

AMENDED IN ASSEMBLY JULY 3, 2024

AMENDED IN ASSEMBLY JUNE 20, 2024

AMENDED IN SENATE MAY 16, 2024

AMENDED IN SENATE MARCH 20, 2024

SENATE BILL

No. 942

Introduced by Senator Becker

January 17, 2024

An act to add Chapter 25 (commencing with Section 22757) to Division 8 of the Business and Professions Code, relating to consumer protection.

LEGISLATIVE COUNSEL'S DIGEST

SB 942, as amended, Becker. California AI Transparency Act.

Existing law requires the Secretary of Government Operations to develop a coordinated plan to, among other things, investigate the feasibility of, and obstacles to, developing standards and technologies for state departments to determine digital content provenance. For the purpose of informing that coordinated plan, existing law requires the secretary to evaluate, among other things, the impact of the proliferation of deepfakes, defined to mean audio or visual content that has been generated or manipulated by artificial intelligence that would falsely appear to be authentic or truthful and that features depictions of people appearing to say or do things they did not say or do without their consent, on state government, California-based businesses, and residents of the state.

This bill, the California AI Transparency Act, would, among other things, require a covered provider, as defined, to create and make freely available an artificial intelligence (AI) detection tool that meets certain

criteria, including that the AI detection tool is publicly accessible through the covered provider's internet website and its mobile application, as applicable. The bill would require a covered provider to offer the user an option to include a manifest disclosure in image, video, audio, or other digital content created or altered by the covered provider's generative artificial intelligence (GenAI) system that, among other things, identifies content as AI-generated content and is clear, conspicuous, appropriate for the medium of the content, and understandable to a reasonable person. The bill would require a covered provider to include a latent disclosure in AI-generated image, video, audio, or other digital content created by the covered provider's GenAI system that, among other things, conveys certain information, either directly or through a link to a permanent internet website, regarding the provenance of the content. The bill would require a covered provider that knows a third-party licensee modified a licensed GenAI system such that it is no longer capable of including the disclosures described above in content the system creates or alters to revoke the license within 72 hours of discovering the licensee's action and would require a third-party licensee to cease using a licensed GenAI system after the license for the system has been revoked by the covered provider.

This bill would make a covered provider that violates these provisions liable for a civil penalty in the amount of \$5,000 per violation to be collected in a civil action filed ~~only~~ by the Attorney General, *a city attorney, or a county counsel*, as prescribed. The bill would, for a violation by a third-party licensee of the requirement to cease using a licensed GenAI system after the license of the system has been revoked, authorize the Attorney General, ~~a district attorney~~, a county counsel, or a city attorney to bring a civil action for injunctive relief and reasonable attorney's fees and costs.

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 25 (commencing with Section 22757)
- 2 is added to Division 8 of the Business and Professions Code, to
- 3 read:

CHAPTER 25. AI TRANSPARENCY ACT

22757. This chapter shall be known as the California AI Transparency Act.

22757.1. As used in this chapter:

(a) “Artificial intelligence” or “AI” 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) “Covered provider” means a person that creates, codes, or otherwise produces a generative artificial intelligence system that has over 1,000,000 monthly visitors or users and is publicly accessible within the geographic boundaries of the state.

(c) “Generative artificial intelligence” or “GenAI” means an artificial intelligence that can generate derived synthetic content, including text, images, video, and audio, that emulates the structure and characteristics of the system’s training data.

(d) “Metadata” means structural or descriptive information about data.

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

(f) “Personal provenance data” means provenance data that contains either of the following:

(1) Personal information.

(2) Unique device, system, or service information that is reasonably capable of being associated with a particular user.

(g) “Provenance data” means data that is embedded into digital content, or that is included in the digital content’s metadata, for the purpose of verifying the digital content’s authenticity, origin, or history of modification.

(h) “System provenance data” means provenance data that is not reasonably capable of being associated with a particular user and that contains either of the following:

(1) Information regarding the type of device, system, or service that was used to generate a piece of digital content.

(2) Information that provides proof of content authenticity.

22757.2. (a) A covered provider shall create and make freely available an AI detection tool that meets all of the following criteria:

1 (1) The tool allows a user to assess whether image, video, audio,
2 or other digital content was created or altered by the covered
3 provider's GenAI system.

4 (2) The tool allows a user to determine which parts of the content
5 were created or altered by the covered provider's GenAI system.

6 (3) The tool outputs any system provenance data that is detected
7 in the content.

8 (4) The tool does not output any personal provenance data that
9 is detected in the content.

10 (5) The tool is publicly accessible through the covered provider's
11 internet website and its mobile application, as applicable.

12 (6) The tool allows a user to upload content or provide a uniform
13 resource locator (URL) linking to online content.

14 (7) The tool supports an application programming interface that
15 allows a user to invoke the tool without visiting the covered
16 provider's internet website.

17 (b) A covered provider shall collect user feedback related to the
18 efficacy of the covered provider's AI detection tool and incorporate
19 that feedback into any attempt to improve the efficacy of the tool.

20 (c) A covered provider shall not do any of the following:

21 (1) (A) Except as provided in subparagraph (B), collect or retain
22 personal information from users of the covered provider's AI
23 detection tool.

24 (B) (i) A covered provider may collect and retain the contact
25 information of a user who submits feedback pursuant to subdivision
26 (b) if the user opts in to being contacted by the covered provider.

27 (ii) User information collected pursuant to clause (i) shall be
28 used only to evaluate and improve the efficacy of the covered
29 provider's AI detection tool.

30 (2) Retain any content submitted to the AI detection tool for
31 longer than is necessary to comply with this section.

32 (3) Retain any personal provenance data from content submitted
33 to the AI detection tool by a user.

34 22757.3. (a) A covered provider shall offer the user the option
35 to include a manifest disclosure in image, video, audio, or other
36 digital content created or altered by the covered provider's GenAI
37 system that meets all of the following criteria:

38 (1) The disclosure identifies content as AI-generated content.

39 (2) The disclosure is clear, conspicuous, appropriate for the
40 medium of the content, and understandable to a reasonable person.

1 (3) The disclosure is permanent or extraordinarily difficult to
2 remove, to the extent it is technically feasible.

3 (b) A covered provider shall include a latent disclosure in
4 AI-generated image, video, audio, or other digital content created
5 by the covered provider's GenAI system that meets all of the
6 following criteria:

7 (1) The disclosure conveys all of the following information,
8 either directly or through a link to a permanent internet website:

9 (A) The name of the covered provider.

10 (B) The name and version number of the GenAI system that
11 created or altered the content.

12 (C) The time and date of the content's creation or alteration.

13 (D) Which parts of the content were created or altered by the
14 GenAI system.

15 (E) A unique identifier.

16 (2) The disclosure is detectable by the covered provider's AI
17 detection tool.

18 (3) The disclosure is consistent with widely accepted industry
19 standards.

20 (4) The disclosure is permanent or extraordinarily difficult to
21 remove, to the extent it is technically feasible.

22 (c) (1) If a covered provider licenses its GenAI system to a
23 third party, the covered provider shall require by contract that the
24 licensee maintain the system's capability to include a disclosure
25 required by subdivision (b) in content the system creates or alters.

26 (2) If a covered provider knows that a third-party licensee
27 modified a licensed GenAI system such that it is no longer capable
28 of including a disclosure required by subdivision (b) in content
29 the system creates or alters, the covered provider shall revoke the
30 license within 72 hours of discovering the licensee's action.

31 (3) A third-party licensee shall cease using a licensed GenAI
32 system after the license for the system has been revoked by the
33 covered provider pursuant to paragraph (2).

34 22757.4. (a) (1) A covered provider that violates this chapter
35 shall be liable for a civil penalty in the amount of five thousand
36 dollars (\$5,000) per violation to be collected in a civil action filed
37 ~~only by the Attorney General.~~ *Attorney General, a city attorney,*
38 *or a county counsel.*

1 (2) *A prevailing plaintiff in an action brought pursuant to this*
2 *subdivision shall be entitled to all reasonable attorney's costs and*
3 *fees.*

4 (b) Each day that a covered provider is in violation of this
5 chapter shall be deemed a discrete violation.

6 (c) For a violation by a third-party licensee of paragraph (3) of
7 subdivision (c) of Section 22757.3, the Attorney General, ~~a district~~
8 ~~attorney~~, a county counsel, or a city attorney may bring a civil
9 action for both of the following:

- 10 (1) Injunctive relief.
11 (2) Reasonable attorney's fees and costs.