
SENATE COMMITTEE ON APPROPRIATIONS

Senator Sabrina Cervantes, Chair
2025 - 2026 Regular Session

SB 867 (Padilla) - Toys: companion chatbots

Version: February 23, 2026

Urgency: No

Hearing Date: April 20, 2026

Policy Vote: P., D.T., & C.P. 9 - 0

Mandate: No

Consultant: Mark McKenzie

Bill Summary: SB 867 would prohibit the manufacture, sale, or exchange of any toy that includes a companion chatbot, as specified, until January 1, 2031.

Fiscal Impact:

- Unknown, potentially significant court cost pressures for new workload to adjudicate additional civil actions that allow for the recovery of injunctive relief, actual or statutory damages, and reasonable attorney's fees and costs (Trial Court Trust Fund, General Fund). Creating or expanding a civil cause of action, as specified in this bill, could lead to lengthier and more complex court proceedings with attendant workload and resource costs to the courts. The actual fiscal impact on the courts will depend on many unknown factors, including the number of cases filed and the factors unique to each case. (See Staff Comments)

Background: As generative artificial intelligence (AI) technology has advanced in recent years, AI companions or chatbots that are capable of sophisticated communication with people have become more ubiquitous. As noted in the Senate policy committee analysis of this bill:

“At their best, these AI-powered chatbots can provide consumers with lifelike conversational experiences that can improve a user’s social skills, support their learning, or ease their loneliness. Users can pick from prebuilt personas or create their own and chat with them through text messages and even voice chats. However, serious concerns have been raised in response to the flooded and unregulated market of chatbots. AI companion chatbots can unintentionally or intentionally spread misinformation, manipulating users or reinforcing biased viewpoints. Without proper regulation, they might expose vulnerable individuals to harmful or inappropriate content, which poses a serious risk, particularly for children or those dealing with mental health issues. Although AI can simulate empathy, its limited emotional understanding means it may not offer meaningful support for complex emotional needs or crises. Overuse or addiction to these chatbots could lead to unhealthy behaviors, disrupting personal and professional life.”

Existing law, as enacted by SB 243 (Padilla), Chap. 677/2025, defines “companion chatbot” as 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, and specifies certain exceptions to the definition. Existing law requires a companion chat platform operator to do all of the following:

- Issue a clear and conspicuous notification indicating that the companion chatbot is artificially generated and not human, if a reasonable person interacting with the chatbot would be misled to believe that the person is interacting with a human.
- Prevent a companion chatbot on its 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 by providing a notification to the user that refers the user to crisis service providers, as specified, if the user expresses suicidal ideation, suicide, or self-harm. The operator must publish details on this protocol on its website.
- Disclose to a minor using the operator's platform that the user is interacting with AI, provide a clear and conspicuous notification at least every three hours that reminds the user to take a break and that the companion chatbot is artificially created and not human, and institute reasonable measures to prevent its companion chatbot from producing sexually explicit material or directly stating that the minor should engage in sexually explicit conduct.
- Annually report specified information to the Office of Suicide Prevention regarding issuances of crisis provider referrals, and protocols for prohibiting a companion chatbot response about suicidal ideation with users and responding to instances of suicidal ideation by users, beginning on July 1, 2027.
- Disclose to a user of its platform that companion chatbots may not be suitable for some minors, as specified.

Existing law authorizes a person who suffers injury as a result of a violation of SB 243's requirements to bring a civil action to recover injunctive relief, damages equal to the greater of actual damages or \$1,000 per violation, and reasonable attorney's fees and costs.

Proposed Law: SB 867 would prohibit a person from manufacturing, selling, or exchanging, possessing with intent to sell or exchange, or exposing or offering for sale or exchange to any retailer any toy intended for use in play by children under 18 years of age that includes a companion chatbot. This provision would sunset on January 1, 2031.

Related Legislation: SB 1119 (Padilla), which is pending in the Senate Privacy, Digital Technologies, and Consumer Protection Committee, would establish protections connected to chatbots by prohibiting advertising to children and requiring chatbot operators to verify users' ages, conduct risk assessments, document measures to mitigate child safety risks, implement certain safeguards and protocols, and submit to independent audits, as specified.

AB 2023 (Wicks, Bauer-Kahan) which is pending in the Assembly Privacy and Consumer Protection Committee, is identical to SB 1119 (Padilla).

AB 1988 (Pellerin), which is pending in the Assembly Health Committee, would require a companion chatbot that detects a credible crisis expression, as defined, to take certain actions, including encouraging the user to seek immediate human support. If the companion chatbot detects that a user is reaffirming or escalating the credible crisis expression or detects a subsequent credible crisis expression, the bill would require the companion chatbot to initiate a crisis interruption pause of 20 minutes, as specified.

SB 300 (Padilla), which is currently pending referral in the Assembly, would expand the protections enacted by SB 243 (Padilla, 2025) by requiring operators, when they have actual knowledge that a user is a minor, to carry out the obligations specified in statute. The bill would also require platform operators to prevent their chatbots from producing or facilitating the exchange of sexually explicit material or directly stating that the minor should engage in sexually explicit conduct, as provided.

SB 243 (Padilla), Chap. 677/2025), would impose specified obligations and prohibitions on companion chatbot platform operators, as specified in the above.

AB 1064 (Bauer-Kahan), which was vetoed by the Governor last year, would have prohibited 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 themselves or engaging in sexually explicit interactions. Governor Newsom's veto message stated in part:

"While I strongly support the author's goal of establishing necessary safeguards for the safe use of AI by minors, AB 1064 imposes such broad restrictions on the use of conversational AI tools that it may unintentionally lead to a total ban on the use of these products by minors ... We cannot prepare our youth for a future where AI is ubiquitous by preventing their use of these tools altogether."

Staff Comments: This bill would impose a four-year moratorium on the manufacture, sale, or exchange of any toy that includes a companion chatbot, as specified. This moratorium is intended to allow time to modernize guardrails on AI companion chatbots before putting these toys in the hands of children to ensure that safety regulations have the necessary time to catch up to this rapidly advancing technology.

Since these provisions would be placed in the existing chapter of law enacted by SB 243 (Padilla, 2025), violations would be subject to the same enforcement mechanism, which authorizes a person who suffers injury as a result of a violation to bring a civil action to recover injunctive relief, actual or statutory damages, and reasonable attorney's fees and costs. The specific number of new civil actions that would be filed under the bill is unknown. Staff notes that it generally costs about \$10,500 to operate a courtroom for one eight-hour day. If civil cases brought as a result of this bill take an additional 40 hours of court time in the aggregate in a given year, the cost pressures to the courts would surpass the Suspense File threshold. Although courts are not funded on the basis of workload, increased staff time and resources resulting from additional case filings may result in delayed court services and create a need for enhanced support from the General Fund to fund court operations. Staff notes that trial court operations have cumulatively received over \$1 billion from the General Fund over the last five Budget Acts to improve service levels. The Governor's Proposed 2026-27 Budget includes \$70 million in ongoing support from the General Fund to continue to backfill the fund imbalance in the Trial Court Trust Fund and help pay for trial court operations. The Proposed Budget includes total funding of \$5.3 billion (\$3.3 billion General Fund and \$2 billion other funds) in 2026-27 for the Judicial Branch, of which \$3 billion is provided to support trial court operations.