CALIFORNIA LEGISLATURE—2025–26 REGULAR SESSION

ASSEMBLY BILL   No. 1018

Introduced by Assembly Member Bauer-Kahan
(Coauthors: Assembly Members Aguiar-Curry, Bryan, Ortega, Ward)

February 20, 2025

An act to add Chapter 24.6 (commencing with Section 22756) to Division 8 of the Business and Professions Code, to amend Section 51 of the Civil Code, and to add Article 3 (commencing with Section 12959) to Chapter 6 of Part 2.8 of Division 3 of Title 2 of the Government Code, relating to artificial intelligence.

LEGISLATIVE COUNSEL'S DIGEST

AB 1018, as amended, Bauer-Kahan. Automated decision systems.

The California Fair Employment and Housing Act establishes the Civil Rights Department within the Business, Consumer Services, and Housing Agency and requires the department to, among other things, bring civil actions to enforce the act.

Existing law requires, on or before September 1, 2024, the Department of Technology to conduct, in coordination with other interagency bodies as it deems appropriate, a comprehensive inventory of all high-risk automated decision systems that have been proposed for use, development, or procurement by, or are being used, developed, or procured by, any state agency.

This bill would generally regulate the development and deployment of an automated decision system (ADS) used to make consequential decisions, as defined. The bill would define "automated decision system" to mean a computational process derived from machine learning, statistical modeling, data analytics, or artificial intelligence that issues

simplified output, including a score, classification, or recommendation, that is *designed or* used to assist or replace human discretionary decisionmaking and materially impacts natural persons.

This bill would require a developer of a covered ADS, as defined, to take certain actions, including conduct performance evaluations of the covered ADS and provide deployers to whom the developer transfers the covered ADS with certain information, including the results of those performance evaluations.

This bill would, beginning January 1, 2027, require a deployer of a covered ADS to take certain actions, including provide certain disclosures to a subject of a consequential decision made or facilitated by the covered ADS, provide the subject an opportunity to opt out of the use of the covered ADS, provide the subject with an opportunity to appeal the outcome of the consequential decision, and submit the covered ADS to third-party audits, as prescribed. *The bill would also prescribe requirements for a third party to audit a covered ADS.*

~~This bill would prescribe requirements for a third party to audit a covered ADS, as prescribed.~~

This bill would require a developer, deployer, or auditor to, within 30 days of receiving a request from the Attorney General, provide an unredacted copy of the performance evaluation or disparate impact assessment prepared pursuant to the bill to the Attorney General and would exempt those records from the California Public Records Act.

This bill would authorize certain public entities, including the Attorney General, to bring a specified civil action for noncompliance.

Existing constitutional provisions require that a statute that limits the right of access to the meetings of public bodies or the writings of public officials and agencies be adopted with findings demonstrating the interest protected by the limitation and the need for protecting that interest.

This bill would make legislative findings to that effect.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

The people of the State of California do enact as follows:

1   SECTION 1. Chapter 24.6 (commencing with Section 22756)
2   is added to Division 8 of the Business and Professions Code, to
3   read:

Chapter 24.6. Automated Decisions Safety Act

1   22756. As used in this chapter:
2   (a) "Artificial intelligence" means an engineered or
3   machine-based system that varies in its level of autonomy and that
4   can, for explicit or implicit objectives, infer from the input it
5   receives how to generate outputs that can influence physical or
6   virtual environments.
7   (b) (1) "Automated decision system" means a computational
8   process derived from machine learning, statistical modeling, data
9   analytics, or artificial intelligence that issues simplified output,
10   including a score, classification, or recommendation, that is
11   *designed or* used to assist or replace human discretionary
12   decisionmaking and materially impacts natural persons.
13   (2) "Automated decision system" does not mean a spam email
14   filter, firewall, antivirus software, identity and access management
15   tool, calculator, database, dataset, or other compilation of data.
16   (c) "Consequential decision" means a decision that materially
17   impacts the cost, terms, quality, or accessibility of any of the
18   following to a natural person:
19   (1) Employment-related decisions.
20   (2) Education and vocational training as they relate to any of
21   the following:
22   (A) Assessment and placement.
23   (B) Detecting student cheating and plagiarism.
24   (C) Accreditation.
25   (D) Certification.
26   (E) Admissions and enrollment.
27   (F) Discipline.
28   (G) Evaluation.
29   (H) Financial aid and scholarships.
30   (I) Proctoring.
31   (3) Housing and lodging as they relate to any of the following:
32   (A) Rental or short-term housing and lodging.
33   (B) Home appraisals.
34   (C) Rental subsidies.
35   (D) Publicly supported housing.
36   (4) Any of the following essential utilities:
37   (A) Electricity.
38   (B) Heat.

1 (C) Water.
2 ~~(D) Internet and telecommunications access.~~
3 ~~(E)~~
4 *(D)* Transportation.
5 ~~(F)~~
6 *(E)* Municipal trash and sewage services.
7 (5) Family planning, adoption services, reproductive services,
8 and assessments related to child protective services.
9 (6) Health care and health insurance, including mental health
10 care, dental, and vision.
11 (7) Financial services, including a financial service provided
12 by a mortgage company, mortgage broker, or creditor.
13 (8) The criminal justice system with respect to pretrial release,
14 sentencing, and alternatives to incarceration.
15 (9) Legal services.
16 (10) Private arbitration.
17 (11) Mediation.
18 (12) Elections as they relate to any of the following:
19 (A) Voting.
20 (B) Redistricting.
21 (C) Voter eligibility and registration.
22 (D) Distribution of voting information.
23 (E) Election administration.
24 (13) Access to government benefits or services or assignment
25 of penalties by a government entity.
26 (14) Places of public accommodation, as defined in Section
27 55.52 of the Civil Code.
28 *(15) Insurance.*
29 *(16) Internet and telecommunications access.*
30 (d) "Covered automated decision system" or "covered ADS"
31 means an automated decision system that ~~makes or facilitates~~ *is*
32 *designed or used to make or facilitate* a consequential decision.
33 *(e) "Credit score" means a credit score, as defined in Section*
34 *1785.15.1 of the Civil Code, from a consumer credit reporting*
35 *agency, as defined in Section 1785.3 of the Civil Code.*
36 ~~(e)~~
37 *(f)* "Deployer" means a person, partnership, state or local
38 government agency, corporation, or developer that uses a covered
39 ADS to make or facilitate a consequential decision, either directly
40 or ~~through~~ *by contracting with* a third ~~party.~~ *party for that purpose.*

1   (f)
2   *(g)* "Developer" means a person, partnership, state or local
3   government agency, corporation, or deployer that designs, codes,
4   substantially modifies, or otherwise produces an automated
5   decision system that makes or facilitates a consequential decision,
6   either directly or ~~through~~ *by contracting with* a third ~~party.~~ *party*
7   *for those purposes.*
8   ~~(g)~~
9   *(h)* (1) "Developer-approved use" means a deployment context
10 in which a developer intends a covered ADS to make or facilitate
11 a consequential decision.
12 (2) "Developer-approved use" includes any reasonably
13 foreseeable fine tuning of the covered ADS.
14 ~~(h)~~
15 *(i)* "Disparate impact" means a differential effect on a group of
16 individuals who share a protected characteristic.
17 ~~(i)~~
18 *(j)* "Disparate treatment" means differential treatment of an
19 individual or group of individuals on the basis of a protected
20 characteristic.
21 ~~(j)~~
22 *(k)* "Employment-related decision" means a decision made by
23 an employer, either directly or through a third party, that affects
24 wages, benefits, other compensation, hours, work schedule,
25 performance evaluation, hiring, discipline, promotion, termination,
26 job tasks and responsibilities, assignment of work, access to work
27 and training opportunities, productivity requirements, workplace
28 health and safety, or other terms or conditions of employment.
29 ~~(k)~~
30 *(l)* (1) "Express consent" means an affirmative written
31 authorization that is granted in response to a notice that is all of
32 the following:
33 (A) Clear, meaningful, and prominent.
34 (B) Conveyed in a manner that a natural person would notice
35 and understand it.
36 (C) Not contained within a more general notice, agreement, or
37 set of terms and conditions.
38 (2) "Express consent" does not mean an authorization that is
39 either of the following:
40 (A) Inferred from inaction.

1 (B) Obtained through the use of a dark pattern, as defined in
2 Section 56.18 of the Civil Code.
3 ~~(l)~~
4 *(m)* "Fine-tune" means to adjust the model parameters of an
5 automated decision system through exposure to additional data.
6 ~~(m)~~
7 *(n)* "Labor Commissioner" means Chief of the Division of Labor
8 Standards Enforcement.
9 ~~(n)~~
10 *(o)* "Personal information" has the same meaning as defined in
11 Section 1798.140 of the Civil Code.
12 ~~(o)~~
13 *(p)* "Protected characteristic" means a characteristic listed in
14 subdivision (b) of Section 51 of the Civil Code.
15 ~~(p)~~
16 *(q)* (1) "Substantial modification" means a new version, release,
17 update, or other modification to a covered ADS that materially
18 changes its uses or outputs.
19 (2) "Substantial modification" does not mean a modification
20 that results from fine tuning.
21 ~~(q)~~
22 *(r)* "Trade secret" has the same meaning as in Section 3426.1
23 of the Civil Code.
24 22756.1. (a) (1) With respect to a covered ADS that was first
25 deployed, or made available to potential deployers, before January
26 1, 2026, the developer of the covered ADS shall conduct an initial
27 performance evaluation on the covered ADS before January 1,
28 2027, and shall additionally conduct a performance evaluation on
29 the covered ADS under any of the following circumstances:
30 (A) Following any substantial modification of the covered ADS
31 by the developer.
32 (B) Following any fine tuning of the covered ADS by the
33 developer that materially changes the uses or outputs of the covered
34 ADS.
35 (C) No more than one year after the developer last conducted
36 a performance evaluation on the covered ADS, for as long as the
37 developer deploys the covered ADS or makes the covered ADS
38 available to potential deployers.
39 (2) With respect to a covered ADS that is first deployed or made
40 available to potential deployers on or after January 1, 2026, the

1 developer of the covered ADS shall conduct a performance
2 evaluation on the covered ADS under any of the following
3 circumstances:
4   (A) Before initially deploying the covered ADS or making the
5 covered ADS available to potential deployers.
6   (B) Following any substantial modification of the covered ADS
7 by the developer.
8   (C) Following any fine tuning of the covered ADS by the
9 developer that materially changes the uses or outputs of the covered
10 ADS.
11   (D) No more than one year after the developer last conducted
12 a performance evaluation on the covered ADS, for as long as the
13 developer deploys the covered ADS or makes the covered ADS
14 available to potential deployers.
15   (b) In conducting a performance evaluation on a covered ADS,
16 a developer shall do all of the following:
17   (1) Describe the purpose of the covered ADS.
18   (2) List and describe all developer-approved uses of the covered
19 ADS.
20   (3) For each developer-approved use, ~~assess~~ *evaluate* the
21 expected performance of the covered ADS and document all of
22 the following:
23   (A) The expected accuracy and reliability of the covered ADS.
24   (B) Any reasonably foreseeable effects of fine tuning on the
25 accuracy and reliability of the covered ADS.
26   ~~(4) For each developer-approved use, assess whether~~
27   *(C) Whether* any disparate treatment is intended to occur ~~and~~
28 ~~document~~ *and, if so,* all of the following:
29   ~~(A) Whether the covered ADS is intended to treat individuals~~
30 ~~or groups of individuals differently on the basis of a protected~~
31 ~~characteristic.~~
32   ~~(B) For each disparate treatment identified under subparagraph~~
33 ~~(A), describe all of the following:~~
34   (i) The conditions under which ~~the~~ *each* disparate treatment is
35 intended to occur.
36   (ii) Whether ~~the~~ *each* disparate treatment is necessary for a
37 developer-approved use.
38   (iii) Whether any alternatives not involving disparate treatment
39 were considered.
40   ~~(C)~~

1 *(D)* Any reasonably foreseeable effects of fine tuning on
2 disparate treatment.
3 ~~(5) For each developer-approved use, assess whether~~
4 *(E) Whether* any disparate impacts are reasonably likely to occur
5 ~~and document~~ *and, if so,* all of the following:
6 ~~(A) Whether the covered ADS is reasonably likely to treat~~
7 ~~groups of individuals who share a protected characteristic~~
8 ~~differently.~~
9 ~~(B) For each disparate impact identified under subparagraph~~
10 ~~(A), describe all of the following:~~
11 (i) The conditions under which ~~that~~ *each* disparate impact is
12 reasonably likely to occur.
13 (ii) Whether ~~the~~ *each* disparate impact is necessary for a
14 developer-approved use.
15 (iii) Whether any alternatives not involving disparate impacts
16 were considered.
17 ~~(C)~~
18 *(F)* Whether any measures have been taken by the developer to
19 mitigate the risk of unanticipated disparate impacts resulting from
20 the use of the covered ADS.
21 ~~(D)~~
22 *(G)* With respect to a covered ADS that has been deployed,
23 whether any unanticipated disparate impacts have been reported
24 to the developer by a deployer, and whether the developer has
25 taken any measures to mitigate those disparate impacts.
26 ~~(E)~~
27 *(H)* Any reasonably foreseeable effects of fine tuning on
28 disparate impacts.
29 ~~(6)~~
30 *(4)* (A) Contract with an independent third-party auditor to
31 assess the developer's compliance with this subdivision.
32 (B) (i) Except pursuant to clause (ii), a developer that contracts
33 with an auditor pursuant to this paragraph shall provide the auditor
34 with any available information that is reasonably necessary for the
35 auditor to comprehensively assess developer compliance.
36 (ii) A developer that provides documentation to an auditor
37 pursuant to this subparagraph may make reasonable redactions for
38 the purpose of protecting trade secrets. To the extent that a
39 developer withholds information, the developer shall notify the
40 auditor and provide a basis for the withholding.

1   (C) If the deadline for conducting a performance evaluation
2 pursuant to subdivision (a) elapses before the audit has been
3 completed, a developer shall not deploy the covered ADS or make
4 the covered ADS available to potential deployers until the audit
5 has been completed.
6   *(I) A developer that receives feedback from an auditor pursuant*
7 *to this paragraph shall do both of the following:*
8   *(i) Consider and attempt to incorporate that feedback into the*
9 *development of any subsequent version of a covered ADS.*
10   *(ii) Make a high-level summary of the feedback publicly*
11 *available at no cost to users of the developer's internet website.*
12   (c) (1) A developer that sells, licenses, or otherwise transfers
13 a covered ADS to a potential deployer shall provide the deployer
14 with all of the following:
15   (A) The results of the most recent performance evaluation
16 conducted on the covered ADS by the developer pursuant to this
17 chapter.
18   (B) For each developer-approved use of the covered ADS,
19 instructions explaining how the covered ADS should be used by
20 the deployer to make or facilitate a consequential decision.
21   (C) For each developer-approved use of the covered ADS, a
22 description of whether and under what circumstances the covered
23 ADS can be fine-tuned.
24   (D) An explanation of the deployer's responsibilities under this
25 chapter, including a description of any circumstances under which
26 the deployer would assume the responsibilities of a developer
27 pursuant to subdivision (h) of Section 22756.2.
28   (E) (i) Any technical information necessary for the deployer
29 to comply with this chapter.
30   (ii) A developer shall not be required to provide additional
31 technical information to a deployer that has assumed the
32 responsibilities of a developer pursuant to subdivision (h) of
33 Section 22756.2.
34   (2) (A) A developer that provides documentation to a potential
35 deployer pursuant to this subdivision may make reasonable
36 redactions for the purpose of protecting trade secrets.
37   (B) To the extent that a developer withholds information
38 pursuant to subparagraph (A), the developer shall notify the
39 deployer and provide a basis for the withholding.

1 (d) A developer that receives an impact assessment from an
2 auditor of a deployed covered ADS pursuant to subdivision (b) of
3 Section 22756.3 shall provide all of the following information to
4 any deployer of the covered ADS:
5 (A) Any material differences between the expected accuracy of
6 the covered ADS and the observed accuracy of the covered ADS
7 and the deployment conditions under which those differences are
8 reasonably likely to occur.
9 (B) Any material differences between the expected reliability
10 of the covered ADS and the observed reliability of the covered
11 ADS and the deployment conditions under which those differences
12 are reasonably likely to occur.
13 (C) Any unanticipated disparate impacts resulting from the use
14 of the covered ADS and the deployment conditions under which
15 those disparate impacts are reasonably likely to occur.
16 (D) An explanation of any steps the deployer can take to mitigate
17 these discrepancies.
18 (e) A developer that receives feedback from an auditor pursuant
19 to this chapter shall consider and attempt to incorporate that
20 feedback into the development of any subsequent version of a
21 covered ADS.
22 (f) A developer that provides documentation to a deployer
23 pursuant to this section shall ensure the documentation is all of
24 the following:
25 (A) Transmitted directly to the deployer or otherwise made
26 available in a manner reasonably calculated to ensure the deployer
27 receives the documentation.
28 (B) Provided in English and in any other language the developer
29 regularly uses to communicate with deployers.
30 (C) Presented in a manner that ensures the communication
31 clearly and effectively conveys the required information to the
32 deployer.
33 (g) A developer that deploys a covered ADS or makes a covered
34 ADS available to potential deployers shall maintain all of the
35 following documentation in an unredacted format for as long as
36 the ~~covered ADS remains deployed or~~ *developer deploys the*
37 *covered ADS or makes the covered ADS* available to potential
38 deployers plus 10 years:
39 (1) The results of any performance evaluations conducted on
40 the covered ADS pursuant to this chapter.

1   (2) Any documentation provided to deployers pursuant to this
2 chapter.
3   (3) Any documentation provided to, or received from, auditors
4 pursuant to this chapter.
5   (4) Records of any redactions made pursuant to this chapter.
6   (h) It is unlawful to advertise to consumers in the state that a
7 covered ADS is capable of performing in a manner not
8 substantiated by the results of the most recent performance
9 evaluation conducted on the covered ADS.
10   (i) (1) A developer that deploys a covered ADS or makes a
11 covered ADS available to potential deployers shall designate at
12 least one employee to oversee the developer's compliance with
13 this chapter.
14   (2) A developer shall require an employee designated pursuant
15 to this subdivision to conduct a prompt and comprehensive review
16 of any credible compliance issue raised to that employee.
17   22756.2. (a) (1) Except as provided in paragraph (2), before
18 ~~finalizing~~ *a deployer finalizes* a consequential decision made or
19 facilitated by a covered ADS, ~~a~~ *the* deployer shall provide any
20 subject of that decision with a plain language written disclosure
21 containing all of the following information:
22   (A) A statement informing the subject that a covered ADS will
23 be used to make or facilitate the consequential decision.
24   (B) The name, version number, and developer of the covered
25 ADS.
26   (C) Whether the deployer's use of the covered ADS is within
27 the scope of a developer-approved use and a description of that
28 use.
29   (D) (i) The personal characteristics or attributes of the subject
30 that the covered ADS measures or assesses to make or facilitate
31 the consequential decision.
32   (ii) The sources of personal information collected from the
33 subject to make or facilitate the consequential decision.
34   (iii) Any key parameters known to disproportionately affect the
35 outcome of the consequential decision.
36   (E) The structure and format of the outputs of the covered ADS
37 and a plain language description of how those outputs are used to
38 make or facilitate the consequential decision.
39   (F) Whether a natural person will review either of the following
40 before the consequential decision is finalized:

1   (i) The outputs of the covered ADS.
2   (ii) The outcome of the consequential decision.
3   (G) The subject's rights under subdivisions (b) and ~~(c)~~ *(d)* and
4 the means and timeframe for exercising those rights.
5   (H) (i) Contact information for the deployer.
6   (ii) Contact information for the entity that manages the covered
7 ADS, if that entity is not the deployer.
8   (iii) Contact information for the entity that will interpret the
9 results of the covered ADS, if that entity is not the deployer.
10   (2) Paragraph (1) does not apply if the subject of the
11 consequential decision is having a medical emergency.
12   (b) (1) Before ~~finalizing~~ *a deployer finalizes* a consequential
13 decision made or facilitated by a covered ADS, ~~a~~ *the* deployer
14 shall provide any subject of that decision with a reasonable
15 opportunity to opt out of the use of the covered ADS.
16   (2) (A) A deployer may deny a request to opt out of the use of
17 a covered ADS if either of the following is true:
18   (i) The deployer is subject to the federal Gramm-Leach-Bliley
19 Act, and the covered ADS makes or facilitates a consequential
20 decision pursuant to paragraph (7) of subdivision (c) of Section
21 22756.
22   (ii) The subject of the consequential decision is having a medical
23 emergency.
24   (B) A deployer that denies a request to opt out of the use of a
25 covered ADS pursuant to subparagraph (A) shall provide the
26 subject with an explanation of the basis for the denial.
27   (c) (1) After a *deployer finalizes a* consequential decision ~~is~~
28 ~~finalized,~~ *made or facilitated by a covered ADS, the deployer shall*
29 *provide any subject of that decision with* a plain language written
30 disclosure ~~shall be provided~~ *containing all of the following*
31 *information* within five ~~days, and the disclosure shall include all~~
32 ~~of the information:~~ *days:*
33   (A) The personal characteristics or attributes of the subject that
34 the covered ADS ~~measured or assessed~~ *used* to make or facilitate
35 the consequential decision.
36   (B) The sources of personal information collected from the
37 subject that were used to make or facilitate the consequential
38 decision.
39   (C) Any key parameters that disproportionately affected the
40 outcome of the consequential decision.

1   (D) The structure and format of the outputs of the covered ADS
2 and a plain language description of how those outputs were used
3 to make or facilitate the consequential decision.
4   (E) The role that the ADS played in making the consequential
5 decision and whether any human judgment was involved.
6   (F) Contact information for the deployer.
7   (G) Contact information for the entity that manages the covered
8 ADS, if that entity is not the deployer.
9   (H) Contact information for the entity that will interpret the
10 results of the covered ADS, if that entity is not the deployer.
11   (I) The subject's rights under subdivision (d) and the means and
12 timeframe for exercising those rights.
13   (2) Paragraph (1) ~~is~~ *does* not ~~applicable~~ *apply* if the subject of
14 the consequential decision is having a medical emergency.
15   (3) A deployer that provides documentation to a subject of a
16 consequential decision pursuant to this subdivision shall ensure
17 the documentation is all of the following:
18   (A) Transmitted directly to the subject.
19   (B) Provided in English and in any other language that the
20 deployer regularly uses to communicate with subjects.
21   (C) Made available in formats that are accessible to people who
22 are blind or have other disabilities.
23   (D) Presented in a manner that ensures the communication
24 clearly and effectively conveys the required information to the
25 subject.
26   (d) After ~~finalizing~~ *a deployer finalizes* a consequential decision
27 made or facilitated by a covered ADS, ~~a~~ *the* deployer shall provide
28 any subject of that decision with an opportunity to do both of the
29 following within 30 business days:
30   (1) (A) Correct any incorrect personal information used by the
31 covered ADS to make or facilitate the consequential decision.
32   (B) A deployer shall comply with a request to correct personal
33 information within 30 business days of receiving the request if the
34 request is accompanied by documentation sufficient to assess the
35 basis for the request.
36   (C) (i) If a deployer determines that complying with a request
37 to correct personal information would change the outcome of the
38 consequential decision, the deployer shall, within 30 days of
39 making the determination, rectify the decision.

 1   (ii) If a deployer determines that complying with a request to
 2 correct personal information would not change the outcome of the
 3 consequential decision, the deployer shall, within 30 days of
 4 making the determination, inform the subject that the correction
 5 was made but that it did not alter the decision.
 6   (D) A deployer that denies a request to correct personal
 7 information shall do both of the following:
 8   (i) Provide the subject with an explanation of the basis for the
 9 denial.
10   (ii) Provide the subject with a reasonable opportunity to request
11 that the deployer delete the subject's personal information.
12   (2) (A) Appeal the outcome of the consequential decision.
13   (B) A deployer shall review a request to appeal a consequential
14 decision within 30 business days of receiving the ~~request.~~ *request*
15 *if the request is accompanied by documentation sufficient to assess*
16 *the basis for the request.*
17   (C) (i) If a deployer determines that the original decision ~~is~~ *was*
18 incorrect, the deployer shall, within 30 days of making the
19 determination, rectify the decision.
20   (ii) If a deployer determines that the original decision ~~is~~ *was*
21 correct, the deployer shall, within 30 days of making the
22 determination, inform the subject that the consequential decision
23 will not be altered.
24   (D) A deployer that denies a request to appeal the outcome of
25 a consequential decision shall provide the subject with an
26 explanation of the basis for the denial.
27   (e) (1) (A) A deployer that provides documentation to the
28 subject of a consequential decision pursuant to this section may
29 make reasonable redactions for the purpose of protecting trade
30 secrets.
31   (B) To the extent that a deployer withholds information pursuant
32 to paragraph (1), the deployer shall notify the subject and provide
33 a basis for the withholding.
34   (2) A deployer that is required by another state or federal law
35 to provide substantially similar notice to a subject of a
36 consequential decision need not duplicatively provide notice to
37 the subject under this section.
38   (f) A deployer's collection, use, retention, and sharing of
39 personal information from a subject of a consequential decision
40 shall be reasonably necessary and proportionate to achieve the

1 purposes for which the personal information was collected and
2 processed, or for another disclosed purpose that is compatible with
3 the context in which the personal information was collected, and
4 not further processed in a manner that is incompatible with those
5 purposes.
6   (g) (1) A deployer that uses a covered ADS to make or facilitate
7 consequential decisions directly impacting more than ~~5999~~ *5,999*
8 people in a given three-year period shall contract with an
9 independent third-party auditor to conduct an impact assessment
10 on the covered ADS before January 1, 2030, and every three years
11 thereafter.
12   (2) (A) Except pursuant to subparagraph (B), a deployer that
13 contracts with an auditor pursuant to this subdivision shall provide
14 the auditor with any available information that is reasonably
15 necessary for the auditor to conduct a comprehensive impact
16 assessment on the covered ADS.
17   (B) A deployer that provides documentation to an auditor
18 pursuant to this paragraph may make reasonable redactions for the
19 purpose of protecting trade secrets. To the extent that a deployer
20 withholds information, the developer shall notify the auditor and
21 provide a basis for the withholding.
22   (C) This paragraph shall not be construed to require a deployer
23 to collect any personal information from a subject of a
24 consequential decision beyond that which the deployer collects in
25 the ordinary course of business or as necessary to comply with
26 state or federal law.
27   (3) If the deadline for conducting an audit pursuant to paragraph
28 (1) elapses before the audit has been completed, a deployer shall
29 not use the covered ADS to make or facilitate consequential
30 decisions until the audit has been completed.
31   (h) A deployer that does any of the following assumes the
32 responsibilities of a developer under this chapter:
33   (1) Uses a covered ADS to make or facilitate consequential
34 decisions that directly impact more than ~~5999~~ *5,999* people in a
35 given three-year period, if the deployer did not receive *any*
36 documentation from the developer of the covered ADS pursuant
37 to subdivision (c) of Section ~~22756.1.~~ *22756.1 during the*
38 *three-year period.*
39   (2) Uses a covered ADS to make or facilitate consequential
40 decisions that directly impact more than ~~5999~~ *5,999* people in a

1 given three-year period, if the deployer's use of the covered ADS
2 is outside the scope of a developer-approved use.
3   (3) Substantially modifies an automated decision system and
4 does either of the following:
5   (A) Uses the substantially modified system to make or facilitate
6 consequential decisions that directly impact more than 5999 people
7 in a given three-year period.
8   (B) Makes the substantially modified system available to
9 potential deployers.
10   (i) A deployer that uses a covered ADS to make or facilitate a
11 consequential decision shall retain the following documentation
12 in an unredacted format for as long as the *deployer uses the* covered
13 ADS ~~remains deployed~~ plus 10 years:
14   (1) Any documentation received from developers pursuant to
15 this chapter.
16   (2) Any documentation provided pursuant to this section to
17 subjects of consequential decisions made or facilitated by the
18 covered ADS.
19   (3) Any requests to correct personal information made pursuant
20 to this section.
21   (4) Any requests to opt out of the use of the covered ADS made
22 pursuant to this section.
23   (5) Any requests to appeal the outcome of a consequential
24 decision made pursuant to this section.
25   (6) Any documentation provided to, or received from, auditors
26 pursuant to this chapter.
27   (7) Records of any redactions made pursuant to this section.
28   (j) (1) A deployer that uses a covered ADS to make or facilitate
29 a consequential decision shall designate at least one employee to
30 oversee the deployer's compliance with this chapter.
31   (2) A deployer shall require an employee designated pursuant
32 to this subdivision to conduct a prompt and comprehensive review
33 of any credible compliance issue *related to the deployer's use of*
34 *a covered ADS that is* raised to that employee.
35   (k) In addition to the requirements of this section, a deployer
36 that is a business subject to the California Consumer Privacy Act
37 of 2018 (Title 1.81.5 (commencing with Section 1798.100)) is
38 subject to any privacy-related opt-out and access regulation duly
39 adopted by the California Privacy Protection Agency pursuant to
40 subdivision (b) of Section 1798.199.40 of the Civil Code.

1 (*l*) This section shall become operative on January 1, 2027.
2   22756.3. (a) An auditor that conducts an impact assessment
3 on a covered ADS pursuant to subdivision (g) of Section 22756.2
4 shall do all of the following:
5   (1) *(A)* Request any information from the deployer of the
6 covered ADS that is reasonably necessary for the auditor to conduct
7 a comprehensive impact assessment.
8   *(B) This paragraph applies only to information gathered by the*
9 *deployer in the ordinary course of business.*
10   (2) Document all developer-approved uses of the covered ADS
11 that the deployer utilized during the relevant period.
12   (3)
13   *(2)* For each unique developer-approved use, *use of the covered*
14 *ADS by the deployer,* document all of the following:
15   (A) The observed accuracy and reliability of the covered ADS
16 over the relevant period.
17   (B) Whether the observed accuracy and reliability differed
18 materially from the expected accuracy and reliability of the covered
19 ADS, as described in documentation provided by a developer to
20 the deployer pursuant to this chapter.
21   (C) Whether any disparate impacts resulted from the deployer's
22 use of the covered ADS and the deployment conditions under
23 which those disparate impacts occurred.
24   (D) Whether each disparate impact was an anticipated disparate
25 impact, as described in documentation provided to the deployer
26 pursuant to this chapter.
27   (4)
28   *(3)* Whether the deployer used the covered ADS to make or
29 facilitate a consequential decision outside of the scope of a
30 developer-approved use.
31   (5)
32   *(4)* Whether the deployer assumed the responsibilities of a
33 developer pursuant to subdivision (h) of Section 22756.2.
34   (b) (1) After conducting an impact assessment on a covered
35 ADS, an auditor shall provide the results of the impact assessment
36 to *do* both of the following:
37   (A) The *Provide the results of the impact assessment to the*
38 deployer that contracted with the auditor to perform the impact
39 assessment.
40   (B) The developer of the covered ADS.

1 *(B) Make a high-level summary of the results of the impact*
2 *assessment publicly available at no cost to users of the auditor's*
3 *internet website.*
4 (2) The documentation required by this section shall be both of
5 the following:
6 (A) Provided in English and in any other language that the
7 auditor regularly uses to communicate with ~~developers and~~
8 deployers.
9 (B) Presented in a manner that ensures the communication
10 clearly and effectively conveys the required ~~information to the~~
11 ~~developer and deployer.~~ *information.*
12 (3) An auditor shall not ~~provide a developer~~ *make publicly*
13 *available* with the personal information of a subject of a
14 consequential decision made or facilitated by a covered ADS
15 without first obtaining the express consent of the subject.
16 22756.4. (a) (1) Within 30 days of receiving a request from
17 the Attorney General for a performance evaluation or impact
18 assessment prepared pursuant to this chapter, a developer, deployer,
19 or auditor of a covered ADS shall provide an unredacted copy of
20 the document to the Attorney General.
21 (2) The Attorney General may share performance evaluations
22 and impact assessments with other enforcement entities as
23 necessary for enforcement purposes.
24 (b) (1) The disclosure or sharing of a performance evaluation
25 or impact assessment pursuant to subdivision (a) does not constitute
26 a waiver of any attorney-client privilege, work-product protection,
27 or trade secret protection that might otherwise exist with respect
28 to any information contained in the performance evaluation or
29 impact assessment.
30 (2) A performance evaluation or impact assessment disclosed
31 or shared pursuant to subdivision (a) is exempt from the California
32 Public Records Act (Division 10 (commencing with Section
33 7920.000) of Title 1 of the Government Code).
34 (c) Each day a covered ADS is used for which a performance
35 evaluation or impact assessment has not been submitted to the
36 Attorney General pursuant to this section is an additional violation
37 of this section.
38 22756.5. (a) Any of the following public entities may bring a
39 civil action against a ~~developer or deployer~~ *developer, deployer,*
40 *or auditor* who violates this chapter:

1   (1) The Attorney General.
2   (2) A district attorney, county counsel, or city attorney for the
3 jurisdiction in which the violation occurred.
4   (3) A city prosecutor in any city having a full-time city
5 prosecutor with the consent of the district attorney.
6   (4) The Civil Rights Department.
7   (5) The Labor Commissioner with respect to employment-related
8 decisions only.
9   (b) A court may award a prevailing plaintiff who brings an
10 action pursuant to subdivision (a) all of the following:
11   (1) Injunctive relief.
12   (2) Declaratory relief.
13   (3) Reasonable attorney's fees and litigation costs.
14   (4) A civil penalty of up to twenty-five thousand dollars
15 ($25,000) per violation.
16   *(c) A developer or deployer who contracts with a third party to*
17 *perform the developer's or deployer's duties under this chapter,*
18 *other than those duties related to auditing, is subject to liability*
19 *under this chapter for the third party's failure to perform those*
20 *duties.*
21   22756.6. *(a)* This chapter does not apply to an automated
22 decision system the sole purpose of which is to do either of the
23 following:
24   ~~(a)~~
25   *(1)* Detect, protect against, or respond to cybersecurity incidents
26 or preserve the integrity or security of computer systems.
27   ~~(b)~~
28   *(2)* Operate aircraft in the national airspace.
29   *(b) The use of a consumer credit score to inform a consequential*
30 *decision does not itself create an obligation under this chapter.*
31   22756.7. (a) The rights, remedies, and penalties established
32 by this chapter are cumulative and shall not be construed to
33 supersede the rights, remedies, or penalties established under other
34 laws, including, but not limited to, Chapter 6 (commencing with
35 Section 12940) of Part 2.8 of Division 3 of Title 2 of the
36 Government Code and Section 51 of the Civil Code.
37   (b) This chapter does not diminish the rights, privileges, or
38 remedies of an employee under any other federal or state law or
39 under any employment contract or collective bargaining agreement.

1   (c) This chapter does not authorize any use of automated
2 decision systems that is limited, restricted, or prohibited under any
3 other applicable law.
4   (d) This chapter does not authorize disparate impacts or disparate
5 treatment ~~that are~~ limited, restricted, or prohibited under any other
6 applicable law.
7   ~~22756.8. A developer or deployer who contracts with a third~~
8 ~~party to comply with duties required under this chapter, other than~~
9 ~~those duties related to auditing, is subject to liability under this~~
10 ~~chapter for the third party's failure to comply with this chapter.~~
11   SEC. 2. Section 51 of the Civil Code, as amended by Section
12 2.5 of Chapter 779 of the Statutes of 2024, is amended to read:
13   51. (a) This section shall be known, and may be cited, as the
14 Unruh Civil Rights Act.
15   (b) All persons within the jurisdiction of this state are free and
16 equal, and no matter what their sex, race, color, religion, ancestry,
17 national origin, disability, medical condition, genetic information,
18 marital status, sexual orientation, citizenship, primary language,
19 or immigration status are entitled to the full and equal
20 accommodations, advantages, facilities, privileges, or services in
21 all business establishments of every kind whatsoever.
22   (c) This section shall not be construed to confer any right or
23 privilege on a person that is conditioned or limited by law or that
24 is applicable alike to persons of every sex, color, race, religion,
25 ancestry, national origin, disability, medical condition, marital
26 status, sexual orientation, citizenship, primary language, or
27 immigration status, or to persons regardless of their genetic
28 information.
29   (d) Nothing in this section shall be construed to require any
30 construction, alteration, repair, structural or otherwise, or
31 modification of any sort whatsoever, beyond that construction,
32 alteration, repair, or modification that is otherwise required by
33 other provisions of law, to any new or existing establishment,
34 facility, building, improvement, or any other structure, nor shall
35 anything in this section be construed to augment, restrict, or alter
36 in any way the authority of the State Architect to require
37 construction, alteration, repair, or modifications that the State
38 Architect otherwise possesses pursuant to other laws.
39   (e) For purposes of this section:

1 (1) "Disability" means any mental or physical disability as
2 defined in Sections 12926 and 12926.1 of the Government Code.
3 (2) (A) "Genetic information" means, with respect to any
4 individual, information about any of the following:
5 (i) The individual's genetic tests.
6 (ii) The genetic tests of family members of the individual.
7 (iii) The manifestation of a disease or disorder in family
8 members of the individual.
9 (B) "Genetic information" includes any request for, or receipt
10 of, genetic services, or participation in clinical research that
11 includes genetic services, by an individual or any family member
12 of the individual.
13 (C) "Genetic information" does not include information about
14 the sex or age of any individual.
15 (3) "Medical condition" has the same meaning as defined in
16 subdivision (i) of Section 12926 of the Government Code.
17 (4) "Race" is inclusive of traits associated with race, including,
18 but not limited to, hair texture and protective hairstyles. "Protective
19 hairstyles" includes, but is not limited to, such hairstyles as braids,
20 locs, and twists.
21 (5) "Religion" includes all aspects of religious belief,
22 observance, and practice.
23 (6) "Sex" includes, but is not limited to, pregnancy, childbirth,
24 or medical conditions related to pregnancy or childbirth. "Sex"
25 also includes, but is not limited to, a person's gender. "Gender"
26 means sex, and includes a person's gender identity and gender
27 expression. "Gender expression" means a person's gender-related
28 appearance and behavior whether or not stereotypically associated
29 with the person's assigned sex at birth.
30 (7) "Sex, race, color, religion, ancestry, national origin,
31 disability, medical condition, genetic information, marital status,
32 sexual orientation, citizenship, primary language, or immigration
33 status" includes any of the following:
34 (A) Any combination of those characteristics.
35 (B) A perception that the person has any particular characteristic
36 or characteristics within the listed categories or any combination
37 of those characteristics.
38 (C) A perception that the person is associated with a person
39 who has, or is perceived to have, any particular characteristic or

1 characteristics, or any combination of characteristics, within the
2 listed categories.
3 (8) "Sexual orientation" has the same meaning as defined in
4 subdivision (s) of Section 12926 of the Government Code.
5 (f) A violation of the right of any individual under the federal
6 Americans with Disabilities Act of 1990 (Public Law 101-336)
7 shall also constitute a violation of this section.
8 (g) Verification of immigration status and any discrimination
9 based upon verified immigration status, where required by federal
10 law, shall not constitute a violation of this section.
11 (h) Nothing in this section shall be construed to require the
12 provision of services or documents in a language other than
13 English, beyond that which is otherwise required by other
14 provisions of federal, state, or local law, including Section 1632.
15 (i) In an action alleging a violation of this section in which *the*
16 *defendant's development, modification, or use of* an automated
17 decision system, as defined in Section 22756 of the Business and
18 Professions Code, is alleged to have ~~committed~~ *caused* or
19 facilitated the violation, the extent to which the defendant complied
20 with Chapter 25 (commencing with Section 22756) of Division 8
21 of the Business and Professions Code is relevant to, but not
22 conclusive of, whether ~~a~~ *the* defendant violated this section.
23 SEC. 3. Article 3 (commencing with Section 12959) is added
24 to Chapter 6 of Part 2.8 of Division 3 of Title 2 of the Government
25 Code, to read:
26
27 Article 3. Automated Decision Systems
28
29 12959. In an action alleging a violation of this chapter in which
30 *the defendant's development, modification, or use of* an automated
31 decision system, as defined in Section 22756 of the Business and
32 Professions Code, is alleged to have ~~committed~~ *caused* or
33 facilitated the violation, the extent to which the defendant complied
34 with Chapter 24.6 (commencing with Section 22756) of Division
35 8 of the Business and Professions Code is relevant to, but not
36 conclusive of, whether ~~a~~ *the* defendant violated this chapter.
37 SEC. 4. The Legislature finds and declares that Section 1 of
38 this act, which adds Chapter 24.6 (commencing with Section
39 22756) to Division 8 of the Business and Professions Code,
40 imposes a limitation on the public's right of access to the meetings

1 of public bodies or the writings of public officials and agencies
2 within the meaning of Section 3 of Article I of the California
3 Constitution. Pursuant to that constitutional provision, the
4 Legislature makes the following findings to demonstrate the interest
5 protected by this limitation and the need for protecting that interest:
6   In order to protect proprietary information, it is necessary that
7 trade secrets disclosed in performance evaluations and impact
8 assessments to agencies and departments pursuant to Section 1 of
9 this act remain confidential.

O