
THIRD READING

Bill No: SB 300
Author: Padilla (D)
Amended: 1/5/26
Vote: 21

SENATE JUDICIARY COMMITTEE: 13-0, 1/13/26

AYES: Umberg, Niello, Allen, Ashby, Caballero, Durazo, Laird, Reyes, Stern, Valladares, Wahab, Weber Pierson, Wiener

SENATE APPROPRIATIONS COMMITTEE: Senate Rule 28.8

SUBJECT: Companion chatbots

SOURCE: Author

DIGEST: This bill bolsters the law governing Artificial Intelligence (AI) companion chatbots.

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 and Professions (Bus. & 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 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:
 - a) “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. However, there are several exemptions included.
 - b) “Companion chatbot platform” means a platform that allows a user to engage with companion chatbots.
 - c) “Operator” means a person who makes a companion chatbot platform available to a user in the state. (Bus. & Prof. Code § 22601.)
- 5) Requires an operator, beginning July 1, 2027, to annually report to the Office of Suicide Prevention specified information, which shall not include any identifiers or personal information about users. Requires the Office of Suicide Prevention 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 of this chapter may bring a civil action to recover all of 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.)
- 8) 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. (Civil Code § 1798.501(b).)

This bill:

- 1) Provides that the relevant obligations on operators apply when the operator has actual knowledge that a user is a minor.
- 2) Requires operators to prevent their companion chatbots from producing or facilitating the exchange of material of sexually explicit conduct or directly stating that the minor should engage in sexually explicit conduct.

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. In response to these increasing concerns about their effects on users, including impacts on mental health and real-world relationships, SB 243 (Padilla, Chapter 677, Statutes of 2025) was signed into law. It imposes a number of obligations on operators of “companion chatbot platforms” in order to safeguard users. This bill now expands the protections in SB 243 by changing the threshold for when operators must carry out the obligations of the law to when they have actual

knowledge that a user is a minor. The bill also requires platform operators to prevent their chatbots from producing or facilitating the exchange of material of sexually explicit conduct or directly stating that the minor should engage in sexually explicit conduct, as provided.

This bill is author-sponsored and supported by the California Behavioral Health Association and others. Several industry groups are opposed, including TechNet.

Comments

Several bills in 2025 sought to regulate the creation and deployment of companion chatbots, especially when put into the hands of children. SB 243 (Padilla, Chapter 677, Statutes of 2025) requires operators of “companion chatbot platforms” that allow users to engage with chatbots to maintain certain protocols aimed at preventing some of the worst outcomes and, only when the user is known to the operator to be a minor, to make certain disclosures and to institute reasonable measures to prevent such things as sexually explicit material from being produced or from “directly stating that the minor should engage in sexually explicit conduct.” A report is required to be sent annually to the Office of Suicide Prevention. Violations are subject to civil enforcement by those injured.

This bill further fortifies that law. It imposes these obligations on operators of these chatbot platforms when an operator has actual knowledge that a user is a minor. In addition, rather than simply require operators to institute reasonable measures to prevent the chatbots from producing sexually explicit material or directly stating a minor should engage in such conduct, it affirmatively requires operators to prevent their chatbots from producing or facilitating the exchange of material of sexually explicit conduct or directly stating that the minor should engage in sexually explicit conduct.

This comes in the wake of additional reporting that internal documents at Meta indicate that their internal policy allowed for its chatbots to “engage a child in conversations that are romantic or sensual,” generate false medical information, and help users argue that Black people are “dumber than white people.”¹

xAI, owned by Elon Musk, recently unveiled several sexually explicit chatbot companions on its platform.² For its part, OpenAI has announced plans to allow a

¹ Jeff Horwitz, *Meta’s AI rules have let bots hold ‘sensual’ chats with kids, offer false medical info* (August 14, 2025) Reuters, <https://www.reuters.com/investigates/special-report/meta-ai-chatbot-guidelines/>.

² Kate Conger, *Elon Musk Gambles on Sexy A.I. Companions* (October 6, 2025) The New York Times, <https://www.nytimes.com/2025/10/06/technology/elon-musk-grok-sexy-chatbot.html>.

“wider range of content, including erotica, on its popular chatbot ChatGPT.”³ This comes after a lawsuit against OpenAI was filed by the parents of Adam Raine, a teen who earlier last year committed suicide, accusing it of actively helping their son explore suicide methods:

Adam’s parents say that he had been using the artificial intelligence chatbot as a substitute for human companionship in his final weeks, discussing his issues with anxiety and trouble talking with his family, and that the chat logs show how the bot went from helping Adam with his homework to becoming his “suicide coach.”⁴

According to the author:

Last year, I authored SB 243, which set necessary and vital guardrails around Artificial Intelligence companion chatbot technology. This bill was a critical first step towards making AI chatbots safer. SB 300 continues the valuable work done last year by strengthening the protections for minor users against AI exposing them to sexually explicit material. As AI technology rapidly evolves, we must ensure that we have the strongest safeguards in place to protect the most vulnerable among us, our children.

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

SUPPORT: (Verified 1/21/26)

California Behavioral Health Association
California Initiative for Technology and Democracy
Transparency Coalition.ai

OPPOSITION: (Verified 1/21/26)

California Chamber of Commerce
Computer and Communications Industry Association
Technet

³ Lily Jamali & Liv McMahon, *ChatGPT will soon allow erotica for verified adults, says OpenAI boss* (October 15, 2025) BBC, <https://www.bbc.com/news/articles/cpd2qv58yl5o>.

⁴ Angela Yang, et al., *The family of teenager who died by suicide alleges OpenAI's ChatGPT is to blame* (August 26, 2025) NBC News, <https://www.nbcnews.com/tech/tech-news/family-teenager-died-suicide-alleges-openais-chatgpt-blame-rcna226147>.

ARGUMENTS IN SUPPORT: The California Initiative for Technology and Democracy writes in support:

Many chatbots are designed to optimize user engagement, with the end product being an immersive “conversation” that becomes difficult to distinguish from a human-to-human interaction. This immersion makes it difficult to accurately and objectively judge the information provided by these tools, exacerbating an already dangerous misinformation problem that is inherent in the design.² These products also have dangerous implications for the social wellbeing of our society. One recent study published by MIT and OpenAI found that heavy use of ChatGPT was correlated with increased loneliness, emotional dependence, and reduced socialization. These products have already had a particularly harmful impact on children, exacerbating an already daunting mental health crisis afflicting our country.

SB 243 helped address this issue by requiring basic guardrails for companion chatbots to mitigate the mental health impacts of these products. SB 300 would strengthen these protections by requiring operators to actually prevent (rather than simply implement reasonable measures to prevent) a chatbot from exposing a minor user to sexually explicit material of any kind or encouraging the facilitation of sexually explicit content.

ARGUMENTS IN OPPOSITION: A coalition of industry groups, including TechNet, opposes this bill:

SB 300 would replace key reasonableness-based standards adopted in SB 243 with a mandate to prevent the production of prohibited material and to broaden prohibited conduct to include “facilitating the exchange” of sexually explicit material. These are not clarifying or technical changes; they fundamentally alter the legal standard adopted by the legislature.

At this stage, there is no demonstrated need for these changes and no clear gaps that the proposed language would fill. It is concerning to amend and expand statutory obligations before the Legislature, regulators, courts, companies, or other stakeholders have had any opportunity to observe how the original law operates in practice.

Prepared by: Christian Kurpiewski / JUD. / (916) 651-4113
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