

Testimony of the Consumer Federation of America in Support of Maryland Chatbot Legislation: HB1250/SB827

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The Consumer Federation of America (CFA) is an association of over 200 non-profit consumer organizations that was established in 1968 to advance the consumer interest through research, advocacy, and education.

CFA urges the committee to advance HB1250 and SB 827, straightforward legislation that addresses the present and future harms of AI chatbots that are endangering Marylanders while protecting the promise of innovative products that can be made in ways that enhance people’s lives without extraction.

Chatbots are hard to avoid these days. Large chatbots that are the most used are made by just a few companies¹, who have vacuumed up both copyrighted data like books or movies but critically *sensitive personal information* of people², to make a commercial tool that is shoved into every-day life as well as integrated into literal military operations.³ There have been devastating instances of a chatbot encouraging suicide or violence toward a parent⁴, and near-constant sycophantic responses to

¹ Bruna Horvath, Over Half of American Adults Have Used an AI Chatbot, Survey Finds, NBC News, Mar. 12, 2025, <https://www.nbcnews.com/tech/tech-news/half-american-adults-used-ai-chatbots-survey-finds-rcna196141>; Natasha Singer, More Than Half of Teens Use Chatbots for Schoolwork, Survey Finds, The New York Times, Feb. 24, 2026, <https://www.nytimes.com/2026/02/24/technology/schoolwork-chatbot-cheating-pew.html>.

² See, e.g., Blake Brittain, AI Copyright Battles Enter Pivotal Year as US Courts Weigh Fair Use, Reuters, Jan. 5, 2026, <https://www.reuters.com/legal/government/ai-copyright-battles-enter-pivotal-year-us-courts-weigh-fair-use-2026-01-05/>; Study Exposes Privacy Risks of AI Chatbot Conversations, Stanford University, <https://news.stanford.edu/stories/2025/10/ai-chatbot-privacy-concerns-risks-research> (last visited Feb. 25, 2026).

³ Emma Isabella Sage, The Pentagon’s Dangerous Adoption of AI, The Dispatch, Feb. 25, 2026, <https://thedispatch.com/article/pentagon-grok-anthropic-artificial-intelligence/>.

⁴ Rob Kuznia, Allison Gordon & Ed Lavandera, ‘You’re Not Rushing. You’re Just Ready:’ Parents Say ChatGPT Encouraged Son to Kill Himself, CNN, Nov. 6, 2025, <https://www.cnn.com/2025/11/06/us/openai-chatgpt-suicide-lawsuit-invs-vis>; Tom Gerken, Chatbot “Encouraged Teen to Kill Parents over Screen Time Limit,” BBC News (Dec. 11, 2024), <https://www.bbc.com/news/articles/cd605e48q1vo>.

keep people engaged and on the platform.⁵ Chatbots can be harmful to users of all ages, not just kids. They exploit users through mass overcollection of personal data, targeted advertising, and manipulative design practices. And, for children and teens in particular, companion chatbots impede healthy development by replacing important human relationships like friends, family, and teachers.⁶

The good news is that chatbots aren't people – they are products made by companies that make the choices behind how it works, what it can “say” and how it looks to a user. There are straightforward rules that can make them safer, and these can be implemented by chatbot providers. What we have learned from social media is that we can't rely on promises from tech CEOs, we need clear and straightforward rules.

While these tools are relatively new when compared to social media, the harms are real and happening now. It is critically important not to recreate the mistake of how long lawmakers waited to address the devastating harms of social media, and we are currently sleepwalking into the same dynamic with chatbots. **HB1250 and SB827 is the right approach to rein in the myriad harms of chatbots in ways that are achievable, proportionate, and most importantly actually attacking the root causes of harm.**

While this is not all the bill does, it address the following key problems that desperately need to be fixed via legislation:

Users are being targeted with advertising based on their seemingly private “conversations” with chatbots⁷: Just this year, Meta and OpenAI have announced they will start advertising in and around their tools, after previously saying they would not. This law draws clear lines around the use of private input data and how it can be used for explicit commercial exploitation – without it, people have no power over this data.

⁵ Erie Meyer & Stephanie, Tech Brief: AI Sycophancy & OpenAI, Georgetown Law (Jul. 30, 2025), <https://www.law.georgetown.edu/tech-institute/research-insights/insights/tech-brief-ai-sycophancy-openai-2/>.

⁶ Clare Duffy, Kids and Teens under 18 Shouldn't Use AI Companion Apps, Safety Group Says, CNN, Apr. 30, 2025, <https://www.cnn.com/2025/04/30/tech/ai-companion-chatbots-unsafe-for-kids-report>.

⁷ Shira Ovide, Here Comes the Advertising in AI Chatbots, The Washington Post (Jan. 13, 2026), <https://www.washingtonpost.com/technology/2026/01/13/advertising-google-ai-mode-chatgpt/>.

There is a lack of an explicit recourse for people that are harmed by foreseeable risk: The law provides a private right of action in the form of clarifying that chatbots are products for the purposes of product liability actions. If a dryer has a faulty heat sensor that causes fires, the harmed party could pursue accountability – if a chatbot provider fails to embed simple and foreseeable safeguards and a real-life harm is caused by it, the harmed party should be able to do the same. The law in Maryland should make that crystal clear, not a litigation argument every time.⁸

Users are talking to chatbots that explicitly hold themselves out as a qualified licensed healthcare provider or lawyer: This has been prohibited for general purpose chatbots by California and Illinois as standalone bills last year, but this bill includes it in a smart and direct part of this more comprehensive chatbot bill. This bill then goes the extra mile to require clear and conspicuous notices that the chatbots are *not* human.⁹

Companies like OpenAI are inconsistent with safety protocols, which has led to known dangerous results being unaddressed: This bill would empower the state to require design-based disclosure and risk mitigation requirements from the chatbot developers. As Canada is finding out in investigating what OpenAI knew about a murderer before their crime, safety plans should be required and responsive to known real harms.¹⁰

Thank you, and please don't hesitate to reach out with any questions we can answer or ways we can assist in your consideration of this bill.

⁸ Erin M. Bosman et al., Software Gains New Status as a Product Under Strict Liability Law, Morrison Foerster, Jun. 18, 2025, <https://www.mofo.com/resources/insights/250618-software-gains-new-status-as-a-product-under-strict-liability-law>.

⁹ See e.g. Complaint and Request for Investigation: Unlicensed Practice of Medicine and Mental Health Provider Impersonation on Character-Based Generative AI Platforms · Consumer Federation of America, Consumer Federation of America (Jun. 11, 2025), <https://consumerfed.org/testimonial/complaint-and-request-for-investigation-unlicensed-practice-of-medicine-and-mental-health-provider-impersonation-on-character-based-generative-ai-platforms/>.

¹⁰ Darren Major, AI Minister “disappointed” by OpenAI Meeting Held in Wake of Tumbler Ridge Shooting, CBC (Feb. 25, 2026), <https://www.cbc.ca/news/politics/open-ai-government-meeting-tumbler-ridge-9.7104789>.