



**March 27, 2026**

Senate Finance Committee  
Attn: Tammy Kraft  
3 East Miller Senate Office Building  
Annapolis, Maryland 21401

**Re: HB 952 - "Consumer Protection - Companion Chatbots - Regulation"  
(Oppose Unless Amended)**

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

On behalf of the Computer & Communications Industry Association (CCIA), I write to respectfully oppose HB 952 as currently drafted and to urge adoption of the attached redline amendments. CCIA is an international, not-for-profit trade association representing a broad cross-section of communications and technology firms.<sup>1</sup> Proposed regulations on the intrastate provision of digital services, therefore, can have a significant, nationwide impact on CCIA members.

CCIA firmly believes that children are entitled to security and privacy online and supports thoughtful, evidence-based approaches to protecting minors and addressing mental health risks. However, HB 952 in its current form creates significant legal uncertainty and operational challenges that risk undermining these shared goals.

**HB 952's definition of "companion chatbot" must be further narrowed.**

While the bill has been amended to focus on companion chatbots, the definition still risks capturing a broader set of general-purpose AI systems and interactive services not designed to simulate emotional relationships. We recommend clarifying that the definition applies only to systems specifically designed or marketed to provide companionship or emotional support. This ensures the bill targets the intended category of products without inadvertently regulating a wide range of unrelated technologies.

As AI evolves rapidly, it is crucial to find a balance in regulation to ensure the rules are not so rigid that they hinder innovation and U.S. competitiveness. Achieving this kind of balance requires thoughtful and adaptable legislation that is informed by the principles of responsible AI and can be applied across many different contexts. Rather than imposing overly detailed and narrowly tailored rules, the focus must be on establishing frameworks that enable the design of AI systems and allow them to serve society's best interests. In the absence of a single federal framework regulating AI, any single state's efforts to implement broad regulation would likely place a state like Maryland at a competitive disadvantage by inhibiting the use of new technologies to further growth, while other states may not implement such obstacles.

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<sup>1</sup> For more than 50 years, CCIA has promoted open markets, open systems, and open networks. CCIA members employ more than 1.6 million workers, invest more than \$100 billion in research and development, and contribute trillions of dollars in productivity to the global economy. A list of CCIA members is available at <https://www.ccianet.org/members>.

## The bill imposes unworkable operational requirements.

HB 952 includes a complaint-review-and-response framework that requires companies to investigate, act on, and report complaints within three days. For AI systems generating millions of interactions daily, this short timeline is operationally infeasible and risks encouraging over-removal of content or automated decision-making that may not serve users' best interests. We recommend extending the response timeline to a more reasonable, workable period, such as 30 days, to ensure meaningful review and compliance.

## The bill's liability framework is incompatible with AI systems.

HB 952 treats chatbot outputs as subject to strict liability standards, including "design" and "marketing" defects. This approach is unprecedented for software and creates potentially unlimited liability exposure. Unlike physical products, AI-generated outputs are dynamic, context-dependent, and user-driven. Applying traditional product liability frameworks designed for manufacturing defects to generative AI is fundamentally incompatible with how these systems function. CCIA recommends limiting liability to circumstances involving knowing or intentional violations rather than strict liability.

## Clarity is needed regarding the knowledge of minor users.

The bill imposes heightened obligations related to minors when an operator "knows or reasonably should know" that a user is a minor. It is difficult, however, to objectively determine when an operator "should have known" that a user is a minor. Accordingly, covered businesses will be unable to know if they are complying with the law. Without a clear standard, companies may be forced to adopt invasive age verification practices or default users to restricted experiences. CCIA recommends aligning the bill with existing frameworks by applying obligations only where an operator has actual knowledge of a user's status as a minor. For example, a recent Digital Trust & Safety Partnership (DTSP) report, *Age Assurance: Guiding Principles and Best Practices*, contains guiding principles for age assurance and discusses how digital services have used such principles to develop best practices.<sup>2</sup>

## Mandated interventions raise privacy and feasibility concerns.

Requirements to provide specific, potentially location-based crisis resources may necessitate collecting sensitive user data, including geolocation information. This creates tension with the bill's goal of protecting user privacy, particularly for minors. A more flexible approach, such as allowing referral to nationally available crisis resources, would better balance access to support with user privacy.

## Enforcement mechanisms should be carefully tailored.

As drafted, HB 952 may expose companies to expansive liability under existing consumer protection laws, including through private litigation. This creates a risk of frivolous claims and

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<sup>2</sup> *Age Assurance: Guiding Principles and Best Practices*, Digital Trust & Safety Partnership (Sept. 2023), [https://dtspartnership.org/wp-content/uploads/2023/09/DTSP\\_Age-Assurance-Best-Practices.pdf](https://dtspartnership.org/wp-content/uploads/2023/09/DTSP_Age-Assurance-Best-Practices.pdf).



significant litigation costs, which could disproportionately impact smaller companies and chill innovation. Limiting enforcement to the Attorney General would help ensure consistent and appropriate application of the law.

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Taken together, the attached amendments preserve the bill’s core objectives while ensuring the framework is targeted, enforceable, and consistent with constitutional and technical realities.

CCIA appreciates the Committee’s leadership on these important issues and stands ready to work collaboratively to refine HB 952. We respectfully urge the Committee to adopt the attached amendments or, absent such changes, oppose the bill.

Sincerely,

Megan Stokes  
State Policy Director  
Computer & Communications Industry Association