Companion Chatbots - Regulation —Letter of Opposition**

Dear Chair Beidle and Committee Members,

The Maryland Department of Health (the Department) respectfully opposes House Bill 952 – Consumer Protection – Companion Chatbots – Regulation.

HB 952 would require the operators of companion chatbots - defined as an artificial intelligence (AI) system that provides “human-like responses” to users and is capable of meeting a user’s needs by “exhibiting anthropomorphic features.” Operators of such chatbots would be required to (1) create and publish safety protocols that prevent it from producing or presenting content concerning self-harm, suicidal ideation, or suicide to a user who expresses thoughts of self-harm or suicidal ideation; (2) notify and refer users who express such thoughts to crisis services including 9-8-8 and the Maryland Behavioral Health Crisis Response System; (3) prohibit the production or presentation of sexually explicit content to minors; (4) clearly display warning labels to users and notifications to minors after prolonged use; and (5) produce reports for the Office of Suicide Prevention (OSP), within the Behavioral Health Administration (BHA), that would be assembled into an annual report to the General Assembly. Violations of these requirements would be enforced under the Maryland Consumer Protection Act.

Although the Department shares the legislature's goal of protecting Marylanders, including vulnerable minors, from potential risks related to emerging technologies such as companion chatbots, as currently proposed, HB 952 places responsibilities on OSP that fall outside its core mission and expertise. OSP was created to focus on suicide prevention strategies, crisis intervention, data-driven public health initiatives, and community-based supports. OSP is not structured, staffed, or authorized to oversee reporting by operators of AI chatbots; it has no expertise in determining corporate compliance with the standards proposed in this bill. HB 952 would effectively require OSP to build and manage a new oversight program for AI chatbot operators, likely via regulation.

In addition, as currently proposed, the bill does not provide OSP with the enforcement authority to require chatbot operators in Maryland, the wider United States, or those owned and operated outside the country to report data; there is no infrastructure or registration system against which OSP could verify the existence of chatbots to ensure reporting is complete, let alone accurate. As a result, OSP has no way to determine whether the reports to the General Assembly required by this bill would be complete, accurate, and timely. Publishing unverified reports could give the imprimatur of the State to incomplete, inaccurate, or even fraudulent information.

Finally, the bill does not include funding to support these new responsibilities. Establishing a regulatory reporting and oversight system of this scope would require dedicated staff, technical infrastructure, and ongoing administrative support. As written, HB 952 would require three new staff and \$400,000 annually. Without these resources, the bill creates a significant unfunded mandate.

We fully support thoughtful discussions about how to address the risks and opportunities presented by AI. However, placing responsibility for reporting with OSP is unlikely to yield the information the General Assembly seeks or the protection for minors it is clearly trying to pursue. For these reasons, the Maryland Department of Health respectfully requests an unfavorable report on HB 952.

If you would like to discuss this further, please do not hesitate to contact Meghan Lynch, Director of Governmental Affairs at [meghan.lynch@maryland.gov](mailto:meghan.lynch@maryland.gov).

Sincerely,

A handwritten signature in blue ink, appearing to read 'Meena Seshamani', with a stylized flourish at the end.

Meena Seshamani, MD, PhD  
Secretary of Health

**MPA Letter Testimony re MD HB 952 - 2026.03.24.pdf**

Uploaded by: Renata Colbert

Position: UNF



# MOTION PICTURE ASSOCIATION

March 24, 2026

Maryland Senate Budget & Taxation Committee

Miller Senate Office Building

11 Bladen St.

Annapolis, Maryland 21401

**Re:** HB 952 – Artificial Intelligence Chatbots – Favorable With Amendments

Dear Members of the Senate Committee on Finance:

On behalf of the Motion Picture Association, Inc. (“MPA”),<sup>1</sup> I am writing concerning HB 952 (the “Bill”), a bill concerning artificial intelligence chatbots. MPA proposes revisions to the definition of “companion chatbots” and clarifications (or removal) of newly-added portions to the Bill that lack necessary context or definitions.

MPA’s members use chatbots in some customer service settings and in-house for business productivity purposes. Additionally, as this technology evolves, chatbots may be used in connection with limited-purpose interactive tools to engage fans with film and television content. These common and low-risk tools do not present the same sort of concerns raised by stand-alone, wide-ranging, and pseudo-human interactions via true companion chatbots. As such MPA seeks amendments to ensure that these low-risk services are not swept into regulation unnecessarily.

## **I. Revised “Companion Chatbot” Definition**

In the House, MPA sought a revision to the definition of “companion chatbot” that incorporated the three-prong requirements in the existing New York law, *see* N.Y. Gen. Bus. Law § 1700 *et seq.*, as well as a revision to the exemption for video games to include services related to film and television content and characters. That request, copied at the end of this letter, was not adequately addressed by the House amendments. MPA reiterates its request for this language, which would appropriately limit the regulation of companion chatbots to those tools that may pose a

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<sup>1</sup> The MPA serves as the global voice and advocate of the motion picture, television, and streaming industries. It works in every corner of the globe to advance the creative industry, protect its members’ content across all screens, defend the creative and artistic freedoms of storytellers, and support innovative distribution models that expand viewing choices for audiences around the world. The MPA’s member studios are: Amazon Studios, LLC, Netflix Studios, LLC, Paramount Pictures Corporation, Sony Pictures Entertainment Inc., Universal City Studios LLC, Walt Disney Studios Motion Pictures, and Warner Bros. Entertainment Inc.

heightened risk of harm. *See* **Proposal 1**. MPA appreciates that the House amendments have included an exemption for a chatbot that is “designed for business productivity or internal business use,” which does narrow the Bill in appropriate ways. The proposed “Proposal 1” below incorporates that useful amendment.

In the alternative, many states are considering an alternative definition of “chatbot” (sometimes referred to as a “Conversational AI Service,” or similar) that would also address MPA’s concerns by exempting low-risk chatbot services. *See, e.g.*, Colorado HB 1263 (Introduced Feb. 19, 2026); Hawaii HB 2502 (Introduced Jan. 28, 2026); Idaho SB 1297 (Passed First Chamber Mar. 19, 2026); Iowa HF 2507 (Introduced Feb. 16, 2026). This language would include exemptions for narrow-purpose chatbots services (*e.g.*, those that are “designed to provide outputs relating to a narrow and discrete topic”), along with exempting business productivity and customer service uses. *See* **Proposal 2**. Either proposed change would adequately address MPA’s ongoing concern with the Bill’s definition.

## II. House Amendments Introduced Undefined & Ambiguous Obligations

In addition to the definitional concern above, the amendments added to the Bill in the House introduce new obligations that do not make sense in the context of the existing Bill and introduce undefined terms that make the scope of the obligations difficult to ascertain. The House inserted new sub-parts (E), (F), and (G) into Section 14-1330, as well as new provisions in sub-part I(2), which use terms not defined in the current Bill—most critically the term “chatbot” (rather than “companion chatbot” as the Bill uses elsewhere), as well as the terms “developer” and “controller.” **At the very least, the newly added provisions should be revised to clarify that these provisions apply only to “companion chatbots” and their “operators,” as those terms are defined in the Bill.** Absent such clarification, the new provisions could apply to *any* chatbot service, including a customer service chatbot, business productivity tool, or other common and low-risk chat service.

Separate from the need to align with existing definitions, the new provisions introduce overbroad and vague obligations that would require substantial revisions to address. For instance:

- Sub-parts (F) and (G) create bespoke data privacy obligations for chatbot-related data, even though the Maryland Online Data Privacy Act (MODPA) has been in effect for less than six months and provides a comprehensive data privacy regime. These new provisions thus appear to be unnecessary.
- The universal disclosure obligations in sub-part (E) is overbroad insofar as it requires onerous disclosures even when it is obvious that a “chatbot” is not a human.
- The new sub-part (I)(2) provides that operators are “strictly liable for causing injury or harm to a user,” without specifying what types of harms or injuries may be cognizable. It provides that an “individual” has a private right of action for various defects—without requiring that the individual be an actual user who is harmed by the service.

Together, these provisions are inadequately clarified and impose too nebulous a set of obligations to provide the operators of chatbot services with assurances as to what is required of them under the law. Given this lack of clarity, it would be appropriate to remove these provisions in their entirety.

MPA is available to discuss this Bill and potential language to address these concerns at your convenience. Please contact Renata Colbert ([Renata\\_Colbert@motionpicturs.org](mailto:Renata_Colbert@motionpicturs.org)) or Nick Manis ([nmanis@maniscanning.com](mailto:nmanis@maniscanning.com)) with any questions about the Bill or MPA's proposed amendments.

Sincerely,

Renata Colbert  
Director, State Government Affairs  
MPA

\* \* \* \*

### Proposal 1:

(3) (I) "COMPANION CHATBOT" MEANS AN ARTIFICIAL INTELLIGENCE SYSTEM ~~WITH A NATURAL LANGUAGE INTERFACE THAT PROVIDES ADAPTIVE, HUMAN-LIKE RESPONSES TO USER INPUTS AND IS CAPABLE OF MEETING A USER'S SOCIAL NEEDS, INCLUDING BY EXHIBITING ANTHROPOMORPHIC FEATURES AND BEING ABLE TO SUSTAIN A RELATIONSHIP ACROSS MULTIPLE INTERACTIONS.~~ DESIGNED TO STIMULATE A SUSTAINED HUMAN OR HUMAN-LIKE RELATIONSHIP WITH A USER BY:

- A. ~~RETAINING INFORMATION ON PRIOR INTERACTIONS OR USER SESSIONS AND USER PREFERENCES TO PERSONALIZE THE INTERACTION AND FACILITATE ONGOING ENGAGEMENT WITH THE AI COMPANION;~~
- B. ~~ASKING UNPROMPTED OR UNSOLICITED EMOTION-BASED QUESTIONS THAT GO BEYOND A DIRECT RESPONSE TO A USER PROMPT; AND~~
- C. ~~SUSTAINING AN ONGOING DIALOGUE CONCERNING MATTERS PERSONAL TO THE USER.~~

(II) "COMPANION CHATBOT" DOES NOT INCLUDE:

1. A BOT THAT IS USED BY A BUSINESS ENTITY ONLY FOR CUSTOMER SERVICE, TECHNICAL ASSISTANCE, BUSINESS ANALYTICS, OR INTERNAL RESEARCH;

2. A BOT THAT:

A. IS ~~A FEATURE OF DIRECTLY RELATED TO A VIDEO GAME SERVICE, SYSTEM, OR APPLICATION THAT IS NOT A COMPANION CHATBOT,~~ MOTION PICTURE, TELEVISION PROGRAM, STREAMING PROGRAM OR OTHER AUDIOVISUAL WORK, OR THEME PARK OR LOCATION-BASED EXPERIENCE, INCLUDING A COMBINATION OF ANY SUCH WORKS AND EXPERIENCES;

*B. IS LIMITED TO REPLIES RELATED TO THE AUDIOVISUAL WORK, THEME PARK OR LOCATION-BASED EXPERIENCE ~~VIDEO GAME, SERVICE, SYSTEM, OR APPLICATION~~; AND*

*C. DOES NOT SHARE CONTENT RELATED TO MENTAL HEALTH, SELF-HARM, SUICIDAL IDEATION, SUICIDE, OR SEXUALLY EXPLICIT CONDUCT;*

*3. A BOT THAT IS DESIGNED FOR BUSINESS PRODUCTIVITY OR INTERNAL BUSINESS USE; OR*

*4. A CONSUMER ELECTRONIC DEVICE THAT:*

*A. FUNCTIONS AS A SPEAKER AND A VOICE COMMAND INTERFACE;*

*B. ACTS AS A VOICE-ACTIVATED VIRTUAL ASSISTANT;*

*C. DOES NOT SUSTAIN A RELATIONSHIP ACROSS MULTIPLE INTERACTIONS; AND*

*D. DOES NOT GENERATE OUTPUTS THAT ARE LIKELY TO ELICIT EMOTIONAL RESPONSES FROM THE USER.*

## **Proposal 2:**

*(3)(I) "COMPANION CHATBOT" MEANS AN ARTIFICIAL INTELLIGENCE SYSTEM, WEB INTERFACE, OR COMPUTER PROGRAM THAT IS ACCESSIBLE TO THE GENERAL PUBLIC AND THAT PRIMARILY SIMULATES HUMAN CONVERSATION AND INTERACTION THROUGH TEXTUAL, VISUAL OR AURAL COMMUNICATIONS.*

*(II) "CHATBOT" DOES NOT INCLUDE AN APPLICATION, WEB INTERFACE, OR COMPUTER PROGRAM THAT:*

*(A) IS PRIMARILY DESIGNED AND MARKETED FOR USE BY DEVELOPERS OR RESEARCHERS;*

*(B) IS A FEATURE WITHIN ANOTHER SOFTWARE APPLICATION, WEB INTERFACE, OR COMPUTER PROGRAM*

*THAT IS NOT A CONVERSATIONAL AI SERVICE;*

*(C) IS DESIGNED TO PROVIDE OUTPUTS RELATING TO A NARROW AND DISCRETE TOPIC;*

*(D) IS PRIMARILY DESIGNED AND MARKETED FOR COMMERCIAL USE BY BUSINESS ENTITIES;*

*(E) FUNCTIONS AS A SPEAKER AND VOICE COMMAND INTERFACE OR VOICE-ACTIVATED VIRTUAL ASSISTANT FOR A CONSUMER ELECTRONIC DEVICE; OR*

*(F) IS USED BY A BUSINESS SOLELY FOR INTERNAL PURPOSES.*

# **HB 952 Crossfile\_CPD Support in Concept.pdf**

Uploaded by: Hanna Abrams

Position: INFO

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OFFICE OF THE ATTORNEY GENERAL  
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March 26, 2026

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

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

**RE:** House Bill 952 – Consumer Protection – Companion Chatbots –  
Regulation (SUPPORT IN CONCEPT)

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The Consumer Protection Division of the Office of the Attorney General (the “Division”) supports House Bill 952 (“HB 952”), in concept. House Bill 952 regulates artificial intelligence chatbots.

Chatbots are regularly trained on data that was scraped indiscriminately from across the internet without anyone’s knowledge or consent, including sensitive personal information.<sup>1</sup> And artificial intelligence companies have already announced plans to integrate targeted advertising functions into their chatbots.<sup>2</sup> The Division asks that HB 952 be clarified to explicitly state that HB 952 does nothing to abrogate the rights provided to Marylanders under the Maryland Online Data Privacy Act, Md. Code Ann., Com. Law § 14-4701 *et seq.*

Further, chatbots are designed to prioritize user engagement over user well-being. The tendency of chatbots to engage in flattering and sycophantic behavior can exacerbate mental health issues and lead to emotional dependence, among numerous other harms.<sup>3</sup> The Division supports creating guardrails around the use of chatbots.

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<sup>1</sup> Lauren Leffer, *Your Personal Data Is Probably Being Used to Train Generative AI Models*, Scientific American (Oct. 19, 2023), <https://www.scientificamerican.com/article/your-personal-information-is-probablybeing-used-to-train-generative-ai-models/>.

<sup>2</sup> Maxwell Zeff, *Meta Plans to Sell Targeted Ads Based on Data in Your AI Chats*, TechCrunch (Oct. 1, 2025), <https://techcrunch.com/2025/10/01/meta-plans-to-sell-targeted-ads-based-on-data-in-your-ai-chats/>; Shira Ovide, *Here Comes the Advertising in AI Chatbots*, Wash. Post (Jan. 13, 2026), <https://www.washingtonpost.com/technology/2026/01/13/advertisinggoogle-ai-mode-chatgpt/>.

<sup>3</sup> Stephanie Nguyen *et al.*, *AI Sycophancy & OpenAI*, Georgetown Law Inst. for Technology Law & Policy (Jul. 30 2025), <https://www.law.georgetown.edu/tech-institute/research-insights/insights/tech-brief-ai-sycophancy-openai-2/>; Stephanie Nguyen *et al.*, *AI Sycophancy: Impacts, Harms & Questions*, Georgetown Law Inst. for Technology Law &

The Division, however, recommends clarifying some of the language that appears in HB 952, including:

- 14-1330(a)(3)(ii)(3) should read “a bot that is designed *and used* for business productivity or internal business use.”
- 14-1330(a)(3)(ii)(2)(c): The definition of “companion chatbot” also excludes chatbots that operate within a videogame that are “not a companion chatbot.” This definition is circular and should be clarified to ensure that chatbots that provide feedback during a videogame that leads to mental health harms fall within the bill’s scope.
- A definition for developer should be added as well as a cross-reference to the definition of “controller” in Md. Code Ann., Com. Law § 14-4701.
- 14-1330(d)-(e): The warning obligations on developers and operators should be the same.
- 14-1330(g): The reporting systems should not be limited to “users.”

In addition, artificial intelligence chatbots have been used to create nonconsensual intimate images of real people, including children.<sup>4</sup> Although HB 952 requires that operators establish and maintain a protocol for preventing a companion chatbot from producing or presenting sexually explicit conduct to a minor user, it fails to address the dissemination nonconsensual intimate images of real people, including children, to adults. House Bill 952 should safeguard both children and adults from becoming victims of nonconsensual intimate images and ensure that those affected have clear avenues for recourse.

The Division asks the Finance Committee to consider these comments when it deliberates over HB 952.

Cc: Delegate Jason C. Buckel *et al.*  
Members, Finance Committee

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Policy (Aug. 11, 2025), <https://www.law.georgetown.edu/tech-institute/research-insights/insights/aisycophancy-impacts-harms-questions/>.

<sup>4</sup> Robert Hart and Jess Weatherbed, *X hasn't really stopped Grok AI from undressing women in the UK*, The Verge (Jan. 14, 2026), <https://www.theverge.com/news/861894/grok-still-undressing-in-uk>; Matt Burgess, *Elon Musk's Grok 'Undressing' Problem Isn't Fixed*, WIRED (Jan. 15, 2026), <https://www.wired.com/story/elonmusk-grok-undressing-problem-isnt-fixed/>; Attorney General Brown Demands Action from xAI over Grok's Creating of Nonconsensual Sexual Content (Jan. 23, 2026), <https://oag.maryland.gov/News/Pages/Attorney-General-Brown-Demands-Action-from-xAI-over-Grok%E2%80%99s-Creation-of-Nonconsensual-Sexual-Content.aspx>