



Consumer Technology Association, producer of CES®

**March 16, 2026**

**MEMORANDUM IN OPPOSITION**  
**S.7263 (Gonzalez) / A.6545 (Zaccaro)**

CTA opposes S.7263/A.6545, which restricts AI systems from providing certain informational responses that fall within the scope of professional licensing laws if delivered by a human. The bill is overly broad, creates sweeping legal risk through a private right of action, and discourages companies from developing and deploying AI in New York. The result is less innovation, fewer useful tools for consumers, including AI tools that assist patients with care navigation, medication reminders, and wellness education.

The bill prevents AI systems from providing information that, if delivered by a licensed professional, could be interpreted as regulated advice. In practice, this blocks AI tools from sharing information that New Yorkers can easily find in a public library or online today. Purpose-built AI tools in regulated industries like healthcare already operate under comprehensive oversight frameworks, including HIPAA, FDA requirements, and state medical board regulations. S.7263/A.6545 adds duplicative liability on top of frameworks that already protect consumers.

New York already has strong enforcement tools to address misuse of technology. The Attorney General can pursue anyone using artificial intelligence or any other tool to break the law. The state should target bad actors directly rather than create sweeping liability that chills innovation across the entire technology sector.

CTA represents more than 1200 American technology companies, including many in New York, that together support more than 17 million U.S. jobs. CTA also produces CES, the most powerful tech event in the world. CTA publishes the U.S. Innovation Scorecard, which tracks which states create the best environments for technology startups and investment across 11 policy areas. Enactment of S.7263/A.6545 weakens New York's standing as a state that welcomes innovation.

New York is competing to become one of the world's leading hubs for AI. Companies across the state are building and deploying AI systems that improve lives, increase efficiency, and drive better health outcomes. S.7263/A.6545 slows that progress.

CTA supports the responsible development of AI and supports clear guardrails that protect consumers while allowing innovation to thrive. S.7263/A.6545 goes too far and exposes companies operating in New York to costly and unnecessary litigation.

For these reasons, we urge you to oppose S.7263/A.6545.

**Overly Broad Scope**

S.7263/A.6545 purports to focus on AI chatbots that may provide "substantive" responses that, if provided by a human, would violate New York professional licensing law. The bill's operative language — prohibiting responses that "would constitute unauthorized practice" — 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. Applied to AI, that standard could prohibit a chatbot from explaining what a lab result means, describing how a medication works, or summarizing a lease clause. The bill also departs from the National

Institute of Standards and Technology's widely accepted federal definition of an AI system, risking regulatory fragmentation and added compliance burden for companies operating across state lines. The overly broad language in the bill potentially opens any company using AI to significant legal risk for offering a service that most internet users have come to expect as normal.

### **Legal Risk**

The broad language in S.7263/A.6545 creates unnecessary legal uncertainty. The private right of action amplifies this uncertainty and creates a threat of damaging lawsuits for any company operating in New York. Critically, 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 created by S.7263/A.6545 will not protect consumers from potential harms. Instead, it will act as a deterrent for any New York company to develop or deploy innovative AI systems that benefit New York consumers. The New York Attorney General has appropriate tools to pursue anyone using AI, or any other tool, in an illegal manner. The state should focus efforts on addressing malicious use cases without discouraging the use of technology by every business in the state.

### **Conclusion**

CTA is dedicated to supporting the safe, fair, responsible, 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. We believe that approach is best achieved through clear, workable guardrails rather than broad liability frameworks like S.7263/A.6545.

S.7263/A.6545 appears to share a similar goal of preventing bad actors from misusing AI systems, but the way it proposes to go about this ends up leaving almost every company doing business in New York open to the threat of frivolous lawsuits that would be crippling. We ask you to oppose this legislation.

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

Respectfully submitted,

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