

ASSEMBLY BILL

No. 1018

Introduced by Assembly Member Bauer-Kahan

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 introduced, 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 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.

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

22756. As used in this chapter:

(a) “Artificial intelligence” means an engineered or machine-based system that varies in its level of autonomy and that can, for explicit or implicit objectives, infer from the input it receives how to generate outputs that can influence physical or virtual environments.

(b) (1) “Automated decision system” means 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 used to assist or replace human discretionary decisionmaking and materially impacts natural persons.

(2) “Automated decision system” does not mean a spam email filter, firewall, antivirus software, identity and access management tool, calculator, database, dataset, or other compilation of data.

(c) “Consequential decision” means a decision that materially impacts the cost, terms, quality, or accessibility of any of the following to a natural person:

(1) Employment-related decisions.

(2) Education and vocational training as they relate to any of the following:

(A) Assessment and placement.

(B) Detecting student cheating and plagiarism.

(C) Accreditation.

(D) Certification.

(E) Admissions and enrollment.

(F) Discipline.

(G) Evaluation.

(H) Financial aid and scholarships.

(I) Proctoring.

(3) Housing and lodging as they relate to any of the following:

(A) Rental or short-term housing and lodging.

(B) Home appraisals.

(C) Rental subsidies.

(D) Publicly supported housing.

(4) Any of the following essential utilities:

(A) Electricity.

(B) Heat.

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

1 (2) “Developer-approved use” includes any reasonably
2 foreseeable fine tuning of the covered ADS.

3 (h) “Disparate impact” means a differential effect on a group
4 of individuals who share a protected characteristic.

5 (i) “Disparate treatment” means differential treatment of an
6 individual or group of individuals on the basis of a protected
7 characteristic.

8 (j) “Employment-related decision” means a decision made by
9 an employer, either directly or through a third party, that affects
10 wages, benefits, other compensation, hours, work schedule,
11 performance evaluation, hiring, discipline, promotion, termination,
12 job tasks and responsibilities, assignment of work, access to work
13 and training opportunities, productivity requirements, workplace
14 health and safety, or other terms or conditions of employment.

15 (k) (1) “Express consent” means an affirmative written
16 authorization that is granted in response to a notice that is all of
17 the following:

18 (A) Clear, meaningful, and prominent.

19 (B) Conveyed in a manner that a natural person would notice
20 and understand it.

21 (C) Not contained within a more general notice, agreement, or
22 set of terms and conditions.

23 (2) “Express consent” does not mean an authorization that is
24 either of the following:

25 (A) Inferred from inaction.

26 (B) Obtained through the use of a dark pattern, as defined in
27 Section 56.18 of the Civil Code.

28 (l) “Fine-tune” means to adjust the model parameters of an
29 automated decision system through exposure to additional data.

30 (m) “Labor Commissioner” means Chief of the Division of
31 Labor Standards Enforcement.

32 (n) “Personal information” has the same meaning as defined in
33 Section 1798.140 of the Civil Code.

34 (o) “Protected characteristic” means a characteristic listed in
35 subdivision (b) of Section 51 of the Civil Code.

36 (p) (1) “Substantial modification” means a new version, release,
37 update, or other modification to a covered ADS that materially
38 changes its uses or outputs.

39 (2) “Substantial modification” does not mean a modification
40 that results from fine tuning.

(q) “Trade secret” has the same meaning as in Section 3426.1 of the Civil Code.

22756.1. (a) (1) With respect to a covered ADS that was first deployed, or made available to potential deployers, before January 1, 2026, the developer of the covered ADS shall conduct an initial performance evaluation on the covered ADS before January 1, 2027, and shall additionally conduct a performance evaluation on the covered ADS under any of the following circumstances:

(A) Following any substantial modification of the covered ADS by the developer.

(B) Following any fine tuning of the covered ADS by the developer that materially changes the uses or outputs of the covered ADS.

(C) No more than one year after the developer last conducted a performance evaluation on the covered ADS, for as long as the developer deploys the covered ADS or makes the covered ADS available to potential deployers.

(2) With respect to a covered ADS that is first deployed or made available to potential deployers on or after January 1, 2026, the developer of the covered ADS shall conduct a performance evaluation on the covered ADS under any of the following circumstances:

(A) Before initially deploying the covered ADS or making the covered ADS available to potential deployers.

(B) Following any substantial modification of the covered ADS by the developer.

(C) Following any fine tuning of the covered ADS by the developer that materially changes the uses or outputs of the covered ADS.

(D) No more than one year after the developer last conducted a performance evaluation on the covered ADS, for as long as the developer deploys the covered ADS or makes the covered ADS available to potential deployers.

(b) In conducting a performance evaluation on a covered ADS, a developer shall do all of the following:

(1) Describe the purpose of the covered ADS.

(2) List and describe all developer-approved uses of the covered ADS.

1 (3) For each developer-approved use, assess the expected
2 performance of the covered ADS and document all of the
3 following:

4 (A) The expected accuracy and reliability of the covered ADS.

5 (B) Any reasonably foreseeable effects of fine tuning on the
6 accuracy and reliability of the covered ADS.

7 (4) For each developer-approved use, assess whether any
8 disparate treatment is intended to occur and document all of the
9 following:

10 (A) Whether the covered ADS is intended to treat individuals
11 or groups of individuals differently on the basis of a protected
12 characteristic.

13 (B) For each disparate treatment identified under subparagraph
14 (A), describe all of the following:

15 (i) The conditions under which the disparate treatment is
16 intended to occur.

17 (ii) Whether the disparate treatment is necessary for a
18 developer-approved use.

19 (iii) Whether any alternatives not involving disparate treatment
20 were considered.

21 (C) Any reasonably foreseeable effects of fine tuning on
22 disparate treatment.

23 (5) For each developer-approved use, assess whether any
24 disparate impacts are reasonably likely to occur and document all
25 of the following:

26 (A) Whether the covered ADS is reasonably likely to treat
27 groups of individuals who share a protected characteristic
28 differently.

29 (B) For each disparate impact identified under subparagraph
30 (A), describe all of the following:

31 (i) The conditions under which that disparate impact is
32 reasonably likely to occur.

33 (ii) Whether the disparate impact is necessary for a
34 developer-approved use.

35 (iii) Whether any alternatives not involving disparate impacts
36 were considered.

37 (C) Whether any measures have been taken by the developer
38 to mitigate the risk of unanticipated disparate impacts resulting
39 from the use of the covered ADS.

1 (D) With respect to a covered ADS that has been deployed,
2 whether any unanticipated disparate impacts have been reported
3 to the developer by a deployer, and whether the developer has
4 taken any measures to mitigate those disparate impacts.

5 (E) Any reasonably foreseeable effects of fine tuning on
6 disparate impacts.

7 (6) (A) Contract with an independent third-party auditor to
8 assess the developer's compliance with this subdivision.

9 (B) (i) Except pursuant to clause (ii), a developer that contracts
10 with an auditor pursuant to this paragraph shall provide the auditor
11 with any available information that is reasonably necessary for the
12 auditor to comprehensively assess developer compliance.

13 (ii) A developer that provides documentation to an auditor
14 pursuant to this subparagraph may make reasonable redactions for
15 the purpose of protecting trade secrets. To the extent that a
16 developer withholds information, the developer shall notify the
17 auditor and provide a basis for the withholding.

18 (C) If the deadline for conducting a performance evaluation
19 pursuant to subdivision (a) elapses before the audit has been
20 completed, a developer shall not deploy the covered ADS or make
21 the covered ADS available to potential deployers until the audit
22 has been completed.

23 (c) (1) A developer that sells, licenses, or otherwise transfers
24 a covered ADS to a potential deployer shall provide the deployer
25 with all of the following:

26 (A) The results of the most recent performance evaluation
27 conducted on the covered ADS by the developer pursuant to this
28 chapter.

29 (B) For each developer-approved use of the covered ADS,
30 instructions explaining how the covered ADS should be used by
31 the deployer to make or facilitate a consequential decision.

32 (C) For each developer-approved use of the covered ADS, a
33 description of whether and under what circumstances the covered
34 ADS can be fine-tuned.

35 (D) An explanation of the deployer's responsibilities under this
36 chapter, including a description of any circumstances under which
37 the deployer would assume the responsibilities of a developer
38 pursuant to subdivision (h) of Section 22756.2.

39 (E) (i) Any technical information necessary for the deployer
40 to comply with this chapter.

1 (ii) A developer shall not be required to provide additional
2 technical information to a deployer that has assumed the
3 responsibilities of a developer pursuant to subdivision (h) of
4 Section 22756.2.

5 (2) (A) A developer that provides documentation to a potential
6 deployer pursuant to this subdivision may make reasonable
7 redactions for the purpose of protecting trade secrets.

8 (B) To the extent that a developer withholds information
9 pursuant to subparagraph (A), the developer shall notify the
10 deployer and provide a basis for the withholding.

11 (d) A developer that receives an impact assessment from an
12 auditor of a deployed covered ADS pursuant to subdivision (b) of
13 Section 22756.3 shall provide all of the following information to
14 any deployer of the covered ADS:

15 (A) Any material differences between the expected accuracy of
16 the covered ADS and the observed accuracy of the covered ADS
17 and the deployment conditions under which those differences are
18 reasonably likely to occur.

19 (B) Any material differences between the expected reliability
20 of the covered ADS and the observed reliability of the covered
21 ADS and the deployment conditions under which those differences
22 are reasonably likely to occur.

23 (C) Any unanticipated disparate impacts resulting from the use
24 of the covered ADS and the deployment conditions under which
25 those disparate impacts are reasonably likely to occur.

26 (D) An explanation of any steps the deployer can take to mitigate
27 these discrepancies.

28 (e) A developer that receives feedback from an auditor pursuant
29 to this chapter shall consider and attempt to incorporate that
30 feedback into the development of any subsequent version of a
31 covered ADS.

32 (f) A developer that provides documentation to a deployer
33 pursuant to this section shall ensure the documentation is all of
34 the following:

35 (A) Transmitted directly to the deployer or otherwise made
36 available in a manner reasonably calculated to ensure the deployer
37 receives the documentation.

38 (B) Provided in English and in any other language the developer
39 regularly uses to communicate with deployers.

1 (C) Presented in a manner that ensures the communication
2 clearly and effectively conveys the required information to the
3 deployer.

4 (g) A developer that deploys a covered ADS or makes a covered
5 ADS available to potential deployers shall maintain all of the
6 following documentation in an unredacted format for as long as
7 the covered ADS remains deployed or available to potential
8 deployers plus 10 years:

9 (1) The results of any performance evaluations conducted on
10 the covered ADS pursuant to this chapter.

11 (2) Any documentation provided to deployers pursuant to this
12 chapter.

13 (3) Any documentation provided to, or received from, auditors
14 pursuant to this chapter.

15 (4) Records of any redactions made pursuant to this chapter.

16 (h) It is unlawful to advertise to consumers in the state that a
17 covered ADS is capable of performing in a manner not
18 substantiated by the results of the most recent performance
19 evaluation conducted on the covered ADS.

20 (i) (1) A developer that deploys a covered ADS or makes a
21 covered ADS available to potential deployers shall designate at
22 least one employee to oversee the developer's compliance with
23 this chapter.

24 (2) A developer shall require an employee designated pursuant
25 to this subdivision to conduct a prompt and comprehensive review
26 of any credible compliance issue raised to that employee.

27 22756.2. (a) (1) Except as provided in paragraph (2), before
28 finalizing a consequential decision made or facilitated by a covered
29 ADS, a deployer shall provide any subject of that decision with a
30 plain language written disclosure containing all of the following
31 information:

32 (A) A statement informing the subject that a covered ADS will
33 be used to make or facilitate the consequential decision.

34 (B) The name, version number, and developer of the covered
35 ADS.

36 (C) Whether the deployer's use of the covered ADS is within
37 the scope of a developer-approved use and a description of that
38 use.

1 (D) (i) The personal characteristics or attributes of the subject
2 that the covered ADS measures or assesses to make or facilitate
3 the consequential decision.

4 (ii) The sources of personal information collected from the
5 subject to make or facilitate the consequential decision.

6 (iii) Any key parameters known to disproportionately affect the
7 outcome of the consequential decision.

8 (E) The structure and format of the outputs of the covered ADS
9 and a plain language description of how those outputs are used to
10 make or facilitate the consequential decision.

11 (F) Whether a natural person will review either of the following
12 before the consequential decision is finalized:

13 (i) The outputs of the covered ADS.

14 (ii) The outcome of the consequential decision.

15 (G) The subject's rights under subdivisions (b) and (c) and the
16 means and timeframe for exercising those rights.

17 (H) (i) Contact information for the deployer.

18 (ii) Contact information for the entity that manages the covered
19 ADS, if that entity is not the deployer.

20 (iii) Contact information for the entity that will interpret the
21 results of the covered ADS, if that entity is not the deployer.

22 (2) Paragraph (1) does not apply if the subject of the
23 consequential decision is having a medical emergency.

24 (b) (1) Before finalizing a consequential decision made or
25 facilitated by a covered ADS, a deployer shall provide any subject
26 of that decision with a reasonable opportunity to opt out of the use
27 of the covered ADS.

28 (2) (A) A deployer may deny a request to opt out of the use of
29 a covered ADS if either of the following is true:

30 (i) The deployer is subject to the federal Gramm-Leach-Bliley
31 Act, and the covered ADS makes or facilitates a consequential
32 decision pursuant to paragraph (7) of subdivision (c) of Section
33 22756.

34 (ii) The subject of the consequential decision is having a medical
35 emergency.

36 (B) A deployer that denies a request to opt out of the use of a
37 covered ADS pursuant to subparagraph (A) shall provide the
38 subject with an explanation of the basis for the denial.

1 (c) (1) After a consequential decision is finalized, a plain
2 language written disclosure shall be provided within five days,
3 and the disclosure shall include all of the information:

4 (A) The personal characteristics or attributes of the subject that
5 the covered ADS measured or assessed to make or facilitate the
6 consequential decision.

7 (B) The sources of personal information collected from the
8 subject that were used to make or facilitate the consequential
9 decision.

10 (C) Any key parameters that disproportionately affected the
11 outcome of the consequential decision.

12 (D) The structure and format of the outputs of the covered ADS
13 and a plain language description of how those outputs were used
14 to make or facilitate the consequential decision.

15 (E) The role that the ADS played in making the consequential
16 decision and whether any human judgment was involved.

17 (F) Contact information for the deployer.

18 (G) Contact information for the entity that manages the covered
19 ADS, if that entity is not the deployer.

20 (H) Contact information for the entity that will interpret the
21 results of the covered ADS, if that entity is not the deployer.

22 (I) The subject's rights under subdivision (d) and the means and
23 timeframe for exercising those rights.

24 (2) Paragraph (1) is not applicable if the subject of the
25 consequential decision is having a medical emergency.

26 (3) A deployer that provides documentation to a subject of a
27 consequential decision pursuant to this subdivision shall ensure
28 the documentation is all of the following:

29 (A) Transmitted directly to the subject.

30 (B) Provided in English and in any other language that the
31 deployer regularly uses to communicate with subjects.

32 (C) Made available in formats that are accessible to people who
33 are blind or have other disabilities.

34 (D) Presented in a manner that ensures the communication
35 clearly and effectively conveys the required information to the
36 subject.

37 (d) After finalizing a consequential decision made or facilitated
38 by a covered ADS, a deployer shall provide any subject of that
39 decision with an opportunity to do both of the following within
40 30 business days:

1 (1) (A) Correct any incorrect personal information used by the
2 covered ADS to make or facilitate the consequential decision.

3 (B) A deployer shall comply with a request to correct personal
4 information within 30 business days of receiving the request if the
5 request is accompanied by documentation sufficient to assess the
6 basis for the request.

7 (C) (i) If a deployer determines that complying with a request
8 to correct personal information would change the outcome of the
9 consequential decision, the deployer shall, within 30 days of
10 making the determination, rectify the decision.

11 (ii) If a deployer determines that complying with a request to
12 correct personal information would not change the outcome of the
13 consequential decision, the deployer shall, within 30 days of
14 making the determination, inform the subject that the correction
15 was made but that it did not alter the decision.

16 (D) A deployer that denies a request to correct personal
17 information shall do both of the following:

18 (i) Provide the subject with an explanation of the basis for the
19 denial.

20 (ii) Provide the subject with a reasonable opportunity to request
21 that the deployer delete the subject's personal information.

22 (2) (A) Appeal the outcome of the consequential decision.

23 (B) A deployer shall review a request to appeal a consequential
24 decision within 30 business days of receiving the request.

25 (C) (i) If a deployer determines that the original decision is
26 incorrect, the deployer shall, within 30 days of making the
27 determination, rectify the decision.

28 (ii) If a deployer determines that the original decision is correct,
29 the deployer shall, within 30 days of making the determination,
30 inform the subject that the consequential decision will not be
31 altered.

32 (D) A deployer that denies a request to appeal the outcome of
33 a consequential decision shall provide the subject with an
34 explanation of the basis for the denial.

35 (e) (1) (A) A deployer that provides documentation to the
36 subject of a consequential decision pursuant to this section may
37 make reasonable redactions for the purpose of protecting trade
38 secrets.

1 (B) To the extent that a deployer withholds information pursuant
2 to paragraph (1), the deployer shall notify the subject and provide
3 a basis for the withholding.

4 (2) A deployer that is required by another state or federal law
5 to provide substantially similar notice to a subject of a
6 consequential decision need not duplicatively provide notice to
7 the subject under this section.

8 (f) A deployer's collection, use, retention, and sharing of
9 personal information from a subject of a consequential decision
10 shall be reasonably necessary and proportionate to achieve the
11 purposes for which the personal information was collected and
12 processed, or for another disclosed purpose that is compatible with
13 the context in which the personal information was collected, and
14 not further processed in a manner that is incompatible with those
15 purposes.

16 (g) (1) A deployer that uses a covered ADS to make or facilitate
17 consequential decisions directly impacting more than 5999 people
18 in a given three-year period shall contract with an independent
19 third-party auditor to conduct an impact assessment on the covered
20 ADS before January 1, 2030, and every three years thereafter.

21 (2) (A) Except pursuant to subparagraph (B), a deployer that
22 contracts with an auditor pursuant to this subdivision shall provide
23 the auditor with any available information that is reasonably
24 necessary for the auditor to conduct a comprehensive impact
25 assessment on the covered ADS.

26 (B) A deployer that provides documentation to an auditor
27 pursuant to this paragraph may make reasonable redactions for the
28 purpose of protecting trade secrets. To the extent that a deployer
29 withholds information, the developer shall notify the auditor and
30 provide a basis for the withholding.

31 (C) This paragraph shall not be construed to require a deployer
32 to collect any personal information from a subject of a
33 consequential decision beyond that which the deployer collects in
34 the ordinary course of business or as necessary to comply with
35 state or federal law.

36 (3) If the deadline for conducting an audit pursuant to paragraph
37 (1) elapses before the audit has been completed, a deployer shall
38 not use the covered ADS to make or facilitate consequential
39 decisions until the audit has been completed.

1 (h) A deployer that does any of the following assumes the
2 responsibilities of a developer under this chapter:

3 (1) Uses a covered ADS to make or facilitate consequential
4 decisions that directly impact more than 5999 people in a given
5 three-year period, if the deployer did not receive documentation
6 from the developer of the covered ADS pursuant to subdivision
7 (c) of Section 22756.1.

8 (2) Uses a covered ADS to make or facilitate consequential
9 decisions that directly impact more than 5999 people in a given
10 three-year period, if the deployer's use of the covered ADS is
11 outside the scope of a developer-approved use.

12 (3) Substantially modifies an automated decision system and
13 does either of the following:

14 (A) Uses the substantially modified system to make or facilitate
15 consequential decisions that directly impact more than 5999 people
16 in a given three-year period.

17 (B) Makes the substantially modified system available to
18 potential deployers.

19 (i) A deployer that uses a covered ADS to make or facilitate a
20 consequential decision shall retain the following documentation
21 in an unredacted format for as long as the covered ADS remains
22 deployed plus 10 years:

23 (1) Any documentation received from developers pursuant to
24 this chapter.

25 (2) Any documentation provided pursuant to this section to
26 subjects of consequential decisions made or facilitated by the
27 covered ADS.

28 (3) Any requests to correct personal information made pursuant
29 to this section.

30 (4) Any requests to opt out of the use of the covered ADS made
31 pursuant to this section.

32 (5) Any requests to appeal the outcome of a consequential
33 decision made pursuant to this section.

34 (6) Any documentation provided to, or received from, auditors
35 pursuant to this chapter.

36 (7) Records of any redactions made pursuant to this section.

37 (j) (1) A deployer that uses a covered ADS to make or facilitate
38 a consequential decision shall designate at least one employee to
39 oversee the deployer's compliance with this chapter.

(2) A deployer shall require an employee designated pursuant to this subdivision to conduct a prompt and comprehensive review of any credible compliance issue raised to that employee.

(k) In addition to the requirements of this section, a deployer that is a business subject to the California Consumer Privacy Act of 2018 (Title 1.81.5 (commencing with Section 1798.100)) is subject to any privacy-related opt-out and access regulation duly adopted by the California Privacy Protection Agency pursuant to subdivision (b) of Section 1798.199.40 of the Civil Code.

(l) This section shall become operative on January 1, 2027.

22756.3. (a) An auditor that conducts an impact assessment on a covered ADS pursuant to subdivision (g) of Section 22756.2 shall do all of the following:

(1) Request any information from the deployer of the covered ADS that is reasonably necessary for the auditor to conduct a comprehensive impact assessment.

(2) Document all developer-approved uses of the covered ADS that the deployer utilized during the relevant period.

(3) For each unique developer-approved use, document all of the following:

(A) The observed accuracy and reliability of the covered ADS over the relevant period.

(B) Whether the observed accuracy and reliability differed materially from the expected accuracy and reliability of the covered ADS, as described in documentation provided by a developer to the deployer pursuant to this chapter.

(C) Whether any disparate impacts resulted from the deployer's use of the covered ADS and the deployment conditions under which those disparate impacts occurred.

(D) Whether each disparate impact was an anticipated disparate impact, as described in documentation provided to the deployer pursuant to this chapter.

(4) Whether the deployer used the covered ADS to make or facilitate a consequential decision outside of the scope of a developer-approved use.

(5) Whether the deployer assumed the responsibilities of a developer pursuant to subdivision (h) of Section 22756.2.

(b) (1) After conducting an impact assessment on a covered ADS, an auditor shall provide the results of the impact assessment to both of the following:

1 (A) The deployer that contracted with the auditor to perform
2 the impact assessment.

3 (B) The developer of the covered ADS.

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.

12 (3) An auditor shall not provide a developer with the personal
13 information of a subject of a consequential decision made or
14 facilitated by a covered ADS without first obtaining the express
15 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 who violates this
40 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 22756.6. This chapter does not apply to an automated decision
17 system the sole purpose of which is to do either of the following:

18 (a) Detect, protect against, or respond to cybersecurity incidents
19 or preserve the integrity or security of computer systems.

20 (b) Operate aircraft in the national airspace.

21 22756.7. (a) The rights, remedies, and penalties established
22 by this chapter are cumulative and shall not be construed to
23 supersede the rights, remedies, or penalties established under other
24 laws, including, but not limited to, Chapter 6 (commencing with
25 Section 12940) of Part 2.8 of Division 3 of Title 2 of the
26 Government Code and Section 51 of the Civil Code.

27 (b) This chapter does not diminish the rights, privileges, or
28 remedies of an employee under any other federal or state law or
29 under any employment contract or collective bargaining agreement.

30 (c) This chapter does not authorize any use of automated
31 decision systems that is limited, restricted, or prohibited under any
32 other applicable law.

33 (d) This chapter does not authorize disparate impacts or disparate
34 treatment that are limited, restricted, or prohibited under any other
35 applicable law.

36 22756.8. A developer or deployer who contracts with a third
37 party to comply with duties required under this chapter, other than
38 those duties related to auditing, is subject to liability under this
39 chapter for the third party's failure to comply with this chapter.

SEC. 2. Section 51 of the Civil Code, as amended by Section 2.5 of Chapter 779 of the Statutes of 2024, is amended to read:

51. (a) This section shall be known, and may be cited, as the Unruh Civil Rights Act.

(b) All persons within the jurisdiction of this state are free and equal, and no matter what their sex, race, color, religion, ancestry, national origin, disability, medical condition, genetic information, marital status, sexual orientation, citizenship, primary language, or immigration status are entitled to the full and equal accommodations, advantages, facilities, privileges, or services in all business establishments of every kind whatsoever.

(c) This section shall not be construed to confer any right or privilege on a person that is conditioned or limited by law or that is applicable alike to persons of every sex, color, race, religion, ancestry, national origin, disability, medical condition, marital status, sexual orientation, citizenship, primary language, or immigration status, or to persons regardless of their genetic information.

(d) Nothing in this section shall be construed to require any construction, alteration, repair, structural or otherwise, or modification of any sort whatsoever, beyond that construction, alteration, repair, or modification that is otherwise required by other provisions of law, to any new or existing establishment, facility, building, improvement, or any other structure, nor shall anything in this section be construed to augment, restrict, or alter in any way the authority of the State Architect to require construction, alteration, repair, or modifications that the State Architect otherwise possesses pursuant to other laws.

(e) For purposes of this section:

(1) “Disability” means any mental or physical disability as defined in Sections 12926 and 12926.1 of the Government Code.

(2) (A) “Genetic information” means, with respect to any individual, information about any of the following:

- (i) The individual’s genetic tests.
- (ii) The genetic tests of family members of the individual.
- (iii) The manifestation of a disease or disorder in family members of the individual.

(B) “Genetic information” includes any request for, or receipt of, genetic services, or participation in clinical research that

1 includes genetic services, by an individual or any family member
2 of the individual.

3 (C) “Genetic information” does not include information about
4 the sex or age of any individual.

5 (3) “Medical condition” has the same meaning as defined in
6 subdivision (i) of Section 12926 of the Government Code.

7 (4) “Race” is inclusive of traits associated with race, including,
8 but not limited to, hair texture and protective hairstyles. “Protective
9 hairstyles” includes, but is not limited to, such hairstyles as braids,
10 locs, and twists.

11 (5) “Religion” includes all aspects of religious belief,
12 observance, and practice.

13 (6) “Sex” includes, but is not limited to, pregnancy, childbirth,
14 or medical conditions related to pregnancy or childbirth. “Sex”
15 also includes, but is not limited to, a person’s gender. “Gender”
16 means sex, and includes a person’s gender identity and gender
17 expression. “Gender expression” means a person’s gender-related
18 appearance and behavior whether or not stereotypically associated
19 with the person’s assigned sex at birth.

20 (7) “Sex, race, color, religion, ancestry, national origin,
21 disability, medical condition, genetic information, marital status,
22 sexual orientation, citizenship, primary language, or immigration
23 status” includes any of the following:

24 (A) Any combination of those characteristics.

25 (B) A perception that the person has any particular characteristic
26 or characteristics within the listed categories or any combination
27 of those characteristics.

28 (C) A perception that the person is associated with a person
29 who has, or is perceived to have, any particular characteristic or
30 characteristics, or any combination of characteristics, within the
31 listed categories.

32 (8) “Sexual orientation” has the same meaning as defined in
33 subdivision (s) of Section 12926 of the Government Code.

34 (f) A violation of the right of any individual under the federal
35 Americans with Disabilities Act of 1990 (Public Law 101-336)
36 shall also constitute a violation of this section.

37 (g) Verification of immigration status and any discrimination
38 based upon verified immigration status, where required by federal
39 law, shall not constitute a violation of this section.

1 (h) Nothing in this section shall be construed to require the
2 provision of services or documents in a language other than
3 English, beyond that which is otherwise required by other
4 provisions of federal, state, or local law, including Section 1632.

5 (i) *In an action alleging a violation of this section in which an*
6 *automated decision system, as defined in Section 22756 of the*
7 *Business and Professions Code, is alleged to have committed or*
8 *facilitated the violation, the extent to which the defendant complied*
9 *with Chapter 25 (commencing with Section 22756) of Division 8*
10 *of the Business and Professions Code is relevant to, but not*
11 *conclusive of, whether a defendant violated this section.*

12 SEC. 3. Article 3 (commencing with Section 12959) is added
13 to Chapter 6 of Part 2.8 of Division 3 of Title 2 of the Government
14 Code, to read:

15
16 Article 3. Automated Decision Systems
17

18 12959. In an action alleging a violation of this chapter in which
19 an automated decision system, as defined in Section 22756 of the
20 Business and Professions Code, is alleged to have committed or
21 facilitated the violation, the extent to which the defendant complied
22 with Chapter 24.6 (commencing with Section 22756) of Division
23 8 of the Business and Professions Code is relevant to, but not
24 conclusive of, whether a defendant violated this chapter.

25 SEC. 4. The Legislature finds and declares that Section 1 of
26 this act, which adds Chapter 24.6 (commencing with Section
27 22756) to Division 8 of the Business and Professions Code,
28 imposes a limitation on the public's right of access to the meetings
29 of public bodies or the writings of public officials and agencies
30 within the meaning of Section 3 of Article I of the California
31 Constitution. Pursuant to that constitutional provision, the
32 Legislature makes the following findings to demonstrate the interest
33 protected by this limitation and the need for protecting that interest:

34 In order to protect proprietary information, it is necessary that
35 trade secrets disclosed in performance evaluations and impact
36 assessments to agencies and departments pursuant to Section 1 of
37 this act remain confidential.