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The Honorable Kristen Gonzalez
59th District Legislative Office Building
Room 848 Albany, NY 12247

Dear Senator Gonzalez:

The Consumer Technology Association (CTA) respectfully opposes S.7263/A.6545. We share the goal of ensuring that bad actors do not use artificial intelligence (AI) to harm consumers, and we are working to encourage smart guardrails for AI. However, we have significant concerns that the bill's broad language and open-ended private right of action would create sweeping unintended consequences for companies and consumers across New York.

As North America's largest technology trade association, CTA represents more than 1200 American companies — including many based in New York — that collectively support over 17 million U.S. jobs. Our members include the world's most dynamic innovators, from pioneering startups to global enterprises, and we are the organizers of CES®, the world's most powerful technology event. CTA also produces a U.S. Innovation Scorecard, highlighting which states best champion smart policies for tech startups across 11 distinct categories. Enactment of S.7263/A.6545 would likely lower New York's ranking as a state friendly to innovation as we include new technologies like AI in future scorecards.

The bill's operative language — prohibiting AI responses that "would constitute unauthorized practice" of a licensed profession — raises significant questions about what AI outputs would actually be covered. That standard, as defined under New York law, could prevent a chatbot from explaining what a lab result means, describing how a medication works, or summarizing a lease clause — information New Yorkers can find freely online or in any public library today. The legislation covers more than 12 licensed professions and fails to distinguish between general-purpose chatbots and purpose-built, domain-specific tools already subject to rigorous regulatory oversight, including HIPAA, FDA requirements, and state medical board regulations. S.7263/A.6545 adds duplicative liability on top of frameworks that already protect consumers. The bill also departs from NIST's widely accepted federal definition of an AI system, risking regulatory fragmentation and added compliance burden for companies operating across state lines.

The private right of action in the legislation amplifies this uncertainty and creates a threat of damaging lawsuits for any company operating in New York. The provision includes no cure period and no requirement to demonstrate actual harm, which will invite strike suits well beyond the bill's intended scope. The unchecked threat of frivolous litigation will not protect consumers from potential harms. Instead, it will act as a deterrent for any company to develop or deploy innovative AI systems that benefit New York consumers. The New York Attorney General already has appropriate tools to pursue anyone using artificial intelligence in an illegal manner. The state should focus efforts on addressing malicious use cases without discouraging responsible AI deployment across the state.

CTA is dedicated to supporting the safe, fair, and trustworthy development of AI. CTA has long advocated for a consistent, risk-based approach to AI governance that protects consumers from bad actors while allowing innovation to thrive — and believes that approach is best achieved through clear, workable guardrails rather than broad liability frameworks like S.7263/A.6545. We look forward to working with you to ensure that New York remains a top global destination to launch and grow innovative companies.

For more information, please contact J. David Grossman (dgrossman@cta.tech), or our legislative representatives James Carr (jcarr@hinmanstraub.com) or Matthew O'Connor (moconnor@hinmanstraub.com).

Sincerely,

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