

UNFINISHED BUSINESS

Bill No: SB 1119
Author: Padilla (D), Bauer-Kahan (D) and Wicks (D), et al.
Amended: 8/28/26
Vote: 21

SENATE PRIV., DIGITAL TECH. & CONS. PROT. COMMITTEE: 7-0, 4/20/26
AYES: Cabaldon, Gonzalez, McNerney, Padilla, Reyes, Umberg, Wiener
NO VOTE RECORDED: Jones, Seyarto

SENATE JUDICIARY COMMITTEE: 13-0, 4/21/26
AYES: Umberg, Niello, Allen, Ashby, Caballero, Durazo, Laird, Reyes, Stern, Valladares, Wahab, Weber Pierson, Wiener

SENATE APPROPRIATIONS COMMITTEE: 6-0, 5/14/26
AYES: Cervantes, Cabaldon, Dahle, Grayson, Richardson, Wahab
NO VOTE RECORDED: Seyarto

SENATE FLOOR: 39-0, 5/19/26
AYES: Allen, Alvarado-Gil, Archuleta, Arreguín, Ashby, Becker, Blakespear, Cabaldon, Caballero, Cervantes, Choi, Cortese, Dahle, Durazo, Gonzalez, Grayson, Grove, Hurtado, Jones, Laird, Limón, McGuire, McNerney, Menjivar, Ochoa Bogh, Padilla, Pérez, Reyes, Richardson, Rubio, Seyarto, Smallwood-Cuevas, Stern, Strickland, Umberg, Valladares, Wahab, Weber Pierson, Wiener
NO VOTE RECORDED: Niello

ASSEMBLY FLOOR: 69-4, 8/31/26 - See last page for vote

SUBJECT: Companion chatbots: children's safety

SOURCE: Author

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.

Assembly Amendments strike overlapping provisions from existing law, modify and add various definitions, modify required disclosures, risk assessments, and audits, modify controls regarding persistent conversational memory, refine and loosen various advertising prohibitions, and narrows enforcement authority, among other provisions.

ANALYSIS:

Existing law:

- 1) 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. Requires an operator to publish details on this protocol on the operator's website. (Business (Bus.) & Professions (Prof.) Code § 22602(b).)
- 2) Requires an operator, if a reasonable person interacting with a companion chatbot would be misled to believe that the person is interacting with a human, to issue a clear and conspicuous notification indicating that the companion chatbot is artificially generated and not human. (Bus. & Prof. Code § 22602(a).)
- 3) Requires an operator, for a user that the operator knows is a minor, to do all of the following:
 - a) Disclose to the user that the user is interacting with artificial intelligence (AI).
 - b) Provide by default a clear and conspicuous notification to the user at least every three hours for continuing companion chatbot interactions that reminds the user to take a break and that the companion chatbot is artificially generated and not human.
 - c) 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. (Bus. & Prof. Code § 22602(c).)
- 4) Defines the relevant terms, including "companion chatbot" to mean an AI 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, except as provided. (Bus. & Prof. Code § 22601.)

- 5) Requires an operator, beginning July 1, 2027, to annually report to the Office of Suicide Prevention specified information. Requires that office to post data from the reports on its website. (Bus. & Prof. Code § 22603.)
- 6) Requires an operator to disclose to a user of its platform that companion chatbots may not be suitable for some minors, as provided. (Bus. & Prof. Code § 22604.)
- 7) Provides that a person who suffers injury in fact as a result of a violation thereof may bring a civil action to recover specified relief. (Bus. & Prof. Code § 22605.)
- 8) Establishes the Digital Age Assurance Act, which requires a developer to request age signals as provided. A developer is then 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 it willfully disregards the signal. (Civil (Civ.) Code § 1798.501(b).)

This bill:

- 1) Requires “operators,” those who make a companion chatbot available to a user in the state, to determine the age of users consistent with the Digital Age Assurance Act, except as provided.
- 2) Imposes a series of obligations on operators to complete by July 1, 2027, and subsequently thereafter, before making a new or substantially modified companion chatbot available to users in the state, including:
 - a) Perform and document comprehensive risk assessments related to the design, configuration, and operation of the companion chatbot, which shall contain specified factors.
 - b) Take and document measures that reasonably mitigate any child safety risk identified in a risk assessment.
 - c) Publish on an operator’s internet website, and updated as needed, a child safety policy that contains a high-level description of specified factors, if an operator prohibits child users from accessing their companion chatbot.

- 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 user, as specified.
 - e) Implement safeguards for child users that include usage reminders, specified disclosures, and other protective design features reasonably related to identified child safety risks.
 - f) Implement default settings that can only be changed by a parent, including, among others, disabled push notifications and persistent conversational memory, as specified, 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.
 - i) Implement parental controls, as specified, including ability to set preferences and time limits and to disable access for children under 16.
 - j) Establish a public incident reporting mechanism.
- 3) Implements certain disclosure and retention obligations.
- 4) Prohibits the following actions by an operator:
- a) Cross-context behavioral advertising.
 - b) Targeting advertising at a child user using data about the child in conversational chats with the child.
 - c) Allows for limited contextual advertising, as provided.
 - d) Prohibits using certain information for profiling.
 - e) Selling the personal information of a child user gathered through the companion chatbot.
 - f) Sharing or using the personal information of a child user gathered through the companion chatbot for any purpose beyond what is necessary to carry out certain actions.

- g) Use a dark pattern with respect to interface designs related to features and controls, as provided.
- 5) Requires all advertising displayed to a child to be clearly and conspicuously labeled as such.
- 6) Requires operators, on or before January 1, 2029, or before first making a companion chatbot available, shall ensure the performance of an independent child safety audit, as provided.¹ Authorizes the Attorney General to obtain a copy of the audit.
- 7) Requires the AG to establish a public incident reporting mechanism for consumers to submit complaints relating to companion chatbots to the AG.
- 8) Authorizes public prosecutors to bring a civil action for violations seeking specified remedies, including civil penalties per violation. A child who suffers any actual harm as a result of a violation of certain provisions may also bring a civil action for actual damages and other relief.
- 9) Defines the relevant terms, including:
 - a) “Child safety audit” means an audit conducted by an independent third-party auditor to assess internal controls, processes, and systems implemented for a companion chatbot that are necessary for compliance with this chapter.
 - b) “Child safety risk” means a reasonably foreseeable risk of a covered harm to a child.
 - c) “Companion chatbot” has the meaning defined in Section 22601.
 - d) “Covered harm” means any of the following harms caused by the child’s 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.

¹ There are two iterations of this provision that are contingent on whether AB 1405 (Bauer Kahan, 2026) takes effect.

iv) Adverse discrimination in violation of state or federal law.

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.

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 users harming themselves and even committing suicide have been reported in the last few years.

This bill establishes a framework for protecting children from these harms and empowering parents with proper tools to protect their own children. This bill lays out a series of obligations on operators and prohibits specified conduct. Operators must submit to independent audits and conduct risk assessments. Public prosecutors and children harmed by certain violations are authorized to bring civil actions.

This bill is author-sponsored. It is supported by Encode AI and other advocacy groups. It is opposed by various industry organizations.

According to the author:

Companion chatbots, while a powerful tool, have been designed to capture young people's attention and hold it at the expense of their real-world relationships. As the author of California's nation-leading safeguards, it is vital we build upon them and ensure that these technological advances don't come at the cost of our children's well-being. These protections keep California at the forefront of this conversation, striking an important balance of prioritizing the safety of our children, while allowing for the innovation that has made California the tech capital of the world.

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

According to the Senate Appropriations Committee:

- Significant costs one time for the AG to adopt regulations.

- Major costs annually to the AG to issue a public report on audits submitted by operators (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 proposed FY 2026-07 Governor's budget would provide \$70 million General Fund support (Trial Court Trust Fund, General Fund).

According to the Assembly Appropriations Committee:

- Costs of approximately up to \$5 million (General Fund (GF) and Unfair Competition Law Fund (UCL Fund)) to the Department of Justice (DOJ), reflecting eighteen permanent positions phased in between January 1, 2027, and July 1, 2028, along with limited-term rulemaking hours and consultant costs. DOJ reports that it could not absorb these costs within existing budgeted resources. DOJ anticipates resources, as follows:
 - a) Within the Public Rights Division, the Consumer Protection Section would add one supervising deputy attorney general, three deputy attorneys general, three legal secretaries, one analyst, one investigative auditor, and one information technology specialist, along with \$350,000 annually in external expert costs, to investigate and enforce violations (UCL Fund).
 - b) Within the Office of General Counsel, the Legal Unit would use 500 hours collectively from one supervising deputy attorney general, one deputy attorney general, and one analyst across fiscal years 2026-27 and 2027-28 to support rulemaking, and the Research Services Branch would add one research data supervisor, two research data specialists, and three research data analysts beginning January 1, 2028 to facilitate researcher access to audit data and to prepare the annual public report.
 - c) The Public Inquiry Unit within the Directorate Division would add one analyst for complaint intake and report coordination.
 - d) Within California Justice Information Services, the Application Development Bureau would add one information technology

specialist beginning July 1, 2028, along with a project manager consultant and a business analyst consultant, to integrate the California Department of Technology's Digital Identity framework with the AG's public website (GF).

Notably, the bill's mandatory duties on DOJ are the rulemaking, receipt and confidential maintenance of audit reports, and the annual public report beginning January 1, 2028. Enforcement is discretionary and is not exclusive to the AG, since the bill authorizes any public prosecutor to bring an action and separately preserves a private right of action for a child who suffers actual harm. The resources needed to support enforcement would therefore depend on how the AG exercises that discretion relative to local prosecutors and private plaintiffs.

- Cost pressures (Trial Court Trust Fund, General Fund) of an unknown but potentially significant amount to the courts to adjudicate civil enforcement actions and cases filed under the private right of action created by this bill. Actual costs will depend on the number of cases filed and the amount of court time needed to resolve each case. It generally costs approximately \$1,000 to operate a courtroom for one hour. Although courts are not funded on the basis of workload, increased pressure on the Trial Court Trust Fund may create a demand for increased funding for courts from the General Fund. The state budget provides annual General Fund backfills to the Trial Court Trust Fund to offset revenue reductions, totaling approximately \$117.3 million in 2025-26.

SUPPORT: (Verified 8/31/26)

California Initiative for Technology & Democracy, a Project of California
Common CAUSE
Children Now
Common Sense Media
Encode AI Corporation
Mothers Against Media Addiction
Omidyar Network
Santa Clara County Office of Education (SCCOE)
Transparency Coalition.ai
Young People's Alliance

OPPOSITION: (Verified 8/31/26)

American Innovators Network

California Chamber of Commerce
Civil Justice Association of California
Computer and Communications Industry Association
Insights Association
Parent Collective
Software Information Industry Association
Technet

ARGUMENTS IN SUPPORT: Encode AI writes:

For many in California and across the country, the issue of addressing the safety of children online when interacting with chatbots is urgent. Researchers are increasingly citing the harms – including but not limited to the exacerbation of eating disorders, links to self-harm and suicidal ideation, and emotional dependency – that youth are experiencing when interacting with chatbots due to a lack of safeguards on this technology. And unfortunately for some, proposed interventions are coming too late.

Last year, sixteen year old California resident Adam Raine took his own life after months of conversations with OpenAI's ChatGPT. The technology discouraged him from seeking the advice of his parents, supplied him with different methods to take his own life, and even offered to write his suicide note prior to him hanging himself. This type of tragedy can and should be avoided.

SB 1119 is demonstrative of the common sense approaches that states should be taking to protect our children.

ARGUMENTS IN OPPOSITION: The Civil Justice Association of California writes:

Third party audits generally do not advance safety objectives but, rather, impose a significant burden on the companies that must commission them. Audits must be rigidly conducted against clear standards, which are not generally suited to trying to evaluate a complex issue like the effects a platform has on minors.

Even academic researchers who have spent their entire careers studying the effects of technology use have not reached clear and convincing conclusions, given the impossibility of knowing the particular emotions and circumstances of an individual. This type of assessment would be completely outside the realm of expertise of any auditing firm.

Businesses subject to auditing requirements under European laws, such as the Digital Services Act, have incurred significant expense given a limited pool of

qualified auditors, spent millions of dollars in extremal fees and countless personnel hours, and found themselves in a continuous loop of auditing where as soon as one audit ends, the next one must begin.

ASSEMBLY FLOOR: 69-4 8/31/26

AYES: Addis, Aguiar-Curry, Ahrens, Alanis, Alvarez, Arambula, Ávila Farías, Bains, Bauer-Kahan, Bennett, Berman, Boerner, Bonta, Bryan, Calderon, Caloza, Carrillo, Castillo, Connolly, Davies, Dixon, Elhawary, Flora, Fong, Gabriel, Garcia, Gipson, Jeff Gonzalez, Mark González, Hadwick, Haney, Harabedian, Hart, Irwin, Jackson, Kalra, Krell, Lee, Lowenthal, McKinnor, Muratsuchi, Nguyen, Ortega, Pacheco, Papan, Patel, Patterson, Pellerin, Petrie-Norris, Quirk-Silva, Ramos, Ransom, Celeste Rodriguez, Rogers, Blanca Rubio, Sanchez, Schiavo, Schultz, Sharp-Collins, Solache, Soria, Stefani, Valencia, Wallis, Ward, Wicks, Wilson, Zbur, Rivas

NOES: DeMaio, Ellis, Macedo, Tangipa

NO VOTE RECORDED: Chen, Hoover, Johnson, Lackey, Michelle Rodriguez, Ta

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