

AMENDED IN SENATE JULY 17, 2025

AMENDED IN SENATE JULY 3, 2025

AMENDED IN ASSEMBLY MAY 1, 2025

AMENDED IN ASSEMBLY APRIL 10, 2025

CALIFORNIA LEGISLATURE—2025–26 REGULAR SESSION

ASSEMBLY BILL

No. 1018

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

February 20, 2025

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

LEGISLATIVE COUNSEL'S DIGEST

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

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

Existing law requires, on or before September 1, 2024, the Department of Technology to conduct, in coordination with other interagency bodies as it deems appropriate, a comprehensive inventory of all high-risk automated decision systems that have been proposed for use,

development, or procurement by, or are being used, developed, or procured by, any state agency.

This bill would generally regulate the development and deployment of an automated decision system (ADS) used to make consequential decisions, as defined. The bill would define “automated decision system” to mean a computational process derived from machine learning, statistical modeling, data analytics, or artificial intelligence that issues simplified output, including a score, classification, or recommendation, that is designed or used to assist or replace human discretionary decisionmaking and materially impacts natural persons.

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

This bill would, beginning January 1, 2027, require a deployer of a covered ADS to take certain actions, including provide certain disclosures to a subject of a consequential decision made or facilitated by the covered ADS, ~~provide the subject an opportunity to opt out of the use of the covered ADS; ADS and~~ 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:

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

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

1 ADS to make or facilitate a consequential decision, either directly
2 or by contracting with a third party for that purpose.

3 (g) “Developer” means a person, partnership, state or local
4 government agency, corporation, or deployer that designs, codes,
5 substantially modifies, or otherwise produces an automated
6 decision system that makes or facilitates a consequential decision,
7 either directly or by contracting with a third party for those
8 purposes.

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

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

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

16 (j) “Disparate treatment” means differential treatment of an
17 individual or group of individuals on the basis of a protected
18 characteristic.

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

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

29 (A) Clear, meaningful, and prominent.

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

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

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

36 (A) Inferred from inaction.

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

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

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

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

(p) “Protected characteristic” means a characteristic listed in 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: *annually thereafter.*

~~(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:~~ *before initially deploying the covered ADS, or making the covered ADS available to potential deployers, and annually thereafter.*

~~(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.

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

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

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

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

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

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

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

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

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

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

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

7 (iii) Whether any alternatives not involving disparate impacts
8 were considered.

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

12 (G) With respect to a covered ADS that has been deployed,
13 whether any unanticipated disparate impacts have been reported
14 to the developer by a deployer, and whether the developer has
15 taken any measures to mitigate those disparate impacts.

16 (H) Any reasonably foreseeable effects of fine tuning on
17 disparate impacts.

18 (4) (A) ~~Contract~~ *Beginning January 1, 2030, contract* with an
19 independent third-party auditor to assess the developer's
20 compliance with this subdivision.

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

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

30 (C) If the deadline for conducting a performance evaluation
31 pursuant to subdivision (a) elapses before the audit has been
32 completed, a developer shall not deploy the covered ADS or make
33 the covered ADS available to potential deployers until the audit
34 has been completed.

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

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

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

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

4 (A) The results of the most recent performance evaluation
5 conducted on the covered ADS by the developer pursuant to this
6 chapter.

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

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

13 (D) An explanation of the deployer's responsibilities under this
14 chapter, including a description of any circumstances under which
15 the deployer would assume the responsibilities of a developer
16 pursuant to subdivision (h) of Section 22756.2.

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

19 (ii) A developer shall not be required to provide additional
20 technical information to a deployer that has assumed the
21 responsibilities of a developer pursuant to subdivision (h) of
22 Section 22756.2.

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

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

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

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

37 (2) Any material differences between the expected reliability
38 of the covered ADS and the observed reliability of the covered
39 ADS and the deployment conditions under which those differences
40 are reasonably likely to occur.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(2) A developer 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.

(j) *This section does not apply to a developer subject to the federal Gramm-Leach-Bliley Act (15 U.S.C. Sec. 6801 et seq.) who uses a covered ADS to make or facilitate a consequential decision related to financial services, as described in paragraph (7) of subdivision (c) of Section 22756.*

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

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

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

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

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

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

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

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

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

(i) The outputs of the covered ADS.

(ii) The outcome of the consequential decision.

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

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

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

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

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

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

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

11 ~~(i) The deployer is subject to the federal Gramm-Leach-Bliley~~
12 ~~Act, and the covered ADS makes or facilitates a consequential~~
13 ~~decision pursuant to paragraph (7) of subdivision (c) of Section~~
14 ~~22756.~~

15 ~~(ii) The subject of the consequential decision is having a medical~~
16 ~~emergency.~~

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

20 *(3) The disclosure made pursuant to this subdivision may be*
21 *made using an automatic reply mechanism.*

22 ~~(c)~~

23 ~~(b) (1) After a deployer finalizes a consequential decision made~~
24 ~~or facilitated by a covered ADS, the deployer shall provide any~~
25 ~~subject of that decision with a plain language written disclosure~~
26 ~~containing all of the following information within five days:~~

27 ~~(A) The personal characteristics or attributes of the subject that~~
28 ~~the covered ADS used to make or facilitate the consequential~~
29 ~~decision.~~

30 ~~(B) The sources of personal information collected from the~~
31 ~~subject that were used to make or facilitate the consequential~~
32 ~~decision.~~

33 ~~(C) Any key parameters that disproportionately affected the~~
34 ~~outcome of the consequential decision.~~

35 ~~(D) The structure and format of the outputs of the covered ADS~~
36 ~~and a plain language description of how those outputs were used~~
37 ~~to make or facilitate the consequential decision.~~

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

40 ~~(F) Contact information for the deployer.~~

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

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

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

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

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

12 (A) Transmitted directly to the subject.

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

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

17 (D) Presented in a manner that ensures the communication
18 clearly and effectively conveys the required information to the
19 subject.

20 ~~(d)~~

21 (c) After a deployer finalizes a consequential decision made or
22 facilitated by a covered ADS, the deployer shall provide any
23 subject of that decision with an opportunity to do both of the
24 following within 30 business days:

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

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

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

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

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

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

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

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

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

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

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

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

(e)

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

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

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

(f)

(e) A deployer's collection, use, retention, and sharing of personal information from a subject of a consequential decision shall be reasonably necessary and proportionate to achieve the purposes for which the personal information was collected and processed, or for another disclosed purpose that is compatible with the context in which the personal information was collected, and

1 not further processed in a manner that is incompatible with those
2 purposes.

3 ~~(g) (1) A deployer that uses a covered ADS to make or facilitate~~
4 ~~consequential decisions directly impacting more than 6,000 people~~
5 ~~in a given three-year period shall contract with an independent~~
6 ~~third-party auditor to conduct an impact assessment on the covered~~
7 ~~ADS before January 1, 2030, and every three years thereafter.~~

8 ~~(2) (A) Except pursuant to subparagraph (B), a deployer that~~
9 ~~contracts with an auditor pursuant to this subdivision shall provide~~
10 ~~the auditor with any available information that is reasonably~~
11 ~~necessary for the auditor to conduct a comprehensive impact~~
12 ~~assessment on the covered ADS.~~

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

18 ~~(C) This paragraph shall not be construed to require a deployer~~
19 ~~to collect any personal information from a subject of a~~
20 ~~consequential decision beyond that which the deployer collects in~~
21 ~~the ordinary course of business or as necessary to comply with~~
22 ~~state or federal law.~~

23 ~~(3) If the deadline for conducting an audit pursuant to paragraph~~
24 ~~(1) elapses before the audit has been completed, a deployer shall~~
25 ~~not use the covered ADS to make or facilitate consequential~~
26 ~~decisions until the audit has been completed.~~

27 ~~(h)~~

28 ~~(f) A deployer that does any of the following assumes the~~
29 ~~responsibilities of a developer under this chapter:~~

30 ~~(1) Uses a covered ADS to make or facilitate consequential~~
31 ~~decisions that directly impact more than 6,000 people in a given~~
32 ~~three-year period, if the deployer did not receive any documentation~~
33 ~~from the developer of the covered ADS pursuant to subdivision~~
34 ~~(c) of Section 22756.1 during the three-year period.~~

35 ~~(2) Uses a covered ADS to make or facilitate consequential~~
36 ~~decisions that directly impact more than 6,000 people in a given~~
37 ~~three-year period, if the deployer's use of the covered ADS is~~
38 ~~outside the scope of a developer-approved use.~~

39 ~~(3) Substantially modifies an automated decision system and~~
40 ~~does either of the following:~~

1 (A) Uses the substantially modified system to make or facilitate
2 consequential decisions that directly impact more than 6,000 people
3 in a given three-year period.

4 (B) Makes the substantially modified system available to
5 potential deployers.

6 ~~(i)~~

7 (g) A deployer that uses a covered ADS to make or facilitate a
8 consequential decision shall retain the following documentation
9 in an unredacted format for as long as the deployer uses the covered
10 ADS plus 10 years:

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

13 (2) Any documentation provided pursuant to this section to
14 subjects of consequential decisions made or facilitated by the
15 covered ADS.

16 (3) Any requests to correct personal information made pursuant
17 to this section.

18 ~~(4) Any requests to opt out of the use of the covered ADS made~~
19 ~~pursuant to this section.~~

20 ~~(5)~~

21 (4) Any requests to appeal the outcome of a consequential
22 decision made pursuant to this section.

23 ~~(6)~~

24 (5) Any documentation provided to, or received from, auditors
25 pursuant to this chapter.

26 ~~(7)~~

27 (6) Records of any redactions made pursuant to this section.

28 ~~(j)~~

29 (h) (1) A deployer that uses a covered ADS to make or facilitate
30 a consequential decision shall designate at least one employee to
31 oversee the deployer's compliance with this chapter.

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

36 ~~(k)~~

37 (i) In addition to the requirements of this section, a deployer
38 that is a business subject to the California Consumer Privacy Act
39 of 2018 (Title 1.81.5 (commencing with Section 1798.100)) is
40 subject to any privacy-related opt-out and access regulation duly

1 adopted by the California Privacy Protection Agency pursuant to
2 subdivision (b) of Section 1798.199.40 of the Civil Code.

3 ~~(f)~~

4 ~~(j)~~ This section shall become operative on January 1, 2027.

5 ~~22756.3. (a) An auditor that conducts an impact assessment~~
6 ~~on a covered ADS pursuant to subdivision (g) of Section 22756.2~~
7 ~~shall do all of the following:~~

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

11 ~~(B) This paragraph applies only to information gathered by the~~
12 ~~deployer in the ordinary course of business.~~

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

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

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

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

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

27 ~~(3) Whether the deployer used the covered ADS to make or~~
28 ~~facilitate a consequential decision outside of the scope of a~~
29 ~~developer-approved use.~~

30 ~~(4) Whether the deployer assumed the responsibilities of a~~
31 ~~developer pursuant to subdivision (h) of Section 22756.2.~~

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

34 ~~(A) Provide the results of the impact assessment to the deployer~~
35 ~~that contracted with the auditor to perform the impact assessment.~~

36 ~~(B) Make a high-level summary of the results of the impact~~
37 ~~assessment publicly available at no cost to users of the auditor's~~
38 ~~internet website.~~

39 ~~(2) The documentation required by this section shall be both of~~
40 ~~the following:~~

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

3 ~~(B) Presented in a manner that ensures the communication~~
4 ~~clearly and effectively conveys the required information.~~

5 ~~(3) An auditor shall not make publicly available with the~~
6 ~~personal information of a subject of a consequential decision made~~
7 ~~or facilitated by a covered ADS without first obtaining the express~~
8 ~~consent of the subject.~~

9 ~~22756.4.~~

10 22756.3. (a) (1) Within 30 days of receiving a request from
11 the Attorney General for a performance evaluation ~~or impact~~
12 ~~assessment~~ prepared pursuant to this chapter, a developer, deployer,
13 or auditor of a covered ADS shall provide an unredacted copy of
14 ~~the document~~ *performance evaluation* to the Attorney General.

15 (2) The Attorney General may share performance evaluations
16 ~~and impact assessments~~ with other enforcement entities as
17 necessary for enforcement purposes.

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

24 (2) A performance evaluation ~~or impact assessment~~ disclosed
25 or shared pursuant to subdivision (a) is exempt from the California
26 Public Records Act (Division 10 (commencing with Section
27 7920.000) of Title 1 of the Government Code).

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

32 ~~22756.5.~~

33 22756.4. (a) Any of the following public entities may bring
34 a civil action against a developer, deployer, or auditor who violates
35 this chapter:

36 (1) The Attorney General.

37 (2) A district attorney, county ~~counsel~~, *counsel of any county*
38 *within which a city has a population in excess of 750,000, city*
39 *attorney in a city and county, or city attorney for the jurisdiction*

1 ~~in which the violation occurred.~~ *of a city having a population in*
2 *excess of 750,000.*

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

5 (4) The Civil Rights Department.

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

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

10 (1) Injunctive relief.

11 (2) Declaratory relief.

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

13 (4) A civil penalty of up to twenty-five thousand dollars
14 (\$25,000) per violation.

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

20 ~~22756.6.~~

21 22756.5. (a) This chapter does not apply to an automated
22 decision system the sole purpose of which is to do either of the
23 following:

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

26 (2) Operate aircraft in the national airspace.

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

29 ~~22756.7.~~

30 22756.6. (a) The rights, remedies, and penalties established
31 by this chapter are cumulative and shall not be construed to
32 supersede the rights, remedies, or penalties established under other
33 laws, including, but not limited to, Chapter 6 (commencing with
34 Section 12940) of Part 2.8 of Division 3 of Title 2 of the
35 Government Code and Section 51 of the Civil Code.

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

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

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

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.

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

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

4 (B) “Genetic information” includes any request for, or receipt
5 of, genetic services, or participation in clinical research that
6 includes genetic services, by an individual or any family member
7 of the individual.

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

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

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

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

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

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

29 (A) Any combination of those characteristics.

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

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

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

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

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

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

11 (i) In an action alleging a violation of this section in which the
12 defendant's development, modification, or use of an automated
13 decision system, as defined in Section 22756 of the Business and
14 Professions Code, is alleged to have caused or facilitated the
15 violation, the extent to which the defendant complied with Chapter
16 24.6 (commencing with Section 22756) of Division 8 of the
17 Business and Professions Code is relevant to, but not conclusive
18 of, whether the defendant violated this section, and a failure to
19 comply with Chapter 24.6 (commencing with Section 22756) of
20 Division 8 of the Business and Professions Code shall not, by
21 itself, give rise to a presumption of unlawful intent.

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

25
26 Article 3. Automated Decision Systems
27

28 12959. In an action alleging a violation of this chapter in which
29 the defendant's development, modification, or use of an automated
30 decision system, as defined in Section 22756 of the Business and
31 Professions Code, is alleged to have caused or facilitated the
32 violation, the extent to which the defendant complied with Chapter
33 24.6 (commencing with Section 22756) of Division 8 of the
34 Business and Professions Code is relevant to, but not conclusive
35 of, whether the defendant violated this chapter.

36 SEC. 4. The Legislature finds and declares that Section 1 of
37 this act, which adds Chapter 24.6 (commencing with Section
38 22756) to Division 8 of the Business and Professions Code,
39 imposes a limitation on the public's right of access to the meetings
40 of public bodies or the writings of public officials and agencies

1 within the meaning of Section 3 of Article I of the California
2 Constitution. Pursuant to that constitutional provision, the
3 Legislature makes the following findings to demonstrate the interest
4 protected by this limitation and the need for protecting that interest:

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

O