
SENATE COMMITTEE ON APPROPRIATIONS

Senator Sabrina Cervantes, Chair
2025 - 2026 Regular Session

AB 2023 (Wicks) - Companion chatbots: children's safety

Version: June 17, 2026

Policy Vote: P., D.T., & C.P. 7 - 1, JUD.
13 - 0

Urgency: No

Mandate: No

Hearing Date: August 3, 2026

Consultant: Bob Franzoia

Bill Summary: AB 2023 would regulate chatbots with regard to children's safety, including imposition of obligations and restrictions on operators that make such chatbots available in the state. The Attorney General (AG) would be required to adopt regulations and issue an annual report.

Fiscal Impact: \$1.9 million in FY 2026-27, \$4 million in FY 2027-28, \$5.2 million in FY 2028-29, \$4.9 million in FY 2029-30, \$4.2 million annually thereafter to the Department of Justice for the Consumer Protection Section of the Public Rights Division, Public Inquiry Unit within the Directorate Division and Office of General Counsel. Information technology upgrades to the California Justice Information Services (CJIS) would be needed. (Unfair Competition Law Fund, General Fund)

Unknown, significant to major cost pressure to the courts to the extent there are additional civil filings for new violations created by this bill. Actual costs would depend on the number of operators in the state, violations and the amount of court time required for each action. Although courts are not funded based on workload, increased pressure on the Trial Court Trust Fund may create a demand for increased funding for courts. The FY 2026-07 Budget appropriated \$70 million General Fund for support of the courts. (Trial Court Trust Fund, General Fund)

Background: AI companions, or chatbots, powered by generative AI, have become ubiquitous. Several leading companies and thousands of knockoffs have provided consumers with access to these companion chatbots and the power to personalize them.

This bill defines "Operator" to mean a person who makes a companion chatbot available to a user in the state. An objective estimate of the number of operators in the state is unknown. By one estimate, there are over 100 distinct companion chatbot apps in active use globally with the exact number of companion chatbots fluid due to constant new releases.

Proposed Law: The AG, by January 1, 2028, shall do the following:

- 1) Adopt regulations that include, at a minimum, all of the following:
 - a) Professional and ethical standards for auditors that ensure independence.
 - b) Eligibility requirements for auditors.
 - c) Procedures for auditors to assess compliance with this chapter.
 - d) Requirements for AI child safety audit reports.

- 2) Establish a public incident reporting mechanism for consumers to submit complaints relating to companion chatbots to the AG.
- 3) Establish a process for qualified researchers to access anonymized and aggregated audit data for academic study of child safety in companion chatbots.

The AG, by January 1, 2028, shall issue an annual report that includes the following:

- 1) A high-level summary of each child safety audit report.
- 2) The total number of child safety audits conducted.
- 3) Common findings and trends across the companion chatbot industry.
- 4) Emerging child safety risks identified through audit reviews.
- 5) Best practices and effective mitigation strategies observed.
- 6) Aggregated data on compliance rates and common deficiencies.
- 7) Recommendations for operators, parents, and policymakers.

This bill authorizes a public prosecutor to bring a civil action against an operator for a violation of this chapter to obtain (1) a civil penalty of not more than \$5,000 per affected child for each negligent violation and a civil penalty of not more than \$15,000 per affected child for each intentional violation and (2) punitive damages, injunctive or declaratory relief, and reasonable attorney's fees.

A child who suffers actual harm because of a violation of this chapter, or a parent or guardian acting on behalf of that child, may bring a civil action against the operator to obtain any of the following:

- 1) Actual damages.
- 2) Punitive damages.
- 3) Reasonable attorney's fees and costs.
- 4) Injunctive or declaratory relief.
- 5) Any other relief the court deems proper.

Related Legislation: SB 1119 (Padilla), a similar measure, would regulate chatbots with regard to children's safety, including imposition of obligations and restrictions on operators that make such chatbots available in the state. The AG would be required to adopt regulations and issue an annual report. SB 1119 is pending in the Assembly Appropriations Committee.