



ARTIFICIAL INTELLIGENCE LEGISLATION

In the past year, the California State Legislature and Governor Gavin Newsom intensified their focus on artificial intelligence (AI) as its growing influence impacts various sectors, from healthcare to law enforcement to education. Recognizing both the potential benefits and risks of AI, lawmakers introduced several pieces of legislation aimed at regulating its use, ensuring transparency and protecting privacy and civil rights. This effort reflects California's role as a global tech leader and its responsibility to address AI's ethical, legal and social implications.

One notable development was the launch of an AI working group spearheaded by Governor Newsom, with the goal of studying AI's impact on California's economy and workforce. The group was tasked with evaluating how AI technologies can be leveraged for innovation while addressing concerns around job displacement, bias and data privacy. This initiative underscores the state's proactive approach to shaping AI policy and ensuring it aligns with California's values of equity and accountability.

Additionally, the California Legislature introduced bills aimed at regulating the development and deployment of AI where bias in algorithmic decision-making poses risks, including in employment and hiring decisions. These legislative efforts aimed to create guardrails for AI use while fostering responsible innovation. As AI continues to evolve, California is expected to take a national leadership role in crafting comprehensive policies that balance technological progress with ethical considerations, ensuring that AI benefits society.

The 2024 California legislative session saw several impactful bills concerning artificial intelligence (AI), demonstrating the state's intention to establish strong regulations around its use.

SENATE BILL 942 (Becker) - The California Artificial Intelligence Transparency Act (CAITA), focuses on protecting consumers by requiring AI-generated content (such as images, videos and audio) to be clearly labeled. This measure aims to prevent misinformation and deepfakes, empowering consumers to make informed choices about the content they interact with. It is seen as a vital step toward promoting transparency in AI systems. ***Passed by the Legislature, Awaiting Governor's Signature. CRA did not take a position on this bill.***

SENATE BILL 1047 (Weiner) - The Safe and Secure Innovation for Frontier Artificial Intelligence Systems Act. Addresses AI's potential risks to public safety. Mandates that large AI developers implement strict safety protocols, including shutdown mechanisms, to prevent the misuse of AI in activities like developing weapons of mass destruction or engaging in cyberattacks. This bill is part of California's broader effort to regulate high-risk AI technologies, particularly those developed by major companies. ***Passed by the Legislature, Awaiting Governor's Signature. CRA did not take a position on this bill.***

ASSEMBLY BILL 1949 (Wicks) - Aims to strengthen privacy protections for minors under the California Consumer Privacy Act (CCPA). The bill specifically focuses on restricting the collection and use of personal data from individuals under the age of 18, enhancing protections for minors in the digital space.

It mandates that businesses prioritize data privacy when interacting with younger consumers, ensuring that sensitive information is not exploited without proper consent. ***Passed by the Legislature, Awaiting Governor's Signature. CRA joined the coalition veto request letter.***

ASSEMBLY BILL 3048 (Lowenthal) - Focuses on enhancing privacy rights for Californians by mandating that web browsers include an opt-out preference signal. This bill builds on the California Consumer Privacy Act (CCPA) by requiring all browsers and devices that consumers use to interact with businesses to have easily accessible settings enabling them to opt out of data collection for behavioral advertising. The bill seeks to improve consumer privacy by ensuring that users can automatically signal their preferences without manually opting out on individual websites, thereby streamlining the process. The California Privacy Protection Agency is authorized to adopt regulations to enforce this provision, ensuring the opt-out preference setting remains relevant amid evolving technology and privacy concerns. ***Passed by the Legislature, Awaiting Governor's Signature. CRA signed a coalition letter requesting a Veto.***

ASSEMBLY BILL 2930 (Bauer-Kahan) - Focuses on regulating the use of automated decision tools (ADTs) to prevent algorithmic discrimination in California. The bill required developers and users of ADTs to conduct impact assessments to identify and mitigate potential biases in algorithms, particularly in consequential areas like hiring, credit or housing decisions. The goal was to prevent unjustified differential treatment or outcomes based on factors like race, gender or socioeconomic status. AB 2930 emphasized accountability by mandating that ADT deployers avoid using systems that contribute to such discriminatory practices, ensuring fairness and transparency in automated decision-making processes. ***Failed passage; CRA was opposed to the bill.***

ASSEMBLY BILL 3204 (Bauer-Kahan) - Focused on establishing a “data digester” registry, overseen by the California Privacy Protection Agency (Privacy Agency), that collects and provides to the public information about entities that use personal information to train artificial intelligence (AI) systems. ***Failed in the Assembly Appropriations Committee. CRA was opposed to this bill.***

ASSEMBLY BILL 2885 (Bauer-Kahan) – Focuses on establishing a uniform definition for AI in law. ***Passed by the Legislature, Awaiting Governor's Signature. CRA did not have a position on this bill.***

ASSEMBLY BILL 3211 (Wicks) - Focused on establishing standards for digital content provenance, authenticity and watermarking, particularly in the context of artificial intelligence (AI)-generated media. The bill mandated that providers of generative AI systems, as well as manufacturers of digital cameras and recording devices, comply with content provenance requirements, which include verifying the origins of digital media and applying watermarks to ensure transparency and authenticity. ***Failed passage. CRA did not have a position on this bill.***

Sep 5, 2024

Governor Newsom seeks to harness the power of GenAI to address homelessness and other challenges.

What you need to know: *Governor Gavin Newsom invites developers to help create Generative AI (GenAI) solutions for some of the most challenging issues facing California and its 39 million residents, including housing and homelessness.*

SACRAMENTO — Governor Newsom today announced a new state effort to explore how generative artificial intelligence (GenAI) can help combat the housing and homelessness crisis, as well as support

fiscal analyses for the state budget. The state is [inviting developers to create and present innovative AI solutions](#) to these challenges identified by state agencies for the benefit of Californians.

“As the birthplace of the tech industry and the fifth largest economy in the world, California isn’t afraid of progress. We’ll deploy every tool to address some of the most vexing issues of our time, including the housing and homelessness crisis. California has the technology and the innovative spirit — let’s put them to use for the public good.” Governor Gavin Newsom:

California is leading the way in the adoption and development of GenAI technologies. GenAI is already changing the world, and California will play a pivotal role in defining that future.

As part of Governor Newsom’s GenAI [executive order](#), earlier this year, the Governor convened a [summit on GenAI](#) with leaders from across industries – including technology, labor, government, and academia – to discuss how the state can best use this transformative technology to better serve the people of California. California is home to 32 of the world’s 50 leading GenAI companies, high-impact research and education institutions, and a quarter of the technology’s patents and conference papers.

State agencies and departments began analyzing potential uses for GenAI and developed critical challenges within state government, particularly focusing on issues that impact vulnerable populations.

Today, the Governor announces the first step in the process to potentially adopt GenAI to address the following issues identified by state agencies:

- **Easing homelessness and connecting people to treatment by better identifying available shelter and treatment beds**, with GenAI solutions for a portable tool that the local jurisdictions can use for real-time access to treatment and shelter bed availability.
- **Creating housing with more data and accountability** by creating clearer insights into local permitting and development decisions and deploying tools to support every community in building enough homes for all its residents, including vulnerable populations.
- **Supporting the state budget** by helping state budget analysts with faster and more efficient policy, fiscal analyses across state programs, and policies to spotlight shared needs and statewide opportunities for more efficient and effective deployment of the state’s budget resources.

These challenges follow the state’s May announcement of partnerships with leading companies for five specific challenges seeking GenAI solutions, including new proofs of concept to explore how GenAI could help address challenges like [traffic congestion](#) and [language accessibility](#), and more. Earlier this month, Governor Newsom announced a [first-of-its-kind partnership](#) with NVIDIA to [collaborate](#) on cutting-edge AI efforts to support students, educators, and workers learn new skills.

“The innovator community jumped at the chance to partner with the state to explore if GenAI can benefit our residents and our workforce,” said **Government Operations Agency Secretary Amy Tong**. *“This overwhelming response, along with the ongoing work, shows us that we can embrace GenAI’s many opportunities while taking appropriate measures to approach it safely and responsibly.”*

On September 26, the state will host developers of large language models (LLMs) to present demonstrations of the most current functional capabilities of their GenAI tools related to these challenge statements. This is not a formal procurement process but market research, often used by the state to identify what is currently in the marketplace.