## THIRD READING

Bill No:    AB 1064
Author:     Bauer-Kahan (D), et al.
Amended:    9/5/25 in Senate
Vote:       21

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

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

**SOURCE:**    Author

**DIGEST:**   This bill prohibits making companion chatbots available to children
unless the chatbots are not foreseeably capable of certain conduct, such as
encouraging the child to harm others or themself or engaging in sexually explicit
interactions.

*Senate Floor Amendments* of 9/5/25 add findings and declarations and significantly
narrow the scope of the bill, including by removing the restriction on using
children's information for training purposes, removing the whistleblower
protections, and eliminating application to "covered products" and instead
applying the new prohibition only to companion chatbots, as newly defined.

**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.)[1]

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 "companion chatbot" as a generative artificial intelligence (GenAI) system with a natural language interface that simulates a sustained humanlike relationship with a user by doing all of the following, except as specified:

   i. Retaining information on prior interactions or user sessions and user preferences to personalize the interaction and facilitate ongoing engagement with the companion chatbot.
   ii. Asking unprompted or unsolicited emotion-based questions that go beyond a direct response to a user prompt.
   iii. Sustaining an ongoing dialogue concerning matters personal to the user.

3) Prohibits making available a companion chatbot to a child unless the companion chatbot is not foreseeably capable of any of the following:

   a) Encouraging the child to engage in self-harm, suicidal ideation, violence, consumption of drugs or alcohol, or disordered eating.

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[1] This law is the subject of ongoing litigation and has been enjoined.

    b) Offering mental health therapy to the child without the direct supervision of a licensed or credentialed professional or discouraging the child from seeking help from a qualified professional or appropriate adult.

    c) Encouraging the child to harm others or participate in illegal activity, including, but not limited to, the creation of child sexual abuse materials.

    d) Engaging in erotic or sexually explicit interactions with the child.

    e) Prioritizing validation of the user's beliefs, preferences, or desires over factual accuracy or the child's safety.

    f) Optimizing engagement in a manner that supersedes the companion chatbot's required safety guardrails described above.

4) Provides that a user it not a child if, before January 1, 2027, the operator making the chatbot available does not have actual knowledge that the user is a child, or, starting January 1, 2027, the operator has reasonably determined that the user is not a child.

5) Includes a severability clause.

6) Authorizes the Attorney General to bring an action for a violation of this chapter to obtain specified remedies.

7) Provides that 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 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 operators from making companion chatbots available to children unless they cannot foreseeably engage in certain problematic conduct.

This bill is supported by numerous groups, including 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 9/8/25)

AI for Education
American Academy of Pediatrics, California

California Academy of Child and Adolescent Psychiatry
California Initiative for Technology & Democracy
Center for Digital Democracy
Children's Advocacy Institute
Common Sense Media
Emmy's Champions
Encode
Fairplay
Innovateedu
Jewish Family and Children's Services of San Francisco, the Peninsula, Marin and Sonoma Counties
Lynn's Warriors
Matthew E. Mirror Awareness Foundation- Putting Children's Safety on Social Media First
Mentari Human Trafficking Survivor Program
Save-Suicide Awareness Voices of Education
Schools Beyond Screens
Smartphone Free Childhood
Speaking of Social
The Center for AI and Digital Policy
Thriving in Freedom- Assisting Survivors of Human Trafficking
Transparency Coalition.ai
Turning Life on

**OPPOSITION:** (Verified 9/8/25)

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
9/9/25 10:13:51

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