

AMENDED IN ASSEMBLY MARCH 24, 2025

CALIFORNIA LEGISLATURE—2025–26 REGULAR SESSION

ASSEMBLY BILL

No. 940

Introduced by Assembly Member Members Wicks, Ellis, and Hoover
(Principal coauthors: Senators Arreguín and Grayson)

February 19, 2025

~~An act to amend Section 22581 of the Business and Professions Code, relating to privacy. An act to add Chapter 37 (commencing with Section 7599.300) of Division 7 of Title 1 of the Government Code, relating to local government.~~

LEGISLATIVE COUNSEL'S DIGEST

AB 940, as amended, Wicks. ~~Privacy: minors.~~ Quantum Innovation Zones.

Existing law establishes procedures for the formation of infrastructure financing districts, enhanced infrastructure financing districts, infrastructure and revitalization financing districts, and community revitalization and investment authorities, as specified, to undertake various economic development projects, including financing public facilities and infrastructure, affordable housing, and economic revitalization.

This bill would authorize the establishment of a Quantum Innovation Zone by two or more cities and counties upon the adoption of a resolution by the legislative body of each city and county that states the intent of the city or county to participate in the Quantum Innovation Zone. The bill would require a Quantum Innovation Zone to be governed by a board of directors with a specified membership. The bill would task a Quantum Innovation Zone with various duties, including, among other things, identification of projects and programs that will best utilize

public dollars and improve the economic vitality of the Quantum Innovation Zone in a coordinated effort to support the development of the quantum computing economy.

The bill would require a Quantum Innovation Zone to create and maintain an internet website that is managed and updated by an entity designated by the board of directors, would require the board of directors to appoint a steering committee to produce a report each year gauging the progress of the zone, and would require the report to be posted on the zone's internet website, as specified.

~~Existing law requires an operator of an internet website, online service, online application, or mobile application (website) directed to minors or an operator of a website that has actual knowledge that a minor is using its website to take certain actions, including permitting a minor who is a registered user of the operator's website to remove or, if the operator prefers, to request and obtain removal of, content or information posted on the operator's website by the user.~~

~~This bill would make nonsubstantive changes to those provisions.~~

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

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

1 SECTION 1. The Legislature hereby finds and declares all of
2 the following:

3 (a) Earth is at a pivotal juncture in human history prompted by
4 a scientific paradigm shift. Quantum entanglement is a nonintuitive
5 but powerful property of the natural world, at the atomic and
6 subatomic level, where two or more quantum systems become so
7 connected that they affect each other even when separated by large
8 distances. The essentials of this phenomenon have been known for
9 over 100 years, but we now understand that quantum physics has
10 the potential to fundamentally change the world of computing. The
11 implications for society are astounding.

12 (b) The theory of quantum mechanics was developed early in
13 the 20th century to explain the counterintuitive wavelike and
14 particulate behavior of atomic and subatomic matter. In the 21st
15 century, humanity has begun to harness quantum mechanics to
16 develop an array of diverse technologies that can make quantum
17 computing a reality. California research institutions are at the
18 forefront of pioneering these techniques.

(c) Computers are designed to complete mechanical tasks rapidly and repeatedly. Yet storing data as binary bits with values of 0 and 1 has inherent limitations. The size of the computer grows linearly with the size of the problem. We are also reaching the physical limits of silicon semiconductor technology, with growth in speed and capacity described by Moore's Law coming close to its end point.

(d) If society does not shift its computing strategy, by 2050, as much as 40 percent of global energy consumption could come from maintaining and cooling computers. This would be untenable for the planet.

(e) Quantum bits (qubits) do not have precise values of 0 or 1. They simultaneously sample both values with probabilities intimately tied to the values of other qubits through entanglement. As a result, the size of the calculations they perform grows exponentially with the number of qubits. Quantum computers require orders of magnitude less energy and can tackle problems that would never be possible with conventional computers.

(f) As economic competition grows and businesses choose to go where there is investment, California has limited time to leverage its unmatched technological and scientific assets to lead the next generation and drive new economic growth.

SEC. 2. Chapter 37 (commencing with Section 7599.300) is added to Division 7 of Title 1 of the Government Code, to read:

CHAPTER 37. QUANTUM INNOVATION ZONES

7599.300. A Quantum Innovation Zone may be established by two or more cities and counties upon the adoption of a resolution by the legislative body of each city and county that states the intent of the city or county to participate in the Quantum Innovation Zone.

7599.301. The purpose of a Quantum Innovation Zone is to build upon California's comparative advantage provided by its concentration of academic, scientific, and technological assets, coupled with a highly skilled workforce, thereby prioritizing access to tax incentives, grants, loan programs, workforce training programs, and private sector investment in the quantum computing sector.

1 7599.302. (a) A Quantum Innovation Zone shall be governed
2 by a board of directors.

3 (b) The board of directors of a Quantum Innovation Zone shall
4 be comprised of representatives from seven stakeholder groups
5 who shall serve as voting directors, as follows:

6 (1) Local government directors, one from each of the cities and
7 counties that have adopted a resolution expressing its intent to
8 participate in the Quantum Innovation Zone. Each city and county
9 shall select one representative who shall serve a two-year term.

10 (2) Five large employer directors, located within one or more
11 of the cities and counties that have adopted a resolution. Each of
12 the five largest private employers in the fields of quantum
13 computing within the area of the Quantum Innovation Zone shall
14 select a representative who will serve a two-year term. Employer
15 size shall be based upon data from the local workforce board.

16 (3) Four state government directors.

17 (4) Five small business and economic development directors
18 who shall represent existing economic and business development
19 organizations that serve the cities and counties that have adopted
20 a resolution. These small business and economic development
21 representatives shall be nominated by the regional planning
22 agencies encompassing the geography of the Quantum Innovation
23 Zone and confirmed by the board to serve two-year terms.

24 (5) Five directors from universities, laboratories, and
25 foundations with specialized expertise and knowledge of quantum
26 computing, who shall, upon agreement by the regents, be
27 nominated by the Office of the President of the University of
28 California and confirmed by the board. These university,
29 laboratory, and foundation representatives shall serve two-year
30 terms.

31 (6) Five directors representing the five largest private sector
32 organized labor organizations whose membership works in the
33 cities and counties that have adopted a resolution to establish a
34 Quantum Innovation Zone. Each union shall select its own
35 representative to the Quantum Innovation Zone board who shall
36 each serve a two-year term.

37 (7) Five directors representing workforce development and
38 public and private educational entities that serve the cities and
39 counties that have adopted a resolution to establish a Quantum
40 Innovation Zone, at least one of whom shall be a representative

1 from the California State University and at least one of whom shall
2 be a representative from the California Community Colleges. These
3 workforce development and education representatives shall be
4 nominated by the regional planning agencies encompassing the
5 geography of the Quantum Innovation Zone and confirmed by the
6 board to serve two-year terms.

7 (8) Confirmation of a nominee for membership on the board of
8 directors shall be by majority vote of the sitting members of the
9 board.

10 (c) Every member of the Legislature and of the United States
11 Congress who represents the cities and counties that have adopted
12 a resolution to establish a Quantum Innovation Zone shall be ex
13 officio voting members of the board of directors.

14 (d) A board chair and two deputy chairs shall be selected by a
15 majority vote of the board. The chair and deputy chairs shall serve
16 two-year terms. An individual may serve as chair or deputy chair
17 more than once, however, they shall not serve consecutive terms.
18 The chair and deputy chairs shall be chosen from among the
19 following:

20 (1) One member shall be a Member of the Legislature who
21 represents one or more of the cities and counties that have adopted
22 a resolution to establish a Quantum Innovation Zone.

23 (2) One member shall be a representative from a local agency
24 in a city or county that has adopted a resolution to establish a
25 Quantum Innovation Zone.

26 (3) One member shall be a representative whose residence and
27 place of employment is within one or more of the cities and counties
28 that have adopted a resolution to establish a Quantum Innovation
29 Zone.

30 (e) A Quantum Innovation Zone shall also have an executive
31 board comprised of the chair, deputy chairs, and up to seven
32 members of the board of directors selected by a majority vote of
33 the board of directors.

34 (f) The members of the board of directors shall serve without
35 compensation.

36 (g) A member of the board of directors, including the chair,
37 shall, upon identifying a conflict of interest, or a potential conflict
38 of interest, regarding a matter before the board of directors of the
39 Quantum Innovation Zone, immediately and before consideration
40 of the matter, do all of the following:

1 (1) Provide written notice to the chair regarding the interest
2 that gives rise to the conflict of interest or potential conflict of
3 interest. In the case of the chair, written notice shall be given to
4 one of the deputy chairs.

5 (2) Recuse themselves from discussing or voting on the matter.

6 (3) Leave the meeting room until after discussion, vote, and any
7 other consideration of disposition of the matter is concluded.

8 (h) A member of the board of directors shall not use the name
9 of the Quantum Innovation Zone on any letterhead, business code,
10 or identification badge unless the person has been authorized to
11 do so by the board of directors.

12 7599.303. A Quantum Innovation Zone shall have all of the
13 following duties:

14 (a) Identification of projects and programs that will best utilize
15 public dollars and most quickly improve the economic vitality of
16 the Quantum Innovation Zone, especially those that leverage
17 federal, state, local, and private sector resources in a coordinated
18 effort to support the development of the quantum computing
19 economy.

20 (b) Work with members of the state's congressional delegation
21 and federal officials, including any relevant federal interagency
22 task force, to gain federal support for projects identified by the
23 zone as critical to the region's quantum computing economy.

24 (c) Partner with the University of California, the California
25 State University, community colleges, and the state's other research
26 and educational institutions, as well as private foundations, to
27 provide guidance, advice, and encouragement in support of studies
28 of particular interest and importance to quantum computing and
29 related industries.

30 (d) Review state policies and regulations to ensure they are fair
31 and appropriate for the state's diverse geographic regions,
32 including the Quantum Innovation Zone, and determine whether
33 alternative approaches can accomplish goals in less costly ways.

34 (e) Make recommendations to the Governor that would improve
35 the economic well-being of the region encompassing the Quantum
36 Innovation Zone and the quality of life of its residents.

37 (f) Create and maintain an internet website that is managed
38 and updated by an entity designated by the board of directors.

39 7599.304. (a) The board of directors of a Quantum Innovation
40 Zone shall appoint a steering committee that, on or before one

1 year after the establishment of a Quantum Innovation Zone, shall
2 develop metrics that shall be reported to the Legislature and state
3 departments and agencies gauging the progress of the zone that
4 shall include, but not be limited to, all of the following:

5 (1) The number of jobs that were gained and lost in the quantum
6 computing sector and related industries.

7 (2) The average wage of the jobs gained in the quantum
8 computing sector and related industries.

9 (3) The number and types of grants solicited and received by,
10 or on behalf of, the zone.

11 (4) The type and amount of workforce training conducted in the
12 zone, by whom it was provided, and the amount of capital
13 investment attached to provision of that training.

14 (b) The Quantum Innovation Zone shall annually post the report
15 described in subdivision (a) on its internet website and submit a
16 letter to the Legislature informing the Legislature that the report
17 has been posted.

18 SECTION 1. Section 22581 of the Business and Professions
19 Code is amended to read:

20 22581. (a) ~~An operator of an internet website, online service,~~
21 ~~online application, or mobile application directed to minors or an~~
22 ~~operator of an internet website, online service, online application,~~
23 ~~or mobile application that has actual knowledge that a minor is~~
24 ~~using its internet website, online service, online application, or~~
25 ~~mobile application shall do all of the following:~~

26 (1) ~~Permit a minor who is a registered user of the operator's~~
27 ~~internet website, online service, online application, or mobile~~
28 ~~application to remove or, if the operator prefers, to request and~~
29 ~~obtain removal of, content or information posted on the operator's~~
30 ~~internet website, online service, online application, or mobile~~
31 ~~application by the user.~~

32 (2) ~~Provide notice to a minor who is a registered user of the~~
33 ~~operator's internet website, online service, online application, or~~
34 ~~mobile application that the minor may remove or, if the operator~~
35 ~~prefers, request and obtain removal of, content or information~~
36 ~~posted on the operator's internet website, online service, online~~
37 ~~application, or mobile application by the registered user.~~

38 (3) ~~Provide clear instructions to a minor who is a registered user~~
39 ~~of the operator's internet website, online service, online application,~~
40 ~~or mobile application on how the user may remove or, if the~~

1 operator prefers, request and obtain the removal of content or
2 information posted on the operator's internet website, online
3 service, online application, or mobile application.

4 (4) Provide notice to a minor who is a registered user of the
5 operator's internet website, online service, online application, or
6 mobile application that the removal described under paragraph (1)
7 does not ensure complete or comprehensive removal of the content
8 or information posted on the operator's internet website, online
9 service, online application, or mobile application by the registered
10 user.

11 (b) An operator or a third party is not required to erase or
12 otherwise eliminate, or to enable erasure or elimination of, content
13 or information in any of the following circumstances:

14 (1) Any other provision of federal or state law requires the
15 operator or third party to maintain the content or information.

16 (2) The content or information was stored on or posted to the
17 operator's internet website, online service, online application, or
18 mobile application by a third party other than the minor, who is a
19 registered user, including any content or information posted by
20 the registered user that was stored, republished, or reposted by the
21 third party.

22 (3) The operator anonymizes the content or information posted
23 by the minor who is a registered user, so that the minor who is a
24 registered user cannot be individually identified.

25 (4) The minor does not follow the instructions provided to the
26 minor pursuant to paragraph (3) of subdivision (a) on how the
27 registered user may request and obtain the removal of content or
28 information posted on the operator's internet website, online
29 service, online application, or mobile application by the registered
30 user.

31 (5) The minor has received compensation or other consideration
32 for providing the content.

33 (c) This section shall not be construed to limit the authority of
34 a law enforcement agency to obtain any content or information
35 from an operator as authorized by law or pursuant to an order of
36 a court of competent jurisdiction.

37 (d) An operator shall be deemed compliant with this section if:

38 (1) It renders the content or information posted by the minor
39 user no longer visible to other users of the service and the public

1 even if the content or information remains on the operator's servers
2 in some form.

3 (2) ~~Despite making the original posting by the minor user~~
4 ~~invisible, it remains visible because a third party has copied the~~
5 ~~posting or reposted the content or information posted by the minor.~~

6 (e) ~~This section shall not be construed to require an operator of~~
7 ~~an internet website, online service, online application, or mobile~~
8 ~~application to collect age information about users.~~

9 (f) ~~"Posted" means content or information that can be accessed~~
10 ~~by a user in addition to the minor who posted the content or~~
11 ~~information, whether the user is a registered user or not, of the~~
12 ~~internet website, online service, online application, or mobile~~
13 ~~application where the content or information is posted.~~

14
15
16 REVISIONS: _____

17 Heading—Lines 1 and 2.
18 _____