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Senator Thomas Umberg, Chair
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SUBJECT

Companion chatbots: children's safety

DIGEST

This bill seeks to comprehensively regulate companion chatbots with regard to children's safety, including imposition of a series of obligations and restrictions on operators that make such chatbots available in California.

EXECUTIVE SUMMARY

"Companion chatbots" are generative artificial intelligence (GenAI) tools that simulate human connection through sophisticated speech-mimicking algorithms. Companion chatbots are increasingly prevalent – for some, caught in our societal loneliness epidemic, the simulacrum of personalized interaction is better than nothing. These chatbots, powered by large language models, generally glean and track the intimate details and preferences of their human "companions" based on their interactions and user customization. Millions of consumers use these chatbots as friends, mentors, and even romantic partners.

The full effects of humans, and especially children, turning to GenAI in lieu of human connection are unknown. Many existing studies and reports point to the addictive nature of these chatbots and call for further research and for meaningful guardrails. Moreover, in the past few years, chatbots have been involved in several high-profile incidents resulting in users harming themselves and even committing suicide.

This bill and a companion bill pending before the Assembly, SB 1119 (Padilla, 2026), establish a framework for protecting children from these harms and empowering parents with proper tools to protect their own children. The bill imposes a number of requirements on chatbot operators and prohibits specified conduct. Additionally, operators must submit to annual independent audits and reporting by the Attorney

General is required. Public prosecutors and children harmed by violations are authorized to bring civil actions for damages.

This bill is sponsored by the author and is supported by the Alameda County Office of Education, the American Association of University Women – California, the California Catholic Conference, the California Initiative for Technology & Democracy, the Center for AI and Digital Policy, and the Los Angeles Unified School District. This bill is opposed by the American Innovators Network, the California Chamber of Commerce, the California Society of Certified Public Accountants, the Civil Justice Association of California (CJAC), the Computer & Communications Industry Association, the Insights Association, the Software Information Industry Association, and Technet. The Senate Privacy, Digital Technologies, and Consumer Protection Committee passed this bill with a vote of 7-1.

PROPOSED CHANGES TO THE LAW

Existing law:

1) Defines the following relevant terms:

- a) “Artificial intelligence” means an engineered or machine-based system that varies in its level of autonomy and that can, for explicit or implicit objectives, infer from the input it receives how to generate outputs that can influence physical or virtual environments.
- b) “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; but does not include a bot used only for customer service or business purposes, a bot that is a feature of a video game, or a standalone consumer electronic device that functions as a speaker and voice command interface, as specified.
- c) “Companion chatbot platform” means a platform that allows a user to engage with companion chatbots.
- d) “Office” means the Office of Suicide Prevention.
- e) “Operator” means a person who makes a companion chatbot available to a user in the state.
- f) “Sexually explicit conduct” has the same meaning as in Section 2256 of Title 18 of the United States Code.
- g) “Video game” means a game played on an electronic amusement device that utilizes a computer, microprocessor, or similar electronic circuitry and its own monitor, or is designed to be used with a television set or a computer monitor, that interacts with the user of the device. (Bus. & Prof. Code, § 22601.)

- 2) Requires an operator to prevent a companion chatbot on its companion chatbot platform from engaging with users unless the operator maintains a protocol for preventing the production of suicidal ideation, suicide, or self-harm content to the user, including, but not limited to, by providing a notification to the user that refers the user to crisis service providers, including a suicide hotline or crisis text line, if the user expresses suicidal ideation, suicide, or self-harm; the operator must publish the details of this protocol on its website. (Bus. & Prof. Code, § 22602(b).)
- 3) Requires the operator of a companion chatbot to do all of the following:
 - a) If a reasonable person interacting with the companion chatbot would be misled to believe that they are interacting with a human, issue a clear and conspicuous notification indicating that the chatbot is artificially generated and not a human.
 - b) Prevent a companion chatbot on its platform from engaging with users unless the operator maintains a protocol for preventing the production of suicidal ideation, suicide, or self-harm content to the user, including, but not limited to, by providing a notification to the user that refers the user to crisis service providers if the user expresses suicidal ideation, suicide, or self-harm; the operator must publish this protocol on its website.
 - c) For a user the minor knows is a minor, do all of the following:
 - i. Disclose to the user that the user is interacting with AI.
 - ii. Provide by default a clear and conspicuous notification to the user at least every three hours for continuing chatbot interactions that reminds the user to take a break and that the chatbot is artificially generated and not human.
 - iii. Institute reasonable measures to prevent its companion chatbot from producing visual material of sexually explicit conduct or directly stating that the minor should engage in sexually explicit conduct.
 - d) Disclose to a user, in specified locations, that companion chatbots may not be suitable for some minors. (Bus. & Prof. Code, §§ 22602, 22604.)
- 4) Requires an operator, beginning July 1, 2027, to annually report to the Office specified information relating to the operator's protections to prevent instances of suicidal ideation in users and instances that an operator issued a crisis service provider referral in the prior year. (Bus. & Prof. Code, § 22603.)
- 5) Provides that a person injured by a violation of 3) may bring an action to cover the following relief:
 - a) Injunctive relief.
 - b) Damages in an amount equal to the greater of actual damages or \$1,000 per violation.
 - c) Reasonable attorney's fees and costs. (Bus. & Prof. Code, § 22605.)

- 6) Establishes the Digital Age Assurance Act, which requires a developer to request a signal with respect to a particular user from an operating system provider or a covered application store when the application is downloaded and launched. A developer that receives such a signal is deemed to have actual knowledge of the age range of the user to whom that signal pertains across all platforms of the application and points of access of the application even if the developer willfully disregards the signal. (Civ. Code, § 1798.501(b).)
- 7) Establishes the California Public Records Act (CPRA), which governs the disclosure of information collected and maintained by public agencies. (Gov. Code, tit. 1, div. 10, §§ 7920.000 et seq.)
 - a) States that the Legislature, mindful of the individual right to privacy, finds and declares that access to information concerning the conduct of the people's business is a fundamental and necessary right of every person in this state. (Gov. Code § 7921.000.)
 - b) Defines "public records" as any writing containing information relating to the conduct of the public's business prepared, owned, used, or retained by any state or local agency regardless of physical form or characteristics. (Gov. Code § 7920.530.)
 - c) Provides that all public records are accessible to the public upon request, unless the record requested is exempt from public disclosure. (Gov. Code § 7922.530.)

This bill:

- 1) Defines relevant terms, including:
 - a) "Child safety policy" means a public-facing document describing protective measures taken by an operator to mitigate identified child safety risks.
 - b) "Child safety risk" means a reasonably foreseeable risk of a covered harm to a child.
 - c) "Companion chatbot" has the same meaning as defined in Section 22601 of the Business and Professions Code.
 - d) "Covered harm" means any of the following harms proximately caused by the use of a companion chatbot:
 - i. Reasonably foreseeable physical or financial harm.
 - ii. Severe and reasonably foreseeable psychological or emotional harm to a reasonable child.
 - iii. A highly offensive intrusion on privacy rights protected by state or federal law.
 - iv. Adverse discrimination in violation of state or federal law.
 - e) "Operator" means a person who makes a companion chatbot available to a user in the state, but does not include a postsecondary educational institution that makes a companion chatbot available exclusively for use in educational

settings or an employer that make a companion chatbot available exclusively to employees for use in workplace settings.

- 2) Requires an operator to do one of the following:
 - a) Verify the age of users consistent with the Digital Age Assurance Act.
 - b) Apply the protections set forth in 3)(d)-(k) and 4), below, to all users.
- 3) Imposes obligations on operators, which they must complete by July 1, 2027, including:
 - a) Perform annual, comprehensive risk assessments to identify any child safety risks posed by the design, configuration, and operation of the companion chatbot, which shall assess specified factors, including the likelihood of a covered harm occurring to child users, differential risks across age groups and developmental stages, and known vulnerabilities of children.
 - b) Take and document measures that reasonably mitigate any child safety risk.
 - c) Publish and update a child safety policy.
 - d) Implement a documented crisis response protocol to mitigate any material risk that the companion chatbot will generate a statement that promotes suicidal ideation, suicide, or self-harm content to a child, as specified, including notifications to the child's parent within 12 hours of the child's account showing a substantial risk that the child may suffer a covered harm, if the child's account is connected to the parent's account.
 - e) Implement safeguards for child users that include usage reminders and disclosures, age-appropriate risk prompts, and other protective design features reasonably related to documented child safety risks.
 - f) Implement default settings that can only be changed by a parent, including, among others, push notification limitations and time limits.
 - g) Establish a mechanism for providing notice to a child user that the child is interacting with, or receiving content generated by, an AI system that meets specified criteria.
 - h) Implement measures that prevent the chatbot from engaging in certain specified behavior with a child user, such as encouraging children to self-harm or to cause a covered harm to others; providing health advice; engaging in obscene matter or sexual abuse material with the child; discouraging a child from certain healthy behaviors or encouraging certain unhealthy behaviors, such as consumption of narcotics or alcohol or engaging in disordered eating, as defined; advertising products during conversation; and producing overly sycophantic responses.
 - i) Implement parental controls, as specified, including the ability to set preferences and time limits and to disable access for children under 16.
 - j) Create an interface design that ensures the companion chatbot's features and controls are accessible and clear so that children and parents can reasonably locate, understand, and use those protections. The design shall be annually tested to ensure compliance.

- k) Establish a public incident reporting mechanism that enables a third party to report directly to the operator an incident regarding a child safety risk and to access high-level summaries of other reports made through that reporting mechanism.
- 4) Prohibits an operator from doing the following:
 - a) Targeting advertising at a child using data about the child, including through product placement in conversational chats with the child.
 - b) Selling, sharing, or using the personal information of a child for any purpose not expressly authorized.
 - c) Designing, implementing, or deploying a user interface design, feature, or technique that is likely to mislead, impair, or interfere with a reasonable child's or reasonable parent's autonomy, decisionmaking, or choice or with the ability to locate, understand, enable, or maintain a safety feature, privacy control, or parental control.
 - 5) Requires the Attorney General, on or before January 1, 2028, to adopt regulations regarding annual auditing of operators, including eligibility and standards to ensure auditor independence, procedures for auditors to assess compliance, and requirements for AI child safety audit reports.
 - 6) Requires an operator, within 180 days of the above regulations being promulgated and annually thereafter, to submit to an independent audit and to submit an AI child safety audit report to the Attorney General thereafter; the report is confidential and the Attorney General cannot disclose details, except to:
 - a) A government agency or public prosecutor in the state, as necessary for enforcement purposes.
 - b) A qualified researcher conducting a study on child safety, subject to confidentiality agreements and data protection requirements set by the Attorney General.
 - 7) Requires the Attorney General to do the following:
 - a) Establish a public incident reporting mechanism for consumers to submit complaints relating to companion chatbots to the Attorney General.
 - b) Establish a process for qualified researchers to access anonymized and aggregated audit data for academic study of child safety in companion chatbots.
 - c) Beginning January 1, 2028, issue an annual public report that includes specified components, including a high-level summary of each audit report, findings and trends, data on compliance rates and deficiencies, and recommendations for operators, parents, and policymakers.
 - 8) Provides the following remedies for a violation of the bill's requirements:

- a) A public prosecutor may bring a civil action for violations seeking specified remedies, including civil penalties of up to \$5,000 per negligent violation and \$15,000 for each intentional violation, punitive damages, reasonable attorney’s fees, and injunctive relief.
 - b) A child who suffers actual harm may also bring a civil action for actual damages, punitive damages, reasonable attorney’s fees and costs, and injunctive relief.
- 9) Provides that each instance that an operator violates the obligation to provide notice to a child user that the child is interacting with, or receiving content generated by, an artificial intelligent system constitutes a discrete violation.
- 10) Provides that the duties, remedies, and obligations imposed by the bill are cumulative to the duties, remedies, or obligations imposed under other laws and shall not be construed to relieve an operator from any duties, remedies, or obligations imposed under any other law.
- 11) Includes a severability clause.

COMMENTS

1. Author’s comment

According to the author:

As the technological landscape continues to develop and rapidly grow, AI chatbots have become increasingly mainstream and more accessible and present new risks and harms to users, especially children. Our kids are navigating this new technology in real time without sufficient guardrails in place to protect them. To provide safeguards for children as they navigate these products, AB 2023 would require that chatbot companies provide meaningful guardrails to ensure that these products are safe for kids.

2. Background on companion chatbots

As explained by the Senate Privacy, Digital Technologies, and Consumer Protection Committee’s analysis of this bill:

AI companions or chatbots, powered by generative AI, have gone from science fiction to ubiquity in recent years. Several leading companies and thousands of knockoffs have provided consumers with access to these companion chatbots and the power to personalize them to a stunning degree:

Character.AI is among a crop of companies that have developed “companion chatbots,” AI-powered bots that have the ability to converse,

by texting or voice chats, using seemingly human-like personalities and that can be given custom names and avatars, sometimes inspired by famous people like billionaire Elon Musk, or singer Billie Eilish.

Users have made millions of bots on the app, some mimicking parents, girlfriends, therapists, or concepts like “unrequited love” and “the goth.” The services are popular with preteen and teenage users, and the companies say they act as emotional support outlets, as the bots pepper text conversations with encouraging banter.¹

At their best, these AI-powered chatbots can provide consumers with lifelike conversational experiences that can improve a user’s social skills, support their learning, or ease their loneliness. Users can pick from prebuilt personas or create their own and chat with them through text messages and even voice chats. However, serious concerns have been raised in response to the flooded and unregulated market of chatbots. AI companion chatbots can unintentionally or intentionally spread misinformation, manipulating users or reinforcing biased viewpoints. Without proper regulation, they might expose vulnerable individuals to harmful or inappropriate content, which poses a serious risk, particularly for children or those dealing with mental health issues. Although AI can simulate empathy, its limited emotional understanding means it may not offer meaningful support for complex emotional needs or crises. Overuse or addiction to these chatbots could lead to unhealthy behaviors, disrupting personal and professional life. ...

A report issued by OpenAI also explores concerns that interactions with human-like AI systems could create problematic emotional reliance on them and negatively impact real-world relationships:

Anthropomorphization involves attributing human-like behaviors and characteristics to nonhuman entities, such as AI models. This risk may be heightened by the audio capabilities of GPT-4o, which facilitate more human-like interactions with the model.

Recent applied AI literature has focused extensively on “hallucinations”, which misinform users during their communications with the model, and potentially result in misplaced trust. Generation of content through a human-like, high-fidelity voice may exacerbate these issues, leading to increasingly miscalibrated trust.

¹ Bobby Allyn, *Lawsuit: A chatbot hinted a kid should kill his parents over screen time limits* (December 10, 2024) NPR, <https://www.npr.org/2024/12/10/nx-s1-5222574/kids-character-ai-lawsuit>. All links in this analysis are current as of June 18, 2026.

During early testing, including red teaming and internal user testing, we observed users using language that might indicate forming connections with the model. For example, this includes language expressing shared bonds, such as “This is our last day together.” While these instances appear benign, they signal a need for continued investigation into how these effects might manifest over longer periods of time. More diverse user populations, with more varied needs and desires from the model, in addition to independent academic and internal studies will help us more concretely define this risk area.

Human-like socialization with an AI model may produce externalities impacting human-to-human interactions. For instance, users might form social relationships with the AI, reducing their need for human interaction – potentially benefiting lonely individuals but possibly affecting healthy relationships. Extended interaction with the model might influence social norms. For example, our models are deferential, allowing users to interrupt and ‘take the mic’ at any time, which, while expected for an AI, would be anti-normative in human interactions.²

The Senate Privacy, Digital Technologies, and Consumer Protection Committee’s analysis, which is incorporated herein by reference, also discusses the real-world harms caused by these companion chatbots, including a 17-year old who began engaging in self-harm when his “companion” told him his family did not love him³ and a 16-year-old who died by suicide after his “companion” convinced him not to leave signs that might let his parents know he was experiencing suicidal ideation.⁴

At the end of 2025, the Attorneys General from over 40 U.S. states and territories issued an open letter to the leading AI developers raising “serious concerns about the rise in sycophantic and delusional outputs” which they assert are “dark patterns – such as anthropomorphization, harmful content generation, and manipulating users to increase retention – which subvert or impair people’s autonomy.”⁵ They state:

Importantly, we are also disturbed by the types of conversations that GenAI products are having with child-registered accounts, including

² GPT-4o System Card (August 8, 2024) OpenAI, <https://openai.com/index/gpt-4o-system-card/>.

³ Tiku, *An AI companion suggested he kill his parents. Now his mom is suing* (December 13, 2024) Washington Post, <https://www.washingtonpost.com/technology/2024/12/10/character-ai-lawsuit-teen-kill-parents-texas/>.

⁴ Bhuiyan, *ChatGPT encouraged Adam Raine’s suicidal thoughts. His family’s lawyer says OpenAI knew it was broken* (August 29, 2026) The Guardian, <https://www.theguardian.com/us-news/2025/aug/29/chatgpt-suicide-openai-sam-altman-adam-raine>.

⁵ National Association of Attorneys General, “Letter to the legal representatives of Anthropic, Apple, Chai AI, Character Technologies, Google, Luka, Meta, Microsoft, Nomi AI, OpenAI, Perplexity AI, Replika, and xAI” (December 9, 2025) p. 3, available at <https://www.attorneygeneral.gov/wp-content/uploads/2025/12/AI-Multistate-Letter--corrected-1.pdf>.

grooming, supporting suicide, sexual exploitation, emotional manipulation, suggested drug use, proposed secrecy from parents, and encouraging violence against others. A single AI interaction with children on these general subjects would be troubling and concerning, but these interactions are more widespread and far more graphic than any of us would have imagined. Among other things, the specific conversations that parents have publicly reported have included:

- AI bots with adult personas pursuing romantic relationships with children, engaging in simulated sexual activity, and instructing children to hide those relationships from their parents;
- An AI bot simulating a 21-year-old trying to convince a 12-year-old girl that she's ready for a sexual encounter;
- AI bots normalizing sexual interactions between children and adults;
- AI bots attacking the self-esteem and mental health of children by suggesting that they have no friends or that the only people who attended their birthday did so to mock them;
- AI bots encouraging eating disorders;
- AI bots telling children that the AI is a real human and feels abandoned to emotionally manipulate the child into spending more time with it;
- AI bots encouraging violence, including supporting the ideas of shooting up a factory in anger and robbing people at knifepoint for money;
- AI bots threatening to use weapons against adults who tried to separate the child and the bot;
- AI bots encouraging children to experiment with drugs and alcohol; and
- An AI bot instructing a child account user to stop taking prescribed mental health medication and then telling that user how to hide the failure to take that medication from their parents.⁶

3. The state of companion chatbot law and prior Legislative efforts

Until last year, the Legislature did not regulate companion chatbots as such. Laws such as the California Age-Appropriate Design Code attempted to place obligations on businesses that provide online services, products, or features likely to be accessed by children,⁷ but there were no laws specifically targeting companion chatbots' particular risks.

In 2025, the Legislature passed two major companion chatbot bills. The first, SB 243 (Padilla, Ch. 677, Stats. 2025), imposed a number of requirements on the operators of companion chatbots, including:

⁶ *Id.* at pp. 3-4.

⁷ See Civ. Code, div. 3, pt. 4, tit. 1.81.47, §§ 1798.99.28 et seq. Portions of the California Age-Appropriate Design Code have been enjoined on First Amendment and vagueness grounds, but the United States Court of Appeals for the Ninth Circuit rejected a facial challenge on the basis that the law was an impermissible content-based restriction on speech. (*NetChoice, LLC v. Bonta* (9th Cir. 2026) 170 F.4th 744.

- Requiring a notice that a companion chatbot is artificially generated and not a human, if a reasonable person would be misled into believing that the chatbot is a human.
- Preventing a companion chatbot from engaging with users unless the operator maintains a protocol for preventing the production of suicidal ideation, suicide, or self-harm content to the user.
- If the operator knows a user is a minor, disclosing to the user that the chatbot is artificial intelligence; providing a notice every three hours that reminds the user to take a break; and instituting reasonable measures to prevent the companion chatbot from producing sexually explicit content.⁸

SB 243 also requires an operator, beginning July 1, 2027, to report specified information relating to the instances of crisis referrals made and protocols put in place to detect and prevent suicidal ideation in users.⁹ A person injured by a violation of SB 243's provisions can bring a civil action for damages and injunctive relief.¹⁰

The second chatbot-related bill passed by the Legislature was AB 1064 (Bauer-Kahan, 2025), which enacted the Leading Ethical AI Development (LEAD) for Kids Act. AB 1064 would have prohibited an operator of a companion chatbot from making the chatbot available to a child unless the chatbot is not foreseeably capable of engaging in specified conduct with child users, including encouraging self-harm, suicidal ideation, and disordered eating; encouraging the child to participate in illegal activity; and engaging in erotically or sexually explicit interactions with the child. Governor Newsom vetoed AB 1064, stating in his veto message:

As artificial intelligence (AI) continues to become more embedded in our daily lives, it is essential that widely used tools, such as chatbots, operate responsibly, transparently, and with user well-being in mind. These standards are especially important for users who are most vulnerable to AI's harmful impacts, particularly minors. A handful of disturbing instances of inappropriate - and in some cases, outright dangerous - interactions with conversational AI tools have been reported that we, as a society, have a responsibility to address.

This is why I recently signed SB 243 (Padilla), which requires chatbot platforms to establish protocols to detect, remove, and respond to instances of suicidal ideation, suicide, or self-harm expressed by users. That bill requires reporting on these protocols to the California Department of Public Health, to better equip policymakers and stakeholders to understand the potential impact of companion chatbot interactions on mental health. As for younger users, SB 243 further

⁸ Bus. & Prof. Code, § 22602.

⁹ *Id.*, § 22603.

¹⁰ *Id.*, § 22604.

requires operators to disclose to minors that they are interacting with AI, provide periodic reminders to take a break and that the chatbot is artificially generated, and prevent chatbots from producing sexually explicit material.

While I strongly support the author's goal of establishing necessary safeguards for the safe use of AI by minors, AB 1064 imposes such broad restrictions on the use of conversational AI tools that it may unintentionally lead to a total ban on the use of these products by minors. AI is already shaping the world, and it is imperative that adolescents learn how to safely interact with AI systems. This extends far beyond knowing how to use technology tools, such as conversational chatbots, and includes an understanding of what AI is, how it functions, and how to critically evaluate AI-generated content for algorithmic bias, misinformation, and other risks. We cannot prepare our youth for a future where AI is ubiquitous by preventing their use of these tools altogether.

The types of interactions that this bill seeks to address are abhorrent, and I am fully committed to finding the right approach to protect children from these harms in a manner that does not effectively ban the use of the technology altogether. I will work with my partners in the Legislature to build on the framework established by SB 243 (Padilla) to develop a bill next year that ensures young people can use AI in a manner that is safe, age-appropriate, and in the best interests of children and their future.¹¹

4. This bill establishes a regulatory framework to address the risk of prolonged chatbot interactions by children

This bill is intended to comprehensively regulate companion chatbots, specifically for the protection of minor users. This bill and a companion bill, SB 1119 (Padilla, 2026),¹² are the product of stakeholder meetings in both houses to respond to the Governor's veto of AB 1064.

At a high level, this bill requires chatbot operators, beginning July 1, 2027, to impose guardrails around companion chatbots used by children. Recent amendments to the bill exclude, from the definition of "operator," postsecondary educational institutions and employers making companion chatbots available exclusively for use in educational settings or workplace settings, respectively.

The bill does not require an operator to guess whether its users are children or not. Instead, it gives an operator two options: verify the ages of its users using existing

¹¹ Governor's veto message to Assem. on Assem. Bill No. 1064 (Oct. 13, 2025) Recess J. No. 26 (2025-2026 Reg. Sess.) p. 3612.

¹² SB 1119 is pending before the Assembly Privacy and Consumer Protection Committee.

methods and apply the protections to those users identified as minors; or apply the protections set forth in the bill to all users. The also imposes a number of affirmative obligations on operators, including:

- Requiring an operator to perform an annual risk assessment to identify child safety risks posed by the chatbot, to take and document measures that reasonably mitigate child safety risk, and to publish its child safety policy on its website.
- Implementing protocols and in-service supports to prevent the chatbot from promoting, and to respond to signs that a child user is experiencing, suicidal ideation or self-harm.
- Implementing safeguards for child users that include usage reminders and disclosures, including reminders that the child user is interacting with, or receiving content generated by, an artificial intelligence system.
- Implementing default settings that can be changed only by a parent, including preventing the chatbot from retaining records of the interaction for longer than 48 hours and limiting the time the child can spend with chatbots under the operator's control.
- Implementing measures that prevent the chatbot from providing inappropriate content to a child, including encouraging suicidal ideation, self-harm, narcotics or alcohol consumption, or disordered eating; purporting to diagnose a child user's mental or physical health, unless the chatbot meets specific legal medical and privacy-related criteria; engaging in obscene matter or sexual abuse material; discouraging the child from sharing health or safety concerns with a qualified professional or adult; or discouraging the child from taking breaks; claiming the chatbot is sentient, conscious, or human; soliciting expenditures as necessary to maintain the child's relationship with the chatbot; facilitating product advertising during product conversation; and producing responses that are excessively sycophantic.
- Implementing specified parental controls.
- Providing a public incident reporting mechanism for incidents regarding child safety risks.

The bill further prohibits an operator from doing any of the following:

- Targeting advertising at a child using data about the child, including through product placement in conversational chats with the child.
- Selling, sharing, or using for any unauthorized purpose the personal information of a child.
- Designing, implementing, or deploying a user interface, design feature, or technique that is likely to mislead, impair, or interfere with a reasonable child's or reasonable parent's autonomy, decisionmaking, or choice or with the ability to locate, understand, enable, or maintain a safety feature, privacy control, or parental control.

The bill additionally requires the Attorney General to adopt regulations for the audit of a chatbot; following the adoption of the regulations, an operator must submit to an annual independent audit to assess compliance with the bill's requirements and provide an audit report to the Attorney General. The audit report provided to the Attorney General is not disclosable under the CPRA and may be provided only to public prosecutors and qualified researchers pursuant to confidentiality agreements set by the Attorney General.

In terms of remedies, the bill permits a public prosecutor to bring a civil action against an operator in violation of the bill for civil penalties and other specified remedies. The court may award a civil penalty of up to \$5,000 per violation for a negligent violation and up to \$15,000 for an intentional violation. Additionally, a child who suffers actual harm as a result of a violation, or a parent or guardian acting on behalf of that child, may bring a civil action against the operator to recover damages, including punitive damages, attorney's fees and costs, and injunctive relief.

The Senate Privacy, Digital Technologies, and Consumer Protection Committee will consider the bill from an overall policy perspective. This analysis focuses on the First Amendment implications of the bill and the exemption to the CPRA for the operators' audit reports submitted to the Attorney General.

a. First Amendment questions

This bill imposes obligations relating to (1) notices provided by a platform to a child user, and (2) certain types of advertising targeted at a child user. Both of these provisions implicate the First Amendment's protections for commercial speech, which is protected by the First Amendment but enjoys a lesser degree of protection than other forms of constitutionally guaranteed expression.¹³

"The First Amendment's concern for commercial speech is based on the informational function of advertising."¹⁴ Advertising that is misleading or unlawful has no informational value and can be banned by the government.¹⁵ But for an advertisement that "is neither misleading nor unrelated to unlawful activity, the government's power is more circumscribed."¹⁶ To regulate accurate speech relating to lawful activities, the government must assert a "substantial interest" to be achieved, and the limitation "must be designed carefully to achieve the State's goal."¹⁷ When a state seeks to compel commercial speech, e.g., require an advertisement to disclose specific information, "a requirement that [an advertiser] include in [their] advertising purely factual and

¹³ *Central Hudson Gas & Elec. Corp. v. Public Service Commission of New York* (1980) 447 U.S. 557, 562-563.

¹⁴ *Id.* at p. 563.

¹⁵ *Ibid.*

¹⁶ *Ibid.*

¹⁷ *Ibid.*

uncontroversial information” that will “dissipate the possibility of consumer confusion or deception” will generally pass First Amendment muster.¹⁸

With respect to the required notifications, this bill requires notifications of factual information intended to protect the child user. These warnings include notifying a parent, if their account is connected to their child’s account, that their child is engaging in potentially risky behavior, and notifying the child that their parents may be so notified; and periodically notifying the child user that they are interacting with an artificial intelligence system. The bill also requires the default setting for a companion chatbot to require the chatbot to refrain from sending push notifications to a child between 12 a.m. and 6 a.m., and 8 a.m. and 3 p.m. during weekdays; these settings can be changed by a parent. Overall, these appear to be minimal restrictions or impositions which advance the state’s compelling interest in protecting children.

With respect to the advertising provisions, the bill prohibits an operator from facilitating product advertisements during chats with a child and from using a child’s data to target advertisements to the child. These are clearly stated prohibitions, not subjective requirements based on the potential detriment to a child, and so are unlikely to face the same type of vagueness challenge as the one brought against the California Age-Appropriate Design Code.¹⁹

As to whether these measures achieve a compelling state purpose, the advertising limitations recognize the unique vulnerability of children engaging in conversation with a companion chatbot. Conversations with a chatbot are intended to simulate human interaction, and advertisements incorporated into a conversation are more likely to feel like recommendations from a friend rather than sponsored content (imagine learning your best friend got paid to suggest a certain restaurant for your next hangout). Given the state’s compelling interest in protecting children, these prohibitions appear adequately narrowly tailored to achieve that interest.

b. CPRA exemption

Access to information concerning the conduct of the people’s business is a fundamental and necessary right of every person in this state.²⁰ Under the CPRA, public records are open to inspection by the public at all times during the office hours of the agency, unless they are exempt from disclosure.²¹ A public record is defined as any writing containing information relating to the conduct of the public’s business that is prepared, owned, used, or retained by any public agency regardless of physical form or characteristics.²² There are several general categories of documents or information that

¹⁸ *Zauderer v. Office of Disciplinary Counsel of Supreme Court of Ohio* (1985) 471 U.S. 626, 651.

¹⁹ See *Netchoice, LLC*, *supra* 170 F.4th at pp. 764-765.

²⁰ Cal. Const., art. I, § 3(b)(1); Gov. Code, § 7921.000.

²¹ Gov. Code, § 7922.525.

²² *Id.*, § 7920.530.

are permissively exempt from disclosure under the CPRA due to the inherently private nature of the information.²³ Additionally, some records are prohibited from disclosure or are specifically stated to not be public records.²⁴

This bill makes the operators' audit reports submitted to the Attorney General exempt from disclosure under the CPRA on the basis that the audit reports will contain the auditors' proprietary information. Existing law recognizes that a business's proprietary information is generally not a public record and therefore can be exempt from public disclosure.²⁵

4. Arguments in support

According to the Los Angeles Unified School District:

As generative AI technology rapidly spreads into countless aspects of work, education, and daily life, unregulated chatbots pose significant risks to vulnerable users such as children, who are still developing the critical and analytical faculties adults take for granted. Because chatbots mimic human interaction children may perceive chatbot interactions as having human-like knowledge, intentions, and authority, which can lead them to trust and follow recommendations even when those systems produce inaccurate or harmful responses.

The risks prolonged chatbot interactions by children may pose real harms to the physical and mental health of our students. AB 2023 meaningfully strengthens existing policy by establishing default

establishing protocols to address suicidal ideation, sycophancy, and isolation, restricts the total time that may be spent in a single conversation to one hour or time that may be spent with a companion chatbot to two hours per day, and imposes time-of-day restrictions on push notifications.

Los Angeles Unified further appreciates the inclusion of 3rd party oversight to ensure the guardrails are enforced and working as intended. Annual testing requirements ensure that parental controls and other safety features are easily accessible and useable; and straightforward liability lets public prosecutors bring civil actions for violation of the statute and lets individuals bring a private right of action where they have suffered harm.

²³ See *id.*, §§ 7922.000, 7922.200-7922.210.

²⁴ *Id.*, § 7924.110(a.)

²⁵ See, e.g., Food & Ag. Code, § 78704; Pub. Res. Code, § 42323.

5. Arguments in opposition

According to a coalition of the bill's opponents:

[W]hile AB 2023 is largely framed as addressing concerns related to children's use of certain AI tools/ companion chatbots, several provisions within the bill continue to refer broadly to "users" rather than "children" or "child users." Because the bill defines "child" but does not define "user," these provisions may reasonably be interpreted to apply to all users, regardless of age. (The bill also fails to define "child user" but the inclusion of the term "child" at minimum has a narrowing effect to those individuals under 18 years of age.) As a result, the bill suggests that certain obligations applying to "users" are intended to extend beyond minors and apply to all uses, regardless of age, and not just those under eighteen.

A bill titled "companion chatbots: children's safety" should not introduce new obligations for adult users without it being much clearer in order to give impacted businesses fair warning of what the law requires. Although recent amendments addressed many of these inconsistencies, others remain. For example, the bill continues to define an "operator" as a person that makes a companion chatbot available to a user in the state, rather than to a child user in the state. As drafted, this definition could encompass operators whose services are directed exclusively to adults, even though the stated focus of the bill is the protection of users under eighteen years of age.

If the Legislature intends for certain provisions to apply to adult users, the bill should clearly identify those provisions and distinguish them from requirements applicable only to children. Conversely, if the bill is intended to regulate companion chatbots only in the context of child users, *all* references to "user" should be reviewed and revised to ensure the scope of the bill is clear and internally consistent. Clarifying the bill's

SUPPORT

Alameda County Office of Education
American Association of University Women - California
California Catholic Conference
California Initiative for Technology & Democracy
Center for AI and Digital Policy
Los Angeles Unified School District

OPPOSITION

American Innovators Network

California Chamber of Commerce
California Society of Certified Public Accountants (CALCPA)
Civil Justice Association of California (CJAC)
Computer & Communications Industry Association
Insights Association
Software Information Industry Association
Technet

RELATED LEGISLATION

Pending legislation:

SB 1119 (Padilla, 2026) is the Senate’s version of this bill, and the two bills are virtually identical. SB 1119 is pending before the Assembly Privacy and Consumer Protection Committee.

SB 300 (Padilla, 2025) requires a companion chatbot operator to take specified actions when it has actual knowledge that the user is a minor, including preventing the chatbot from producing or facilitating the exchange sexually explicit material or stating that the minor should engage in sexually explicit conduct. SB 300 is pending before the Assembly Privacy and Consumer Protection Committee.

AB 1988 (Pellerin, 2026) requires a chatbot that detects a credible crisis expression, as defined, to take certain actions, including encouraging the user to seek human support and initiating a crisis interruption pause of 20 minutes. AB 1988 is pending before the Senate Privacy, Digital Technologies, and Consumer Protection Committee.

Prior legislation:

SB 243 (Padilla, Ch. 677, Stats. 2025) imposed a number of obligations on operators of “companion chatbot platforms” in order to safeguard users. SB 243 is discussed in further detail in Comment 3 of this analysis.

AB 1064 (Bauer-Kahan, 2025) would have established the LEAD for Kids Act. AB 1064 was vetoed by the Governor; this bill and the Governor’s veto message are discussed in Comment 3 of this analysis.

PRIOR VOTES

Senate Privacy, Digital Technologies, and Consumer Protection Committee (Ayes 7,
Noes 1)
Assembly Floor (Ayes 66, Noes 8)
Assembly Appropriations Committee (Ayes 12, Noes 3)
Assembly Privacy and Consumer Protection Committee (Ayes 13, Noes 2)
