

AMENDED IN ASSEMBLY SEPTEMBER 5, 2025

AMENDED IN ASSEMBLY SEPTEMBER 2, 2025

AMENDED IN ASSEMBLY JULY 9, 2025

AMENDED IN ASSEMBLY JUNE 19, 2025

AMENDED IN SENATE MAY 1, 2025

AMENDED IN SENATE MARCH 6, 2025

SENATE BILL

No. 7

Introduced by Senator McNerney

(Coauthors: Assembly Members Bryan and Elhawary)

December 2, 2024

An act to add Part 5.5.5 (commencing with Section 1520) to Division 2 of the Labor Code, relating to employment.

LEGISLATIVE COUNSEL'S DIGEST

SB 7, as amended, McNerney. Employment: automated decision systems.

Existing law requires 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 (ADS) that have been proposed for use, development, or procurement by, or are being used, developed, or procured by, any state agency.

Existing law establishes the Labor and Workforce Development Agency, which is composed of various departments responsible for protecting and promoting the rights and interests of workers in California, including the Division of Labor Standards Enforcement, led

by the Labor Commissioner, within the Department of Industrial Relations.

This bill would require an employer to provide a written notice that an ADS, for the purpose of making employment-related decisions, not including hiring, is in use at the workplace to all workers that will foreseeably be directly affected by the ADS, as specified. The bill would require the employer to maintain an updated list of all ADS currently in use. The bill would require an employer to notify, as provided, a job applicant that the employer utilizes an ADS when making hiring decisions, if the employer will use the ADS in making decisions for that position. The bill would prohibit an employer from using an ADS that does certain functions and would limit the purposes and manner in which an ADS may be used to make decisions. The bill would *authorize a worker to request, and require an employer to allow a worker to access their provide, a copy of the most recent 12 months of the worker's own data collected or primarily used by an ADS and to correct errors in the worker's data, as specified. ADS to make a discipline, termination, or deactivation decision, as specified.* The bill would require an employer that primarily relied on an ADS to make a discipline, termination, or deactivation decision to provide the affected worker with a written notice, as specified.

This bill would prohibit an employer from discharging, threatening to discharge, demoting, suspending, or in any manner discriminating or retaliating against any worker for taking certain actions asserting their rights under the bill. The bill would require the Labor Commissioner to enforce the bill's provisions, as specified, and would authorize a public prosecutor ~~or any worker who has suffered a violation or their representative~~ to bring a civil action. The bill would set forth specified types of relief that a plaintiff may seek and specified penalties that an employer that violates these provisions is subject to, including a \$500 civil penalty. The bill would also provide that an employer who complies with the requirements related to notice in this bill is not required to comply with any substantially similar provisions under any other state law, except as specified. The bill would not apply to parties covered by a valid collective bargaining agreement if the agreement contains specified information, including an explicit waiver of the bill's provisions. *The bill would declare that its provisions do not prohibit any employer from complying with regulatory or contractual requirements in the provision of products or services to the federal government, as defined.*

This bill would declare that its provisions are severable.

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. Part 5.5.5 (commencing with Section 1520) is
2 added to Division 2 of the Labor Code, to read:

3
4 PART 5.5.5. AUTOMATED DECISION SYSTEMS IN THE
5 WORKPLACE

6
7 CHAPTER 1. DEFINITIONS

8
9 1520. For purposes of this part, the following shall apply:

10 (a) “Artificial intelligence” means an engineered or
11 machine-based system that varies in its level of autonomy and that
12 can, for explicit or implicit objectives, infer from the input it
13 receives how to generate outputs that can influence physical or
14 virtual environments.

15 (b) “Authorized representative” means any person or
16 organization appointed by the worker to serve as an agent of the
17 worker. Authorized representative shall not include a worker’s
18 employer.

19 (c) “Automated decision system” or “ADS” means any
20 computational process derived from machine learning, statistical
21 modeling, data analytics, or artificial intelligence that issues
22 simplified output, including a score, classification, or
23 recommendation, that is used to assist or replace human
24 discretionary decisionmaking and materially impacts natural
25 persons. An automated decision system does not include a spam
26 email filter, firewall, antivirus software, identity and access
27 management tools, calculator, database, dataset, or other
28 compilation of data.

29 (d) “ADS output” means any information, data, assumptions,
30 predictions, scoring, recommendations, decisions, or conclusions
31 generated by an ADS.

32 (e) (1) “Employer” means any person who directly or indirectly,
33 or through an agent or any other person, employs or exercises
34 control over the wages, benefits, other compensation, hours,

1 working conditions, access to work or job opportunities, or other
2 terms or conditions of employment, of any worker. This shall
3 include all branches of state government, or the several counties,
4 cities and counties, and municipalities thereof, or any other political
5 subdivision of the state, or a school district, or any special district,
6 or any authority, commission, or board or any other agency or
7 instrumentality thereof.

8 (2) “Employer” includes a labor contractor of a person defined
9 as an employer under paragraph (1).

10 (f) “Employment-related decision” means any decision by an
11 employer that materially impacts a worker’s wages, benefits,
12 compensation, work hours, work schedule, performance evaluation,
13 hiring, discipline, promotion, termination, job tasks, skill
14 requirements, work responsibilities, assignment of work, access
15 to work and training opportunities, productivity requirements, or
16 workplace health and safety.

17 (g) “Federal government” shall have the same meaning as set
18 forth in Section 52008 of the Government Code.

19 ~~(g)~~

20 (h) “Quota” means a work standard under which an employee
21 is assigned or required to perform at a specified productivity speed,
22 to perform a quantified number of tasks, or to handle or produce
23 a quantified amount of material, within a defined time period and
24 under which the employee may suffer an adverse employment
25 action if they fail to complete the performance standard.

26 ~~(h)~~

27 (i) “Worker” means any natural person who is an employee of,
28 or an independent contractor providing service to, or through, a
29 business or a state or local governmental entity in any workplace.

30 ~~(i)~~

31 (j) “Worker data” means any information that identifies, relates
32 to, ~~describes, is reasonably capable of being associated with, or~~
33 ~~could reasonably be linked, directly or indirectly, with, or describes~~
34 a worker, regardless of how the information is collected, inferred,
35 or obtained.

36
37 CHAPTER 2. AUTOMATED DECISION SYSTEM PRE-USE NOTICE

38
39 1522. (a) An employer shall provide a written notice that an
40 ADS, for the purpose of making employment-related decisions,

1 not including hiring, is in use at the workplace to a worker who
2 will foreseeably be directly affected by the ADS, or their authorized
3 representative, according to the following:

4 (1) At least 30 days before an ADS is first deployed by the
5 employer.

6 (2) If the employer is using an ADS to assist in making
7 employment-related decisions at the time this title takes effect, no
8 later than April 1, 2026.

9 (3) To a new worker within 30 days of hiring the worker.

10 (b) An employer shall maintain an updated list of all ADS
11 currently in use.

12 (c) A written notice required by this section shall be all of the
13 following:

14 (1) Written in plain language as a separate, stand-alone
15 communication.

16 (2) In the language in which routine communications and other
17 information are provided to workers.

18 (3) Provided via a simple and easy-to-use method, including,
19 but not limited to, an email, hyperlink, or other written format.

20 (d) An employer shall notify a job applicant upon receiving the
21 application that the employer utilizes an ADS when making hiring
22 decisions, if the employer will use the ADS in making decisions
23 for that position. Notifications may be made using an automatic
24 reply mechanism or on a job posting.

25 (e) A notice issued pursuant to subdivision (a) shall contain the
26 following information:

27 (1) The type of employment-related decisions potentially
28 affected by the ADS.

29 (2) A general description of the categories of worker input data
30 the ADS will use, the sources of worker input data, and how worker
31 input data will be collected.

32 (3) Any key parameters known to disproportionately affect the
33 output of the ADS.

34 (4) The individuals, vendors, or entities that created the ADS.

35 (5) If applicable, a description of each quota set or measured
36 by an ADS to which the worker is subject, including the quantified
37 number of tasks to be performed or products to be produced, and
38 any potential adverse employment action that could result from
39 failure to meet the quota, as well as whether those quotas are
40 subject to change and if any notice is given of changes in quotas.

1 (6) A description of the worker’s right to access and correct the
2 worker’s data used by the ADS.

3 (7) That the employer is prohibited from retaliating against
4 workers for exercising their rights described in paragraph (6).

5
6 CHAPTER 3. EMPLOYER REQUIREMENTS
7

8 1524. (a) An employer shall not use an ADS to do any of the
9 following:

10 (1) Prevent compliance with or violate any federal, state, or
11 local labor, occupational health and safety, employment, or civil
12 rights laws or regulations.

13 (2) Infer a worker’s protected status under Section 12940 of the
14 Government Code.

15 (3) Identify, profile, predict, or take adverse action against a
16 worker for exercising their legal rights, including, but not limited
17 to, rights guaranteed by state and federal employment and labor
18 law.

19 (b) An employer shall not use an ADS to collect worker data
20 for a purpose that is not disclosed pursuant to the notice
21 requirements in Chapter 2 (commencing with Section 1522).

22 (c) (1) An employer shall not rely solely on an ADS when
23 making a discipline, termination, or deactivation decision.

24 (2) When an employer relies primarily on ADS output to make
25 a discipline, termination, or deactivation decision, the employer
26 shall use a human reviewer to review the ADS output and compile
27 and review other information ~~not used by the ADS~~ that is relevant
28 to the decision, if any. For purposes of this paragraph, “other
29 information” may include, but is not limited to, any of the
30 following:

31 (A) Supervisory or managerial evaluations.

32 (B) Personnel files.

33 (C) Work product of workers.

34 (D) Peer reviews.

35 (E) Witness interviews, that may include relevant online
36 customer reviews.

37 (d) An employer shall not use customer ratings as the only or
38 primary input data for an ADS to make employment-related
39 decisions.

1 ~~(e) An employer shall allow a worker to access their own worker~~
2 ~~data collected or used by an ADS and correct errors in the worker's~~
3 ~~data used by the ADS.~~

4 *(e) A worker shall have the right to request, and an employer*
5 *shall provide, a copy of the most recent 12 months of the worker's*
6 *own data primarily used by an ADS to make a discipline,*
7 *termination, or deactivation decision. A worker is limited to one*
8 *request every 12 months for a copy of their own data used by an*
9 *ADS to make a discipline, termination, or deactivation decision.*

10 *(f) For purposes of safeguarding the privacy rights of*
11 *consumers, workers, and individuals, when an employer is required*
12 *to provide worker data pursuant to this part, that worker data*
13 *shall be provided in a manner that anonymizes the customer's,*
14 *other worker's, or individual's personal information.*

15
16 CHAPTER 4. AUTOMATED DECISION SYSTEM POST-USE NOTICE
17

18 1526. (a) An employer that primarily relied on an ADS to
19 make a discipline, termination, or deactivation decision shall
20 provide the affected worker with a written notice at the time the
21 employer informs the worker of the decision. The notice shall be
22 all of the following:

23 (1) Written in plain language as a separate, stand-alone
24 communication.

25 (2) In the language in which routine communications and other
26 information are provided to workers.

27 (3) Provided via a simple and easy-to-use method, including an
28 email, hyperlink, or other written format.

29 (b) A notice issued pursuant to subdivision (a) shall contain all
30 of the following information:

31 (1) ~~The human to contact for more information, including for~~
32 ~~access to the worker's input data used by the ADS that contributed~~
33 ~~to the decision.~~ *information about the decision and the ability to*
34 *request a copy of the worker's own worker data relied on in the*
35 *decision.*

36 (2) That the employer used an ADS to assist the employer in
37 one or more discipline, termination, or deactivation decisions with
38 respect to the worker.

39 (3) That the worker has the right to ~~correct errors in the worker's~~
40 ~~input~~ *request a copy of the worker's data used by the ADS.*

(4) That the employer is prohibited from retaliating against the worker for exercising their rights under this part.

CHAPTER 5. ENFORCEMENT

1530. An employer shall not discharge, threaten to discharge, demote, suspend, or in any manner discriminate or retaliate against any worker for using or attempting to use their rights under this part, filing a complaint with the Labor Commissioner, alleging a violation of this part, cooperating in an investigation or prosecution of an alleged violation of this part, or any action taken by the worker to invoke or assist in any manner the enforcement of this part, or for exercising or attempting to exercise any right protected under this part.

1532. (a) The Labor Commissioner shall enforce this part, including investigating an alleged violation, and ordering appropriate temporary relief to mitigate a violation or maintain the status quo pending the completion of a full investigation or hearing through the procedures set forth in Section 98.3, 98.7, 98.74, or 1197.1, including issuing a citation against an employer who violates this part and filing a civil action. If a citation is issued, the procedures for issuing, contesting, and enforcing judgments for citations and civil penalties issued by the Labor Commissioner shall be the same as those set out in Section 98.74 or 1197.1, as applicable.

~~(b) Alternatively to subdivision (a), any worker, or their exclusive representative, who has suffered a violation of this part may bring a civil action in a court of competent jurisdiction for damages caused by that adverse action, including punitive damages.~~

~~(c)~~

(b) This part may also alternatively be enforced by a public prosecutor pursuant to Chapter 8 (commencing with Section 180) of Division 1.

~~(d)~~

(c) In any civil action brought pursuant to paragraph (a), (b), or ~~(c)~~ (a) or (b) in superior court in any county wherein the violation in question is alleged to have occurred, or wherein the person resides or transacts business, the petitioner may seek appropriate temporary or preliminary injunctive relief, including punitive

1 damages, and reasonable attorney's fees and costs as part of the
2 costs of any such action for damages.

3 (e)

4 (d) An employer who violates this part shall be subject to a civil
5 penalty of five hundred dollars (\$500).

6 1534. This part does not preempt any city, county, or city and
7 county ordinance that provides equal or greater protection to
8 workers who are covered by this part.

9 1536. Except as set forth in Section 1537, an employer who
10 complies with the requirements related to notice under this part is
11 not required to comply with any substantially similar notice
12 provisions related to automated decision systems used for
13 employment-related decisions required under any other state law.

14 1537. Notwithstanding Section 1536, an employer that is a
15 business subject to the California Consumer Privacy Act of 2018
16 (Title 1.81.5 (commencing with Section 1798.100) of Part 4 of
17 Division 3 of the Civil Code) is subject to any privacy-related
18 automated decisionmaking technology regulation duly adopted by
19 the California Privacy Protection Agency pursuant to Section
20 1798.185 and subdivision (b) of Section 1798.199.40 of the Civil
21 Code.

22 1538. The provisions of this part shall not apply to parties
23 covered by a collective bargaining agreement if the agreement
24 explicitly waives this part in clear and unambiguous terms,
25 expressly provides for the wages or earning, working conditions,
26 and other terms and conditions of work, and provides protection
27 from algorithmic management.

28 1539. *This part does not prohibit any employer from complying*
29 *with regulatory or contractual requirements in the provision of*
30 *products or services to the federal government.*

31 SEC. 2. The provisions of this act are severable. If any
32 provision of this act or its application is held invalid, that invalidity
33 shall not affect other provisions or applications that can be given
34 effect without the invalid provision or application.