

AMENDMENTS TO SENATE BILL NO. 420
AS AMENDED IN SENATE MAY 23, 2025

Amendment 1

In the heading, in line 1, strike out “Senator Padilla” and insert:

Senators Padilla, McNerney, and Umberg

Amendment 2

In the heading, below line 1, insert:

(Coauthor: Senator Pérez)

Amendment 3

In the title, in line 1, strike out “Chapter 24.6 (commencing with Section 22756) to”, strike out lines 2 and 3, in line 4, strike out “2 of the Public Contract” and insert:

Section 214.12 to the Revenue and Taxation

Amendment 4

In the title, in line 4, strike out “artificial intelligence.” and insert:

taxation.

Amendment 5

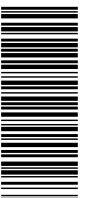
On page 2, before line 1, insert:

SECTION 1. Section 214.12 is added to the Revenue and Taxation Code, to read:

214.12. (a) For purposes of Section 214, “property used exclusively for religious, hospital, scientific, or charitable purposes” shall not include property, or any portion thereof, operated as a detention facility by a for-profit entity.

(b) For purposes of this section, “detention facility” shall have the same meaning as is provided in Section 9500 of the Penal Code.

(c) The Legislature finds and declares that this section does not constitute a change in, but is declaratory of, existing law.



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Substantive

Amendment 6
On page 2, strike out lines 1 and 2 and strike out pages 3 to 13, inclusive

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PROPOSED AMENDMENTS TO SENATE BILL NO. 420

AMENDED IN SENATE MAY 23, 2025

AMENDED IN SENATE MARCH 26, 2025

SENATE BILL

No. 420

**Introduced by ~~Senator Padilla~~ *Senators Padilla, McNerney, and Umberg*
(*Coauthor: Senator Pérez*)**

February 18, 2025

~~An act to add Chapter 24.6 (commencing with Section 22756) to Division 8 of the Business and Professions Code, and to add Article 11 (commencing with Section 10285.8) to Chapter 1 of Part 2 of Division 2 of the Public Contract Section 214.12 to the Revenue and Taxation Code, relating to artificial intelligence: taxation.~~

LEGISLATIVE COUNSEL'S DIGEST

SB 420, as amended, Padilla. ~~Automated decision systems. Property tax: welfare exemption: detention facilities.~~

The California Constitution authorizes the Legislature to exempt from taxation, in whole or in part, property that is used exclusively for religious, hospital, or charitable purposes, and is owned or held in trust by a nonprofit entity. Pursuant to that authority, existing law provides for a welfare exemption under which property used exclusively for an exempt purpose and owned and operated by specified entities, including foundations, limited liability companies, or corporations meeting certain statutory requirements is exempt from taxation.

This bill would specify that for the purposes of the welfare exemption provisions above, "property used exclusively for religious, hospital, scientific, or charitable purposes" shall not include property, or any



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portion thereof, operated as a detention facility, as defined, by a for-profit entity. The bill would declare that the above provision is declarative of, and not a change in, existing law.

The California AI Transparency Act requires a covered provider, as defined, of a generative artificial intelligence system to make available an AI detection tool at no cost to the user that meets certain criteria, including that the tool outputs any system provenance data, as defined, that is detected in the content. The California Consumer Privacy Act of 2018 grants a consumer various rights with respect to personal information that is collected or sold by a business, as defined, including the right to direct a business that sells or shares personal information about the consumer to third parties not to sell or share the consumer’s personal information, as specified.

This bill would generally regulate a developer or a deployer of a high-risk automated decision system, as defined, including by requiring a developer or a deployer to perform an impact assessment on the high-risk automated decision system before making it publicly available or deploying it, as prescribed. The bill would require a state agency to require a developer of a high-risk automated decision system deployed by the state agency to provide to the state agency a copy of the impact assessment and would require the state agency to keep that impact assessment confidential. The bill would also require a developer to provide to the Attorney General or Civil Rights Department, within 30 days of a request from the Attorney General or the Civil Rights Department, a copy of an impact assessment and would require the impact assessment to be kept confidential.

This bill would authorize the Attorney General or the Civil Rights Department to bring a specified civil action to enforce compliance with the bill, as prescribed, and would authorize the Attorney General or the Civil Rights Department to allow a developer or deployer to cure, within 45 days of receiving a certain notice of a violation, the noticed violation, as prescribed.

This bill would prohibit a state agency from awarding a contract for a high-risk automated decision system unless the person to whom the contract is awarded has certified that the high-risk automated decision system does not violate, among other civil rights laws, the bill. By expanding the scope of the crime of perjury, this bill would impose a state-mandated local program.

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.~~

~~The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.~~

~~This bill would provide that no reimbursement is required by this act for a specified reason.~~

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

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

+ SECTION 1. Section 214.12 is added to the Revenue and Taxation Code, to read:

+ 214.12. (a) For purposes of Section 214, “property used exclusively for religious, hospital, scientific, or charitable purposes” shall not include property, or any portion thereof, operated as a detention facility by a for-profit entity.

+ (b) For purposes of this section, “detention facility” shall have the same meaning as is provided in Section 9500 of the Penal Code.

+ (c) The Legislature finds and declares that this section does not constitute a change in, but is declaratory of, existing law.

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

2 (a) ~~(1) Artificial intelligence technologies are becoming an integral part of daily life in California and have profound implications for privacy, equity, fairness, and public safety.~~

3 ~~(2) It is critical to protect individuals’ rights to safeguard against potential harms, including discrimination, privacy violations, and unchecked automation in critical decisionmaking processes.~~

4 ~~(3) A comprehensive set of rights must be established to ensure artificial intelligence technologies align with the public interest and reflect the values of California residents.~~

5 (b) ~~(1) Individuals should have the right to receive a clear and accessible explanation about how artificial intelligence systems operate, including the data they use and the decisions they make.~~

Amendment 5

Amendment 6

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Page 3

Page 3

13 ~~(2) An entity that uses artificial intelligence systems to make~~
14 ~~decisions impacting California residents should provide a~~
15 ~~mechanism to inform individuals of the system’s logic, processing~~
16 ~~methods, and intended outcomes in a manner that is~~
17 ~~understandable.~~

18 ~~(e) (1) All individuals have the right to control their personal~~
19 ~~data in relation to artificial intelligence systems. Artificial~~
20 ~~intelligence systems should operate with the highest standards of~~
21 ~~data privacy and security, in line with the California Consumer~~
22 ~~Privacy Act of 2018 and other relevant privacy laws.~~

23 ~~(2) Before personal data is used in artificial intelligence systems,~~
24 ~~entities should obtain informed, explicit consent from individuals,~~
25 ~~and individuals should have the right to withdraw consent at any~~
26 ~~time without penalty.~~

27 ~~(3) Entities should ensure that personal data used by artificial~~
28 ~~intelligence systems is anonymized or pseudonymized if feasible,~~
29 ~~and data retention should be limited to the purposes for which the~~
30 ~~data was initially collected.~~

31 ~~(d) (1) Artificial intelligence systems should not discriminate~~
32 ~~against individuals based on race, gender, sexual orientation,~~
33 ~~disability, religion, socioeconomic status, or other protected~~
34 ~~characteristics under California law.~~

35 ~~(2) Entities deploying artificial intelligence technologies should~~
36 ~~perform regular audits to identify and address any biases or~~
37 ~~inequities in their artificial intelligence systems and should ensure~~
38 ~~that artificial intelligence systems are designed and trained to~~
39 ~~promote fairness and equal treatment.~~

Page 4

1 ~~(e) (1) Individuals should have the right to hold entities~~
2 ~~accountable for any harm caused by artificial intelligence systems,~~
3 ~~and entities should be liable for the actions and decisions made by~~
4 ~~artificial intelligence technologies they deploy.~~

5 ~~(2) An individual or group adversely affected by artificial~~
6 ~~intelligence-driven decisions should have access to a~~
7 ~~straightforward and transparent process for seeking redress,~~
8 ~~including the ability to challenge those decisions through human~~
9 ~~review and appeal mechanisms.~~

10 ~~(f) (1) Individuals should have the right to request human~~
11 ~~oversight for significant decisions made by artificial intelligence~~
12 ~~systems that impact them, particularly in areas such as employment,~~
13 ~~health care, housing, education, and criminal justice.~~

Page 4 14 ~~(2) Artificial intelligence systems in high-stakes decisionmaking~~
 15 ~~contexts should involve human review or intervention before final~~
 16 ~~decisions, ensuring that automated decisions align with human~~
 17 ~~values and public policy goals.~~

18 SEC. 2. Chapter 24.6 (commencing with Section 22756) is
 19 added to Division 8 of the Business and Professions Code, to read:

20
 21

~~CHAPTER 24.6. AUTOMATED DECISION SYSTEMS~~

+

22 22756. As used in this chapter:

23 (a) ~~“Algorithmic discrimination” means the condition in which~~
 24 ~~an automated decision system contributes to unlawful~~
 25 ~~discrimination on the basis of a protected classification.~~

26 (b) ~~“Artificial intelligence” means an engineered or~~
 27 ~~machine-based system that varies in its level of autonomy and that~~
 28 ~~can, for explicit or implicit objectives, infer from the input it~~
 29 ~~receives how to generate outputs that can influence physical or~~
 30 ~~virtual environments.~~

31 (c) ~~(1) “Automated decision system” means a computational~~
 32 ~~process derived from machine learning, statistical modeling, data~~
 33 ~~analytics, or artificial intelligence that issues simplified output,~~
 34 ~~including a score, classification, or recommendation, that is used~~
 35 ~~to assist or replace human discretionary decisionmaking and~~
 36 ~~materially impacts natural persons.~~

37 (2) ~~“Automated decision system” does not mean a spam email~~
 38 ~~filter, firewall, antivirus software, identity and access management~~
 39 ~~tool, calculator, database, dataset, or other compilation of data.~~

Page 5 1 (d) ~~“Deployer” means a natural person or entity that uses a~~
 2 ~~high-risk automated decision system in the state.~~

3 (e) ~~“Detecting decisionmaking patterns without influencing~~
 4 ~~outcomes” means the act of artificial intelligence analyzing patterns~~
 5 ~~for informational purposes without direct influence on decisions.~~

6 (f) ~~“Developer” means a natural person or entity that designs,~~
 7 ~~codes, produces, or makes a substantial modification to a high-risk~~
 8 ~~automated decision system for use in the state.~~

9 (g) ~~“Education enrollment or opportunity” means the chance to~~
 10 ~~obtain admission, accreditation, evaluation, certification, vocational~~
 11 ~~training, financial aid, or scholarships with respect to an~~
 12 ~~educational opportunity.~~

Page 5

14 ~~(h) “Employment or employment opportunity” means hiring,~~
15 ~~salary, wage, or other material term, condition, or privilege of an~~
16 ~~employee’s employment.~~
17 ~~(i) “Health care” means health care services or insurance for~~
18 ~~health, mental health, dental, or vision.~~
19 ~~(j) (1) “High-risk automated decision system” means an~~
20 ~~automated decision system that is used to assist or replace human~~
21 ~~discretionary decisions that have a legal or similarly significant~~
22 ~~effect, including decisions that materially impact access to, or~~
23 ~~approval for, any of the following:~~
24 ~~(A) Education enrollment or opportunity.~~
25 ~~(B) Employment or employment opportunity.~~
26 ~~(C) Essential utilities.~~
27 ~~(D) Temporary, short-term, or long-term housing.~~
28 ~~(E) Health care services.~~
29 ~~(F) Lending services.~~
30 ~~(G) A legal right or service.~~
31 ~~(H) An essential government service.~~
32 ~~(2) “High-risk automated decision system” does not include an~~
33 ~~automated decision system that only performs narrow procedural~~
34 ~~tasks, enhances human activities, detects patterns without~~
35 ~~influencing decisions, or assists in preparatory tasks for assessment.~~
36 ~~(k) “Improving results of previously completed human~~
37 ~~activities” means the act of artificial intelligence enhancing existing~~
38 ~~human-performed tasks without altering decisions.~~
39 ~~(l) “Narrow procedural task” means a limited, procedural task~~
40 ~~that has a minimal impact on outcomes.~~

Page 6

1 ~~(m) “Preparatory task for assessment” means a task in which~~
2 ~~an artificial intelligence aids in a preparatory task for assessment~~
3 ~~or evaluation without direct decisionmaking authority.~~
4 ~~(n) “Protected classification” means a classification protected~~
5 ~~under existing law prohibiting discrimination, including, but not~~
6 ~~limited to, the California Fair Employment and Housing Act~~
7 ~~(Chapter 7 (commencing with Section 12960) of Part 2.8 of~~
8 ~~Division 3 of Title 2 of the Government Code) or the Unruh Civil~~
9 ~~Rights Act (Section 51 of the Civil Code).~~
10 ~~(o) (1) “State agency” means any of the following:~~
11 ~~(A) A state office, department, division, or bureau.~~
12 ~~(B) The California State University.~~
13 ~~(C) The Board of Parole Hearings.~~

Page 6 14 ~~(D) A board or other professional licensing and regulatory body~~
15 ~~under the administration or oversight of the Department of~~
16 ~~Consumer Affairs.~~

17 (2) ~~“State agency” does not include the University of California,~~
18 ~~the Legislature, the judicial branch, or a board that is not described~~
19 ~~in paragraph (1).~~

20 (p) ~~“Substantial modification” means a new version, release, or~~
21 ~~other significant update that materially changes the functionality~~
22 ~~or performance of a high-risk automated decision system, including~~
23 ~~the results of retraining.~~

24 22756.1. (a) (1) ~~For a high-risk automated decision system~~
25 ~~made publicly available for use on or after January 1, 2026, a~~
26 ~~developer shall perform an impact assessment on the high-risk~~
27 ~~automated decision system before making the high-risk automated~~
28 ~~decision system publicly available for use.~~

29 (2) ~~For a high-risk automated decision system first made~~
30 ~~publicly available for use before January 1, 2026, a developer shall~~
31 ~~perform an impact assessment on or before January 1, 2028.~~

34 (b) (1) ~~Except as provided in paragraph (2), for a high-risk~~
35 ~~automated decision system first deployed after January 1, 2026, a~~
36 ~~deployer shall perform an impact assessment within two years of~~
37 ~~deploying the high-risk automated decision system.~~

38 (2) ~~A state agency that is a deployer may opt out of performing~~
39 ~~an impact assessment if the state agency uses the automated~~
Page 7 1 ~~decision system only for its intended use as determined by the~~
2 ~~developer and all of the following requirements are met:~~

3 (A) ~~The state agency does not make a substantial modification~~
4 ~~to the high-risk automated decision system.~~

5 (B) ~~The developer of the high-risk automated decision system~~
6 ~~is in compliance with Section 10285.8 of the Public Contract Code~~
7 ~~and subdivision (d).~~

8 (C) ~~The state agency does not have a reasonable basis to believe~~
9 ~~that deployment of the high-risk automated decision system as~~
10 ~~intended by the developer is likely to result in algorithmic~~
11 ~~discrimination.~~

12 (D) ~~The state agency is in compliance with Section 22756.4.~~

14 (e) ~~A developer shall make available to deployers and potential~~
15 ~~deployers the statements included in the developer’s impact~~
16 ~~assessment pursuant to Section 22756.2.~~

Page 8

12 ~~(d) (1) A state agency shall require a developer of a high-risk~~
13 ~~automated decision system deployed by the state agency to provide~~
14 ~~to the state agency a copy of the impact assessment conducted~~
15 ~~pursuant to this section.~~

16 ~~(2) Notwithstanding any other law, an impact assessment~~
17 ~~provided to a state agency pursuant to this subdivision shall be~~
18 ~~kept confidential.~~

19 ~~22756.2. An impact assessment prepared pursuant to this~~
20 ~~chapter shall include all of the following:~~

21 ~~(a) A statement of the purpose of the high-risk automated~~
22 ~~decision system and its intended benefits, intended uses, and~~
23 ~~intended deployment contexts.~~

24 ~~(b) A description of the high-risk automated decision system's~~
25 ~~intended outputs.~~

26 ~~(c) A summary of the types of data intended to be used as inputs~~
27 ~~to the high-risk automated decision system and any processing of~~
28 ~~those data inputs recommended to ensure the intended functioning~~
29 ~~of the high-risk automated decision system.~~

30 ~~(d) A summary of reasonably foreseeable potential~~
31 ~~disproportionate or unjustified impacts on a protected classification~~
32 ~~from the intended use by deployers of the high-risk automated~~
33 ~~decision system.~~

34 ~~(e) A developer's impact assessment shall also include both of~~
35 ~~the following:~~

36 ~~(1) A description of safeguards implemented or other measures~~
37 ~~taken to mitigate and guard against risks known to the developer~~
38 ~~of algorithmic discrimination arising from the use of the high-risk~~
39 ~~automated decision system.~~

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1 ~~(2) A description of how the high-risk automated decision~~
2 ~~system can be monitored by a deployer for risks of algorithmic~~
3 ~~discrimination known to the developer.~~

4 ~~(f) A statement of the extent to which the deployer's use of the~~
5 ~~high-risk automated decision system is consistent with, or varies~~
6 ~~from, the developer's statement of the high-risk automated decision~~
7 ~~system's purpose and intended benefits, intended uses, and intended~~
8 ~~deployment contexts.~~

9 ~~(g) A description of safeguards implemented or other measures~~
10 ~~taken to mitigate and guard against any known risks of~~
11 ~~discrimination arising from the high-risk automated decision~~
12 ~~system.~~

Page 9 13 ~~(h) A description of how the high-risk automated decision~~
 14 ~~system has been, and will be, monitored and evaluated.~~
 16 ~~22756.3. (a) If a deployer uses a high-risk automated decision~~
 17 ~~system to make a decision regarding a natural person, the deployer~~
 18 ~~shall notify the natural person of that fact and disclose to that~~
 19 ~~natural person all of the following:~~
 20 ~~(1) The purpose of the high-risk automated decision system and~~
 21 ~~the specific decision it was used to make.~~
 22 ~~(2) How the high-risk automated decision system was used to~~
 23 ~~make the decision.~~
 24 ~~(3) The type of data used by the high-risk automated decision~~
 25 ~~system.~~
 26 ~~(4) Contact information for the deployer.~~
 27 ~~(5) A link to the statement required by subdivision (b).~~
 28 ~~(b) A deployer shall make available on its internet website a~~
 29 ~~statement summarizing all of the following:~~
 30 ~~(1) The types of high-risk automated decision systems it~~
 31 ~~currently deploys.~~
 32 ~~(2) How the deployer manages known or reasonably foreseeable~~
 33 ~~risks of algorithmic discrimination arising from the deployment~~
 34 ~~of those high-risk automated decision systems.~~
 35 ~~(3) The nature and source of the information collected and used~~
 36 ~~by the high-risk automated decision systems deployed by the~~
 37 ~~deployer.~~
 38 ~~(e) A deployer shall provide, as technically feasible, a natural~~
 39 ~~person that is the subject of a decision made by a high-risk~~
 Page 10 1 ~~automated decision system an opportunity to appeal that decision~~
 2 ~~for review by a natural person.~~
 4 ~~22756.4. (a) A developer or a deployer shall establish,~~
 5 ~~document, implement, and maintain a governance program that~~
 9 ~~does all of the following:~~
 10 ~~(1) Contains reasonable administrative and technical safeguards~~
 11 ~~to govern the reasonably foreseeable risks of algorithmic~~
 12 ~~discrimination associated with the use, or intended use, of a~~
 13 ~~high-risk automated decision system.~~
 14 ~~(2) Aligns with existing standards and frameworks, including~~
 15 ~~the National Institute of Standards and Technology AI Risk~~
 16 ~~Management Framework.~~

Page 10

17 ~~(3) Specifies and incorporates the principles, processes, and~~
18 ~~personnel used to identify, document, and mitigate foreseeable~~
19 ~~risks of algorithmic discrimination.~~

20 ~~(4) Is regularly reviewed and updated.~~

21 ~~(5) Includes a structural framework for documenting,~~
22 ~~investigating, and resolving incidents.~~

23 ~~(b) The governance program required by this section shall be~~
24 ~~appropriately designed with respect to all of the following:~~

25 ~~(1) The use, or intended use, of the high-risk automated decision~~
26 ~~system.~~

27 ~~(2) The size, complexity, and resources of the deployer or~~
28 ~~developer.~~

29 ~~(3) The nature, context, and scope of the activities of the~~
30 ~~deployer or developer in connection with the high-risk automated~~
31 ~~decision system.~~

32 ~~(4) The technical feasibility and cost of available tools,~~
33 ~~assessments, and other means used by a deployer or developer to~~
34 ~~map, measure, manage, and govern the risks associated with a~~
35 ~~high-risk automated decision system.~~

37 ~~22756.5. (a) A developer or deployer is not required to disclose~~
38 ~~information under this chapter if the disclosure of that information~~
39 ~~would result in the waiver of a legal privilege or the disclosure of~~
40 ~~a trade secret, as defined in Section 3426.1 of the Civil Code.~~

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1 ~~(b) If a disclosure is not made because the disclosure would~~
2 ~~reveal a trade secret, the developer or deployer shall notify the~~
3 ~~party to whom the disclosure would have otherwise been made of~~
4 ~~the basis for which the disclosure was not made.~~

6 ~~22756.6. (a) Except as provided in subdivision (b), a deployer~~
7 ~~or developer shall not deploy or make available for deployment a~~
8 ~~high-risk automated decision system if the impact assessment~~
9 ~~performed pursuant to this chapter determines that the high-risk~~
10 ~~automated decision system is likely to result in algorithmic~~
11 ~~discrimination.~~

12 ~~(b) (1) A deployer or developer may deploy or make available~~
13 ~~for deployment a high-risk automated decision system if the impact~~
14 ~~assessment performed pursuant to this chapter determines that the~~
15 ~~high-risk automated decision system will result in algorithmic~~
16 ~~discrimination if the deployer or developer implements safeguards~~
17 ~~to mitigate the known risks of algorithmic discrimination.~~

Page 11 18 ~~(2) A deployer or developer acting under the exception provided~~
19 ~~by paragraph (1) shall perform an updated impact assessment to~~
20 ~~verify that the algorithmic discrimination has been mitigated and~~
21 ~~is not reasonably likely to occur.~~

23 ~~22756.7. (a) (1) A developer shall provide to the Attorney~~
24 ~~General or Civil Rights Department, within 30 days of a request~~
25 ~~from the Attorney General or the Civil Rights Department, a copy~~
26 ~~of an impact assessment performed pursuant to this chapter.~~

27 ~~(2) Notwithstanding any other law, an impact assessment~~
28 ~~provided to the Attorney General or Civil Rights Department~~
29 ~~pursuant to this subdivision shall be kept confidential.~~

30 ~~(b) The Attorney General or the Civil Rights Department may~~
31 ~~bring a civil action against a deployer or developer for a violation~~
32 ~~of this chapter and obtain any of the following relief:~~

33 ~~(1) (A) If a developer or deployer fails to conduct an impact~~
34 ~~assessment as required under this chapter, a civil penalty of two~~
35 ~~thousand five hundred dollars (\$2,500) for a defendant with fewer~~
36 ~~than 100 employees, five thousand dollars (\$5,000) if the defendant~~
37 ~~has fewer than 500 employees, and ten thousand dollars (\$10,000)~~
38 ~~if the defendant has at least 500 employees.~~

Page 12 1 ~~(B) If a violation is intentional, the civil penalty pursuant to this~~
2 ~~paragraph shall increase by five hundred dollars (\$500) for each~~
3 ~~day that the defendant is noncompliant.~~

4 ~~(2) Injunctive relief.~~

5 ~~(3) Reasonable attorney's fees and costs.~~

6 ~~(4) If the violation concerns algorithmic discrimination, a civil~~
7 ~~penalty of twenty-five thousand dollars (\$25,000) per violation.~~

8 ~~(e) (1) Before commencing an action pursuant to this section,~~
9 ~~the Attorney General or the Civil Rights Department shall provide~~
10 ~~45 days' written notice to a deployer or developer of any alleged~~
11 ~~violation of this chapter.~~

19 ~~(2) The Attorney General or the Civil Rights Department may,~~
20 ~~at its discretion, provide to a developer or a deployer with a time~~
21 ~~period to cure the alleged violation after considering all of the~~
22 ~~following:~~

23 ~~(A) A lack of intent to commit the violation.~~

24 ~~(B) Voluntary efforts undertaken to cure the alleged violation~~
25 ~~before being notified of the violation.~~

26 ~~(C) The size and economic resources of the noncompliant~~
27 ~~developer or deployer.~~

Page 12 28 ~~(D) The size and scope of the impact of the decisions made by~~
 29 ~~an automated decision system related to the violation.~~
 31 ~~22756.8. This chapter does not apply to either of the following:~~
 32 ~~(a) An entity with 50 or fewer employees.~~
 33 ~~(b) A high-risk automated decision system that has been~~
 34 ~~approved, certified, or cleared by a federal agency that complies~~
 35 ~~with another law that is substantially the same or more stringent~~
 36 ~~than this chapter.~~
 37 ~~SEC. 3. Article 11 (commencing with Section 10285.8) is~~
 38 ~~added to Chapter 1 of Part 2 of Division 2 of the Public Contract~~
 39 ~~Code, to read:~~

Page 13 1
 + Article 11. High-Risk Automated Decision Systems
 +
 3 ~~10285.8. (a) A state agency shall not award a contract for a~~
 4 ~~high-risk automated decision system unless the person to whom~~
 5 ~~the contract is awarded has certified that the high-risk automated~~
 6 ~~decision system does not violate any of the following:~~
 8 ~~(1) The Unruh Civil Rights Act (Section 51 of the Civil Code).~~
 9 ~~(2) The California Fair Employment and Housing Act (Chapter~~
 10 ~~7 (commencing with Section 12960) of Part 2.8 of Division 3 of~~
 11 ~~Title 2 of the Government Code).~~
 12 ~~(3) Chapter 24.6 (commencing with Section 22756) of Division~~
 13 ~~8 of the Business and Professions Code.~~
 14 ~~(b) As used in this section, “high-risk automated decision~~
 15 ~~system” has the same meaning as defined in Section 22756 of the~~
 16 ~~Business and Professions Code.~~
 17 ~~SEC. 4. The Legislature finds and declares that Section 2 of~~
 18 ~~this act, which adds Chapter 24.6 (commencing with Section~~
 19 ~~22756) to Division 8 of the Business and Professions Code,~~
 20 ~~imposes a limitation on the public’s right of access to the meetings~~
 21 ~~of public bodies or the writings of public officials and agencies~~
 22 ~~within the meaning of Section 3 of Article I of the California~~
 23 ~~Constitution. Pursuant to that constitutional provision, the~~
 24 ~~Legislature makes the following findings to demonstrate the interest~~
 25 ~~protected by this limitation and the need for protecting that interest:~~
 26 ~~To avoid unduly disrupting commerce, it is necessary that trade~~
 27 ~~secrets be protected.~~
 28 ~~SEC. 5. No reimbursement is required by this act pursuant to~~
 29 ~~Section 6 of Article XIII B of the California Constitution because~~

PROPOSED AMENDMENTS

**RN 26 15507 03
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SUBSTANTIVE**

Page 13 30 the only costs that may be incurred by a local agency or school
31 district will be incurred because this act creates a new crime or
32 infraction, eliminates a crime or infraction, or changes the penalty
33 for a crime or infraction, within the meaning of Section 17556 of
34 the Government Code, or changes the definition of a crime within
35 the meaning of Section 6 of Article XIII B of the California
36 Constitution.

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