

AMENDED IN ASSEMBLY MAY 1, 2025

AMENDED IN ASSEMBLY APRIL 10, 2025

CALIFORNIA LEGISLATURE—2025–26 REGULAR SESSION

## ASSEMBLY BILL

**No. 1018**

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

February 20, 2025

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

1 either directly or by contracting with a third party for those  
2 purposes.

3 (h) (1) “Developer-approved use” means a deployment context  
4 in which a developer intends a covered ADS to make or facilitate  
5 a consequential decision.

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

8 (i) “Disparate impact” means a differential effect on a group of  
9 individuals who share a protected characteristic.

10 (j) “Disparate treatment” means differential treatment of an  
11 individual or group of individuals on the basis of a protected  
12 characteristic.

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

20 (l) (1) “Express consent” means an affirmative written  
21 authorization that is granted in response to a notice that is all of  
22 the following:

23 (A) Clear, meaningful, and prominent.

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

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

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

30 (A) Inferred from inaction.

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

33 (m) “Fine-tune” means to adjust the model parameters of an  
34 automated decision system through exposure to additional data.

35 (n) “Labor Commissioner” means Chief of the Division of Labor  
36 Standards Enforcement.

37 (o) “Personal information” has the same meaning as defined in  
38 Section 1798.140 of the Civil Code.

39 (p) “Protected characteristic” means a characteristic listed in  
40 subdivision (b) of Section 51 of the Civil Code.

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

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

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

(s) *The definitions of “disparate impact” and “disparate treatment” provided in subdivisions (i) and (j) are intended solely for purposes of internal compliance, risk assessment, and documentation required by this chapter. These definitions shall not be construed to modify or supersede any standard, burden of proof, or element of a claim under the Unruh Civil Rights Act (Section 51 of the Civil Code), the California Fair Employment and Housing Act (Part 2.8 (commencing with Section 12900) of Division 3 of Title 2 of the Government Code), Title VII of the Civil Rights Act of 1964 (42 U.S.C. Sec. 2000e et seq.), or any other applicable civil rights law.*

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.

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

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

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

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

12 (1) Describe the purpose of the covered ADS.

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

15 (3) For each developer-approved use, evaluate the expected  
16 performance of the covered ADS and document all of the  
17 following:

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

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

21 (C) Whether any disparate treatment is intended to occur and,  
22 if so, all of the following:

23 (i) The conditions under which each disparate treatment is  
24 intended to occur.

25 (ii) Whether each disparate treatment is necessary for a  
26 developer-approved use.

27 (iii) Whether any alternatives not involving disparate treatment  
28 were considered.

29 (D) Any reasonably foreseeable effects of fine tuning on  
30 disparate treatment.

31 (E) Whether any disparate impacts are reasonably likely to occur  
32 and, if so, all of the following:

33 (i) The conditions under which each disparate impact is  
34 reasonably likely to occur.

35 (ii) Whether each disparate impact is necessary for a  
36 developer-approved use.

37 (iii) Whether any alternatives not involving disparate impacts  
38 were considered.

1 (F) Whether any measures have been taken by the developer to  
2 mitigate the risk of unanticipated disparate impacts resulting from  
3 the use of the covered ADS.

4 (G) With respect to a covered ADS that has been deployed,  
5 whether any unanticipated disparate impacts have been reported  
6 to the developer by a deployer, and whether the developer has  
7 taken any measures to mitigate those disparate impacts.

8 (H) Any reasonably foreseeable effects of fine tuning on  
9 disparate impacts.

10 (4) (A) Contract with an independent third-party auditor to  
11 assess the developer's compliance with this subdivision.

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

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

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

26 ~~(H)~~

27 (D) A developer that receives feedback from an auditor pursuant  
28 to this paragraph shall do both of the following:

29 (i) Consider and attempt to incorporate that feedback into the  
30 development of any subsequent version of a covered ADS.

31 (ii) Make a high-level summary of the feedback publicly  
32 available at no cost to users of the developer's internet website.

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

36 (A) The results of the most recent performance evaluation  
37 conducted on the covered ADS by the developer pursuant to this  
38 chapter.



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

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

7 (D) An explanation of the deployer's responsibilities under this  
8 chapter, including a description of any circumstances under which  
9 the deployer would assume the responsibilities of a developer  
10 pursuant to subdivision (h) of Section 22756.2.

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

13 (ii) A developer shall not be required to provide additional  
14 technical information to a deployer that has assumed the  
15 responsibilities of a developer pursuant to subdivision (h) of  
16 Section 22756.2.

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

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

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

27 ~~(A)~~

28 (1) Any material differences between the expected accuracy of  
29 the covered ADS and the observed accuracy of the covered ADS  
30 and the deployment conditions under which those differences are  
31 reasonably likely to occur.

32 ~~(B)~~

33 (2) Any material differences between the expected reliability  
34 of the covered ADS and the observed reliability of the covered  
35 ADS and the deployment conditions under which those differences  
36 are reasonably likely to occur.

37 ~~(C)~~

38 (3) Any unanticipated disparate impacts resulting from the use  
39 of the covered ADS and the deployment conditions under which  
40 those disparate impacts are reasonably likely to occur.

1     ~~(D)~~

2     (4) An explanation of any steps the deployer can take to mitigate  
3 these discrepancies.

4     (e) A developer that receives feedback from an auditor pursuant  
5 to this chapter shall consider and attempt to incorporate that  
6 feedback into the development of any subsequent version of a  
7 covered ADS.

8     (f) A developer that provides documentation to a deployer  
9 pursuant to this section shall ensure the documentation is all of  
10 the following:

11    ~~(A)~~

12    (1) Transmitted directly to the deployer or otherwise made  
13 available in a manner reasonably calculated to ensure the deployer  
14 receives the documentation.

15    ~~(B)~~

16    (2) Provided in English and in any other language the developer  
17 regularly uses to communicate with deployers.

18    ~~(C)~~

19    (3) Presented in a manner that ensures the communication  
20 clearly and effectively conveys the required information to the  
21 deployer.

22    (g) A developer that deploys a covered ADS or makes a covered  
23 ADS available to potential deployers shall maintain all of the  
24 following documentation in an unredacted format for as long as  
25 the developer deploys the covered ADS or makes the covered ADS  
26 available to potential deployers plus 10 years:

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

29    (2) Any documentation provided to deployers pursuant to this  
30 chapter.

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

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

34    (h) It is unlawful to advertise to consumers in the state that a  
35 covered ADS is capable of performing in a manner not  
36 substantiated by the results of the most recent performance  
37 evaluation conducted on the covered ADS.

38    (i) (1) A developer that deploys a covered ADS or makes a  
39 covered ADS available to potential deployers shall designate at

1 least one employee to oversee the developer's compliance with  
2 this chapter.

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

6 22756.2. (a) (1) Except as provided in paragraph (2), before  
7 a deployer finalizes a consequential decision made or facilitated  
8 by a covered ADS, the deployer shall provide any subject of that  
9 decision with a plain language written disclosure containing all of  
10 the following information:

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

13 (B) The name, version number, and developer of the covered  
14 ADS.

15 (C) Whether the deployer's use of the covered ADS is within  
16 the scope of a developer-approved use and a description of that  
17 use.

18 (D) (i) The personal characteristics or attributes of the subject  
19 that the covered ADS measures or assesses to make or facilitate  
20 the consequential decision.

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

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

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

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

30 (i) The outputs of the covered ADS.

31 (ii) The outcome of the consequential decision.

32 (G) The subject's rights under subdivisions (b) and (d) and the  
33 means and timeframe for exercising those rights.

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

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

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

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

1 (b) (1) Before a deployer finalizes a consequential decision  
2 made or facilitated by a covered ADS, the deployer shall provide  
3 any subject of that decision with a reasonable opportunity to opt  
4 out of the use of the covered ADS.

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

7 (i) The deployer is subject to the federal Gramm-Leach-Bliley  
8 Act, and the covered ADS makes or facilitates a consequential  
9 decision pursuant to paragraph (7) of subdivision (c) of Section  
10 22756.

11 (ii) The subject of the consequential decision is having a medical  
12 emergency.

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

16 (c) (1) After a deployer finalizes a consequential decision made  
17 or facilitated by a covered ADS, the deployer shall provide any  
18 subject of that decision with a plain language written disclosure  
19 containing all of the following information within five days:

20 (A) The personal characteristics or attributes of the subject that  
21 the covered ADS used to make or facilitate the consequential  
22 decision.

23 (B) The sources of personal information collected from the  
24 subject that were used to make or facilitate the consequential  
25 decision.

26 (C) Any key parameters that disproportionately affected the  
27 outcome of the consequential decision.

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

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

33 (F) Contact information for the deployer.

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

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

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

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

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

6 (A) Transmitted directly to the subject.

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

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

11 (D) Presented in a manner that ensures the communication  
12 clearly and effectively conveys the required information to the  
13 subject.

14 (d) After a deployer finalizes a consequential decision made or  
15 facilitated by a covered ADS, the deployer shall provide any  
16 subject of that decision with an opportunity to do both of the  
17 following within 30 business days:

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

20 (B) A deployer shall comply with a request to correct personal  
21 information within 30 business days of receiving the request if the  
22 request is accompanied by documentation sufficient to assess the  
23 basis for the request.

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

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

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

35 (i) Provide the subject with an explanation of the basis for the  
36 denial.

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

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

1 (B) A deployer shall review a request to appeal a consequential  
2 decision within 30 business days of receiving the request if the  
3 request is accompanied by documentation sufficient to assess the  
4 basis for the request.

5 (C) (i) If a deployer determines that the original decision was  
6 incorrect, the deployer shall, within 30 days of making the  
7 determination, rectify the decision.

8 (ii) If a deployer determines that the original decision was  
9 correct, the deployer shall, within 30 days of making the  
10 determination, inform the subject that the consequential decision  
11 will not be altered.

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

15 (e) (1) (A) A deployer that provides documentation to the  
16 subject of a consequential decision pursuant to this section may  
17 make reasonable redactions for the purpose of protecting trade  
18 secrets.

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

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

26 (f) A deployer's collection, use, retention, and sharing of  
27 personal information from a subject of a consequential decision  
28 shall be reasonably necessary and proportionate to achieve the  
29 purposes for which the personal information was collected and  
30 processed, or for another disclosed purpose that is compatible with  
31 the context in which the personal information was collected, and  
32 not further processed in a manner that is incompatible with those  
33 purposes.

34 (g) (1) A deployer that uses a covered ADS to make or facilitate  
35 consequential decisions directly impacting more than 5,999 people  
36 in a given three-year period shall contract with an independent  
37 third-party auditor to conduct an impact assessment on the covered  
38 ADS before January 1, 2030, and every three years thereafter.

39 (2) (A) Except pursuant to subparagraph (B), a deployer that  
40 contracts with an auditor pursuant to this subdivision shall provide

1 the auditor with any available information that is reasonably  
2 necessary for the auditor to conduct a comprehensive impact  
3 assessment on the covered ADS.

4 (B) A deployer that provides documentation to an auditor  
5 pursuant to this paragraph may make reasonable redactions for the  
6 purpose of protecting trade secrets. To the extent that a deployer  
7 withholds information, the developer shall notify the auditor and  
8 provide a basis for the withholding.

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

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

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

20 (1) Uses a covered ADS to make or facilitate consequential  
21 decisions that directly impact more than 5,999 people in a given  
22 three-year period, if the deployer did not receive any documentation  
23 from the developer of the covered ADS pursuant to subdivision  
24 (c) of Section 22756.1 during the three-year period.

25 (2) Uses a covered ADS to make or facilitate consequential  
26 decisions that directly impact more than 5,999 people in a given  
27 three-year period, if the deployer's use of the covered ADS is  
28 outside the scope of a developer-approved use.

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

31 (A) Uses the substantially modified system to make or facilitate  
32 consequential decisions that directly impact more than ~~5,999~~ 5,999  
33 people in a given three-year period.

34 (B) Makes the substantially modified system available to  
35 potential deployers.

36 (i) A deployer that uses a covered ADS to make or facilitate a  
37 consequential decision shall retain the following documentation  
38 in an unredacted format for as long as the deployer uses the covered  
39 ADS plus 10 years:

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

3 (2) Any documentation provided pursuant to this section to  
4 subjects of consequential decisions made or facilitated by the  
5 covered ADS.

6 (3) Any requests to correct personal information made pursuant  
7 to this section.

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

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

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

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

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

18 (2) A deployer shall require an employee designated pursuant  
19 to this subdivision to conduct a prompt and comprehensive review  
20 of any credible compliance issue related to the deployer's use of  
21 a covered ADS that is raised to that employee.

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

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

29 22756.3. (a) An auditor that conducts an impact assessment  
30 on a covered ADS pursuant to subdivision (g) of Section 22756.2  
31 shall do all of the following:

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

35 (B) This paragraph applies only to information gathered by the  
36 deployer in the ordinary course of business.

37 (2) For each unique developer-approved use of the covered ADS  
38 by the deployer, document all of the following:

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



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

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

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

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

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

16 (b) (1) After conducting an impact assessment on a covered  
17 ADS, an auditor shall do both of the following:

18 (A) Provide the results of the impact assessment to the deployer  
19 that contracted with the auditor to perform the impact assessment.

20 (B) Make a high-level summary of the results of the impact  
21 assessment publicly available at no cost to users of the auditor's  
22 internet website.

23 (2) The documentation required by this section shall be both of  
24 the following:

25 (A) Provided in English and in any other language that the  
26 auditor regularly uses to communicate with deployers.

27 (B) Presented in a manner that ensures the communication  
28 clearly and effectively conveys the required information.

29 (3) An auditor shall not make publicly available with the  
30 personal information of a subject of a consequential decision made  
31 or facilitated by a covered ADS without first obtaining the express  
32 consent of the subject.

33 22756.4. (a) (1) Within 30 days of receiving a request from  
34 the Attorney General for a performance evaluation or impact  
35 assessment prepared pursuant to this chapter, a developer, deployer,  
36 or auditor of a covered ADS shall provide an unredacted copy of  
37 the document to the Attorney General.

38 (2) The Attorney General may share performance evaluations  
39 and impact assessments with other enforcement entities as  
40 necessary for enforcement purposes.

(b) (1) The disclosure or sharing of a performance evaluation or impact assessment pursuant to subdivision (a) does not constitute a waiver of any attorney-client privilege, work-product protection, or trade secret protection that might otherwise exist with respect to any information contained in the performance evaluation or impact assessment.

(2) A performance evaluation or impact assessment disclosed or shared pursuant to subdivision (a) is exempt from the California Public Records Act (Division 10 (commencing with Section 7920.000) of Title 1 of the Government Code).

(c) Each day a covered ADS is used for which a performance evaluation or impact assessment has not been submitted to the Attorney General pursuant to this section is an additional violation of this section.

22756.5. (a) Any of the following public entities may bring a civil action against a developer, deployer, or auditor who violates this chapter:

(1) The Attorney General.

(2) A district attorney, county counsel, or city attorney for the jurisdiction in which the violation occurred.

(3) A city prosecutor in any city having a full-time city prosecutor with the consent of the district attorney.

(4) The Civil Rights Department.

(5) The Labor Commissioner with respect to employment-related decisions only.

(b) A court may award a prevailing plaintiff who brings an action pursuant to subdivision (a) all of the following:

(1) Injunctive relief.

(2) Declaratory relief.

(3) Reasonable attorney's fees and litigation costs.

(4) A civil penalty of up to twenty-five thousand dollars (\$25,000) per violation.

(c) A developer or deployer who contracts with a third party to perform the developer's or deployer's duties under this chapter, other than those duties related to auditing, is subject to liability under this chapter for the third party's failure to perform those duties.

22756.6. (a) This chapter does not apply to an automated decision system the sole purpose of which is to do either of the following:

1 (1) Detect, protect against, or respond to cybersecurity incidents  
2 or preserve the integrity or security of computer systems.

3 (2) Operate aircraft in the national airspace.

4 (b) The use of a consumer credit score to inform a consequential  
5 decision does not itself create an obligation under this chapter.

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

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

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

18 (d) This chapter does not authorize disparate impacts or disparate  
19 treatment limited, restricted, or prohibited under any other  
20 applicable law.

21 SEC. 2. Section 51 of the Civil Code, as amended by Section  
22 2.5 of Chapter 779 of the Statutes of 2024, is amended to read:

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

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

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

39 (d) Nothing in this section shall be construed to require any  
40 construction, alteration, repair, structural or otherwise, or

1 modification of any sort whatsoever, beyond that construction,  
2 alteration, repair, or modification that is otherwise required by  
3 other provisions of law, to any new or existing establishment,  
4 facility, building, improvement, or any other structure, nor shall  
5 anything in this section be construed to augment, restrict, or alter  
6 in any way the authority of the State Architect to require  
7 construction, alteration, repair, or modifications that the State  
8 Architect otherwise possesses pursuant to other laws.

9 (e) For purposes of this section:

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

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

14 (i) The individual’s genetic tests.

15 (ii) The genetic tests of family members of the individual.

16 (iii) The manifestation of a disease or disorder in family  
17 members of the individual.

18 (B) “Genetic information” includes any request for, or receipt  
19 of, genetic services, or participation in clinical research that  
20 includes genetic services, by an individual or any family member  
21 of the individual.

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

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

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

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

32 (6) “Sex” includes, but is not limited to, pregnancy, childbirth,  
33 or medical conditions related to pregnancy or childbirth. “Sex”  
34 also includes, but is not limited to, a person’s gender. “Gender”  
35 means sex, and includes a person’s gender identity and gender  
36 expression. “Gender expression” means a person’s gender-related  
37 appearance and behavior whether or not stereotypically associated  
38 with the person’s assigned sex at birth.

39 (7) “Sex, race, color, religion, ancestry, national origin,  
40 disability, medical condition, genetic information, marital status,

sexual orientation, citizenship, primary language, or immigration status” includes any of the following:

(A) Any combination of those characteristics.

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

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

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

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

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

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

(i) In an action alleging a violation of this section in which the defendant’s development, modification, or use of an automated decision system, as defined in Section 22756 of the Business and Professions Code, is alleged to have caused or facilitated the violation, the extent to which the defendant complied with Chapter 25 24.6 (commencing with Section 22756) of Division 8 of the Business and Professions Code is relevant to, but not conclusive of, whether the defendant violated this ~~section~~ section, and a failure to comply with Chapter 24.6 (commencing with Section 22756) of Division 8 of the Business and Professions Code shall not, by itself, give rise to a presumption of unlawful intent.

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

## Article 3. Automated Decision Systems

12959. In an action alleging a violation of this chapter in which the defendant's development, modification, or use of an automated decision system, as defined in Section 22756 of the Business and Professions Code, is alleged to have caused or facilitated the violation, the extent to which the defendant complied with Chapter 24.6 (commencing with Section 22756) of Division 8 of the Business and Professions Code is relevant to, but not conclusive of, whether the defendant violated this chapter.

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

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