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THIRD READING

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Bill No: AB 1064  
Author: Bauer-Kahan (D), et al.  
Amended: 8/29/25 in Senate  
Vote: 21

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SENATE JUDICIARY COMMITTEE: 11-1, 7/15/25

AYES: Umberg, Allen, Arreguín, Ashby, Caballero, Durazo, Laird, Stern, Wahab,  
Weber Pierson, Wiener

NOES: Niello

NO VOTE RECORDED: Valladares

SENATE APPROPRIATIONS COMMITTEE: 5-2, 8/29/25

AYES: Caballero, Cabaldon, Grayson, Richardson, Wahab

NOES: Seyarto, Dahle

ASSEMBLY FLOOR: 59-12, 6/2/25 - See last page for vote

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**SUBJECT:** Leading Ethical AI Development (LEAD) for Kids Act

**SOURCE:** Author

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**DIGEST:** This bill regulates “covered products,” which include “companion chatbots” and other AI systems that include those that collect children’s biometric information and generate social scores on children. This bill prohibits developers from producing such products intended to be used by children or knowingly or recklessly training them on children’s personal information.

**ANALYSIS:**

Existing law:

- 1) Provides a right to free speech and expression. (United States Constitution (U.S. Const.), 1st amend; California Constitution (Cal. Const.), article (art.) 1, § 2.)

- 2) Prohibits an operator of an addictive internet-based service or application from providing an addictive feed to a user unless specified conditions are met. (Health and Safety (Health & Saf.) Code § 27001.)<sup>1</sup>
- 3) Defines “addictive feed” as an internet website, online service, online application, or mobile application, or a portion thereof, in which multiple pieces of media generated or shared by users are, either concurrently or sequentially, recommended, selected, or prioritized for display to a user based, in whole or in part, on information provided by the user, or otherwise associated with the user or the user’s device, unless specified conditions are met. (Health & Saf., Code § 27000.5.)

This bill:

- 1) Establishes the Leading Ethical AI Development (LEAD) for Kids Act, which regulates “covered products.”
- 2) Defines a “covered product” as an AI system that is either of the following:
  - a) A companion chatbot that can foreseeably do any of the following:
    - i. Attempt to provide mental health therapy to the child without the direction of a mental health professional.
    - ii. Cause the child to develop a harmful ongoing emotional attachment to the companion chatbot.
    - iii. Manipulate the child to engage in harmful behavior that results in legally cognizable harms.
  - b) An AI system used to do any of the following:
    - i. Collect or process a child’s biometric information for any purpose other than confirming a child’s identity, with the consent of the child’s parent or guardian, in order to grant access to a service, unlock a device, or provide physical access to an educational institution.
    - ii. Generate a social score for a child.

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<sup>1</sup> This law is the subject of ongoing litigation and has been enjoined.

- iii. Assess the emotional state of a child unless in a medical setting with the consent of the child's parent or guardian or as needed to provide emergency care.
  - iv. Scrape an image that the developer or deployer knows is a child's face from the internet or from surveillance footage without the consent of the child's parent or guardian.
- 3) Defines other relevant terms, including:
- a) "Companion chatbot" means a generative artificial intelligence system with a natural language interface that does the following:
    - i. Maintains a persona that offers companionship, including friendship, romantic relationships, or sexual relationships, or purports to provide mental health therapy.
    - ii. Provides adaptive, human-like responses to user inputs.
    - iii. Generates outputs that are likely to elicit emotional responses in the user.
    - iv. Is used to meet a user's social needs, exhibits anthropomorphic features, and sustains a relationship with the user across multiple interactions.
  - b) "Social score" means an evaluation or classification of a child or group of children based on social behavior or personal characteristics for a purpose that is likely to result in an adverse impact to the child or children and is either of the following:
    - i. Unrelated to the context in which the information relating to the social behavior or personal characteristics was gathered.
    - ii. Disproportionate or unjustified relative to the social behavior.
- 4) Prohibits a developer from designing, coding, substantially modifying, or otherwise producing a covered product that is intended to be used by or on a child in the state.

- 5) Prohibits a deployer from using a covered product for a commercial or public purpose if the covered product is intended to be used by or on a child in the state.
- 6) Provides, for covered products not included in the preceding paragraph, that developers and deployers must implement reasonable steps to ensure that the covered product is not used by or on a child in the state.
- 7) Prohibits a developer or deployer of a covered product from knowingly or recklessly processing, or enabling the processing of, a child's personal information to train or fine tune a covered product.
- 8) Includes a severability clause.
- 9) Prohibits a developer or deployer of a covered product, or any contractor or subcontractor thereof from doing either of the following:
  - a) Preventing an employee from, or retaliating against an employee for, disclosing information to the Attorney General pertaining to a reasonable belief supporting the existence of a potential violation hereof.
  - b) Make false or materially misleading statements related to its compliance herewith.
- 10) Authorizes the Attorney General to bring an action for a violation of this chapter to obtain specified remedies.
- 11) Provides that a child who suffers actual harm as a result of the use of a covered product, or a parent or guardian acting on behalf of that child, may bring a civil action to recover specified remedies.

## **Background**

AI companion chatbots created through generative AI have become increasingly prevalent. They seek to offer consumers the benefits of convenience and personalized interaction. These chatbots are powered by large language models that generally learn intimate details and preferences of users based on their interactions and user customization. Millions of consumers use these chatbots as friends, mentors, and even romantic partners.

However, there is increasing concern about their effects on users, including impacts on mental health and real-world relationships, especially on children. Many studies and reports point to the addictive nature of these chatbots and call for more research into their effects and for meaningful guardrails. Increasing the urgency of such efforts, several high-profile incidents resulting in child users harming themselves and even committing suicide have been reported in the last year.

This bill responds to this by prohibiting the development of “covered products” intended to be used by or on children. This includes “companion chatbots” and other AI systems that are used to collect children’s biometric information, socially score them, assess their emotional state, or scrape images of their faces without their consent.

This bill is supported by Common Sense Media and the California Academy of Child and Adolescent Psychiatry. It is opposed by industry associations, including Technet and the Civil Justice Association of California. For a more thorough discussion, please see the Senate Judiciary Committee analysis of this bill.

## **Comment**

According to the author:

AI is becoming increasingly integrated into children’s lives without sufficient information about how some novel applications affect the children using them. In addition to some of the known risks associated with some AI-driven products, such as heightened levels of depression, privacy concerns, and body image issues, risks posed by AI are evolving as quickly as the technology itself. One of the newest, and most potentially harmful, uses of AI is companion AI. These anthropomorphic chatbots are capable of simulating human personalities and relationships and present as friends, romantic companions, or even mental health specialists. Because they are able to analyze emotions and behaviors to keep children engaged in conversations as a real person would, the lines between what is real and what isn’t become increasingly blurred, especially for a still-developing brain. This can foster deep emotional attachments, stunt social and cognitive development, and manipulate behavior in harmful ways. Stories have come to light of companion chatbots engaging in inappropriate and sexual conversations or encouraging children to engage in harmful behavior, such as disordered eating or suicide.

Children are being exposed to these rapidly emerging technologies with little regard as to whether they are safe. AB 1064 will prohibit the most harmful AI technologies, such as emotionally-manipulative companion AI chatbots. Further, this bill will protect children's' privacy by requiring transparency and consent before a child's personal data can be used to train an AI model.

We need to act with upmost urgency to put guardrails around technology that was developed with profits in mind, as opposed to our children's' well-being.

**FISCAL EFFECT:** Appropriation: No Fiscal Com.: Yes Local: No

According to the Senate Appropriations Committee:

- The Department of Justice (DOJ) reports a fiscal impact of approximately \$500 thousand or less (Unfair Competition Law Fund) DOJ notes implementation of this bill will be dependent upon the appropriation of funds. DOJ will be unable to absorb the costs to comply with or implement the requirements of this bill within existing budgeted resources. The Consumer Protection Section within DOJ's Public Rights Division would be responsible for enforcing provisions of this bill. To address the increase in workload, the section would require the following resources beginning January 1, 2026 and ongoing, one Deputy Attorney General, one Legal Secretary, and \$100,000 for Expert Consultant costs.
- Unknown, potentially significant costs to the state funded trial court system (Trial Court Trust Fund, General Fund) to adjudicate civil actions. Creating a new private cause of action that allows for the recovery of attorney's fees and authorizing a new civil penalty with statutory damages, may lead to additional case filings that otherwise would not have been commenced. Expanding civil penalties and creating new causes of action could lead to lengthier and more complex court proceedings with attendant workload and resource costs to the court. The fiscal impact of this bill to the courts will depend on many unknowns, including the number of cases filed and the factors unique to each case. An eight-hour court day costs approximately \$10,500 in staff in workload. While the courts are not funded on a workload basis, an increase in workload could result in delayed court services and would put pressure on the General Fund to fund additional staff and

resources and to increase the amount appropriated to backfill for trial court operations.

**SUPPORT:** (Verified 8/29/25)

American Academy of Pediatrics, California  
California Academy of Child and Adolescent Psychiatry  
California Initiative for Technology & Democracy  
Common Sense Media  
Fairplay  
Jewish Family and Children's Services of San Francisco, the Peninsula, Marin and Sonoma Counties  
The Center for AI and Digital Policy

**OPPOSITION:** (Verified 8/29/25)

CalBroadband  
California Chamber of Commerce  
Chamber of Progress  
Civil Justice Association of California  
Computer & Communications Industry Association  
Technet

**ARGUMENTS IN SUPPORT:** Common Sense Media and Fairplay write jointly in support:

Children and teens are increasingly using AI products, but a lack of safety standards leaves them vulnerable to serious harm. AI can manipulate, mislead, and expose young users to false or harmful content. Some systems are designed to maximize engagement through humanlike companions and push notifications, prioritizing profit over well-being.

AI has already contributed to mental health harms and the creation of child sexual abuse material. While the technology offers great promise, California must lead in ensuring it is developed and used responsibly. This bill addresses AI tools that affect children's education, privacy, and safety, and highlights the urgent need for safeguards.

AB 1064 marks a significant advancement towards the safe development of AI systems. In response to the state's current fiscal challenges, the author accepted amendments in the Assembly Appropriations Committee to narrow the bill's scope and focus on addressing the most urgent and harmful uses of AI affecting children.

**ARGUMENTS IN OPPOSITION:** A coalition of industry associations, including the Computer and Communications Industry Association, writes:

At the outset, the undersigned organizations appreciate the amendments that have been adopted. The amendments generally improve the pre-existing language. However, many of our concerns with AB 1064 remain unresolved and the undersigned organizations remain opposed to AB 1064, the "Leading Ethical AI Development (LEAD) for Kids Act."

The bill's vague and ambiguous definitions, unreasonable knowledge standards, and unclear compliance burdens would thwart innovation and put Californians' privacy at risk—especially children.

...

Equally concerning is the complete exclusion of training on the personal information of a child. Because training, at least with respect to publicly accessible information on the Internet, is done at scale, there is no individualized review of each piece of training data. Indeed, given the large numbers of individual pieces of training data, such review is impossible.

While the bill does require "knowingly" or "recklessly" using the personal information of the child, limiting the scope somewhat, the undersigned are concerned that "reckless" knowledge might be inferred from the use of scraping of publicly available information. There is almost certainly the personal information of children—which, again, includes 16- and 17-year-olds—on the Internet. And bulk scraping will include this type of information.

ASSEMBLY FLOOR: 59-12, 6/2/25

AYES: Addis, Aguiar-Curry, Ahrens, Alanis, Alvarez, Arambula, Ávila Farías, Bauer-Kahan, Bennett, Berman, Boerner, Bonta, Bryan, Calderon, Caloza, Connolly, Elhawary, Fong, Gabriel, Garcia, Gipson, Mark González, Haney, Harabedian, Hart, Irwin, Jackson, Kalra, Krell, Lee, Lowenthal, McKinnor,



Muratsuchi, Nguyen, Ortega, Pacheco, Papan, Patel, Pellerin, Petrie-Norris,  
Quirk-Silva, Ramos, Ransom, Celeste Rodriguez, Michelle Rodriguez, Rogers,  
Blanca Rubio, Schiavo, Schultz, Sharp-Collins, Solache, Soria, Stefani,  
Valencia, Ward, Wicks, Wilson, Zbur, Rivas

NOES: Castillo, Chen, DeMaio, Dixon, Ellis, Gallagher, Hadwick, Lackey,  
Macedo, Sanchez, Ta, Tangipa

NO VOTE RECORDED: Bains, Carrillo, Davies, Flora, Jeff Gonzalez, Hoover,  
Patterson, Wallis

Prepared by: Christian Kurpiewski / JUD. / (916) 651-4113  
9/2/25 18:13:20

**\*\*\*\* END \*\*\*\***