

Date of Hearing: August 5, 2026

ASSEMBLY COMMITTEE ON APPROPRIATIONS

Buffy Wicks, Chair

SB 300 (Padilla) – As Amended January 5, 2026

Policy Committee: Privacy and Consumer Protection

Vote: 12 - 1

Urgency: No

State Mandated Local Program: No

Reimbursable: No

SUMMARY:

This bill revises the duties of companion chatbot platform operators toward minor users under existing law.

Specifically, this bill:

- 1) Provides that the operator duties toward minors apply when the operator has actual knowledge that a user is a minor.
- 2) Requires an operator to prevent, rather than institute reasonable measures to prevent, a companion chatbot from producing or facilitating the exchange of material of sexually explicit conduct, or directly stating that the minor should engage in sexually explicit conduct.

FISCAL EFFECT:

Cost pressures (Trial Court Trust Fund, General Fund) of an unknown but potentially significant amount to the courts to adjudicate any additional filings. Violations of the operator duties amended by this bill are actionable under the existing private right of action in Business and Professions Code Section 22605, and by replacing the “reasonable measures” standard with a duty to prevent the specified outputs and broadening the covered material, this bill could increase the number of actionable violations and resulting civil filings. 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.

COMMENTS:

- 1) **Purpose.** 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.

- 2) **Background.** A companion chatbot is an artificial intelligence system with a natural language interface that provides adaptive, human-like responses and is capable of meeting a user's social needs, including by exhibiting anthropomorphic features and sustaining a relationship across multiple interactions. According to the Assembly Privacy Committee analysis, roughly half of teens report using companion chatbots, with 24% using them at least weekly. Researchers and clinicians have documented risks associated with sustained chatbot use, particularly for minors, including emotional reliance, exposure to inappropriate content, and reinforcement of harmful beliefs. SB 243 (Padilla), Chapter 677, Statutes of 2025, imposed obligations on operators of companion chatbot platforms, including disclosure requirements, protocols addressing suicidal ideation and self-harm content, heightened duties toward users known to be minors, and annual reporting to the Office of Suicide Prevention beginning July 1, 2027. Among the duties toward minors, existing law requires an operator to institute reasonable measures to prevent the chatbot from producing visual material of sexually explicit conduct or directly stating that the minor should engage in sexually explicit conduct. SB 243 also established a private right of action allowing a person who suffers injury in fact from a violation to recover injunctive relief, damages equal to the greater of actual damages or \$1,000 per violation, and reasonable attorney's fees and costs.

This bill makes two changes to the duties toward minors. First, this bill provides that the duties apply when the operator has actual knowledge that a user is a minor, in place of the existing "knows" standard. Second, this bill removes the "reasonable measures" qualifier and broadens the covered content, requiring operators to prevent the chatbot from producing or facilitating the exchange of sexually explicit material. The practical effect is that an operator could face liability under the existing private right of action for a covered output regardless of the safeguards the operator has implemented.

- 3) **Support and Opposition.** Supporters, including the American Academy of Pediatrics, California, argue the bill strengthens protections for minors against sexually explicit chatbot content at a time of unprecedented youth mental health challenges. Opponents, including the California Chamber of Commerce, TechNet, and the Computer & Communications Industry Association, contend the bill replaces a reasonableness standard with a de facto strict liability regime before SB 243 has been implemented or enforced, and that a single instance of unprevented content could trigger liability regardless of an operator's good-faith compliance measures.
- 4) **Related Legislation.** AB 2023 (Wicks), of this legislative session, pending before the Senate Appropriations Committee, establishes a comprehensive child-safety framework for companion chatbot operators, including risk assessments, parental controls, prohibited chatbot behaviors, and annual independent audits.

SB 1119 (Padilla), of this legislative session, a companion measure to AB 2023, pending before the Senate Appropriations Committee, contains a substantially identical child-safety framework for companion chatbots.

SB 867 (Padilla), of this legislative session, which prohibits the manufacture, sale, or exchange of toys containing companion chatbots until January 1, 2031, is pending before this committee.