### SENATE RULES COMMITTEE

Office of Senate Floor Analyses

(916) 651-1520 Fax: (916) 327-4478

### THIRD READING

Bill No: AB 1331

Author: Elhawary (D), et al. Amended: 8/29/25 in Senate

Vote: 21

SENATE LABOR, PUB. EMP. & RET. COMMITTEE: 4-1, 6/25/25

AYES: Smallwood-Cuevas, Cortese, Durazo, Laird

NOES: Strickland

SENATE JUDICIARY COMMITTEE: 9-2, 7/15/25

AYES: Umberg, Arreguín, Ashby, Caballero, Durazo, Laird, Wahab, Weber

Pierson, Wiener

NOES: Niello, Valladares

NO VOTE RECORDED: Allen, Stern

SENATE APPROPRIATIONS COMMITTEE: 5-2, 8/29/25 AYES: Caballero, Cabaldon, Grayson, Richardson, Wahab

NOES: Seyarto, Dahle

ASSEMBLY FLOOR: 55-15, 6/5/25 - See last page for vote

SUBJECT: Workplace surveillance

**SOURCE:** California Federation of Labor Unions

**DIGEST:** This bill regulates and limits the use of workplace surveillance tools, by both public and private employers, as specified.

### **ANALYSIS:**

### Existing law:

1) States that the "right to privacy is a personal and fundamental right protected by Section 1 of Article I of the Constitution of California and by the United States

Constitution and that all individuals have a right of privacy in information pertaining to them." Further states these findings of the Legislature:

- a) The right to privacy is being threatened by the indiscriminate collection, maintenance, and dissemination of personal information and the lack of effective laws and legal remedies.
- b) The increasing use of computers and other sophisticated information technology has greatly magnified the potential risk to individual privacy that can occur from the maintenance of personal information.
- c) In order to protect the privacy of individuals, it is necessary that the maintenance and dissemination of personal information be subject to strict limits. (Civil Code §1798.1)
- 2) States that advances in science and technology have led to the development of new devices and techniques for the purpose of eavesdropping upon private communications and that the invasion of privacy resulting from the continual and increasing use of such devices and techniques has created a serious threat to the free exercise of personal liberties that cannot be tolerated in a free and civilized society. (Penal Code §630)
- 3) Prohibits a person from intentionally, and without the consent of all parties to a confidential communication, using an electronic amplifying or recording device to eavesdrop upon or record the confidential communication. For purposes of these provisions, defines a "person" to mean an individual, business association, partnership, corporation, limited liability company, or other legal entity. (Penal Code §632)
- 4) Establishes the California Consumer Privacy Act (CCPA), which grants consumers certain rights with regard to their personal information, including enhanced notice, access, and disclosure; the right to deletion; the right to restrict the sale of information; and protection from discrimination for exercising these rights. It places attendant obligations on businesses to respect those rights. (Civil Code §1798.100 et seq.)
- 5) Establishes the Consumer Privacy Rights Act (CPRA), which amends the CCPA and creates the California Privacy Protection Agency (PPA), which is charged with implementing these privacy laws, promulgating regulations, and carrying out enforcement actions. (Civil Code §1798.100 et seq.; Proposition 24 (2020))

- 6) Establishes within the Department of Industrial Relations (DIR), various entities including the Division of Labor Standards Enforcement (DLSE) under the direction of the Labor Commissioner (LC), and empowers the LC with ensuring a just day's pay in every workplace and promotes economic justice through robust enforcement of labor laws. (Labor Code §79-107)
- 7) Prohibits an employer from causing an audio or video recording to be made of an employee in a restroom, locker room, or room designated by an employer for changing clothes, unless authorized by court order. No recording made in violation of this prohibition may be used by an employer for any purpose. A violation of this section constitutes an infraction. (Labor Code §435)
- 8) Authorizes, until January 1, 2029, a public prosecutor to prosecute an action, either civil or criminal, for a violation of certain provisions of the labor code or to enforce those provisions independently. (Labor Code §181)

### This bill:

- 1) Defines, among other terms, the following:
  - a) "Employer" means a person who directly or indirectly, or through an agent or any other person, employs or exercises control over the wages, benefits, other compensation, hours, working conditions, access to work or job opportunities, or other terms or conditions of employment, of any worker.
    - i) "Employer" includes an employer's labor contractor.
    - ii) "Employer" includes private entities and public entities, including, but not limited to, all branches of state government, or the several counties, cities and counties, and municipalities thereof, or any other political subdivision of the state, or a school district, or any special district, or any authority, commission, or board or any other agency or instrumentality thereof.
  - b) "Worker" means an employee of, or an independent contractor providing service to, or through, a business or a state or local governmental entity in a workplace.
  - c) "Workplace surveillance tool" means a system, application, instrument, or device that collects or facilitates the collection of worker activities, communications, actions, biometrics, or behaviors, or those of the public that are capable of passively surveilling workers, by means other than direct

observation by a person, including, but not limited to, video or audio surveillance, electronic workplace tracking, geolocation, electromagnetic tracking, photoelectronic tracking, or utilization of a photo-optical system or other means.

- i) "Workplace surveillance tool" does not include smoke or carbon monoxide detectors or weapon detection systems that automatically screen a person's body.
- d) "Public prosecutor" means the Attorney General, a district attorney, a city attorney, a county counsel, or any other city or county prosecutor.
- 2) Prohibits an employer, unless directed by a court order, from using a workplace surveillance tool to monitor or surveil workers, including data collection on the frequency of a worker's use of those areas, in the following employee-only, employer-designated areas:
  - a) Bathrooms.
  - b) Locker rooms.
  - c) Changing areas.
  - d) Lactation spaces.
- 3) Authorizes a worker to leave behind workplace surveillance tools that are on their person or in their possession in both of the following circumstances, unless a worker is required to remain available during meal or rest periods pursuant to federal law or existing state law.
  - a) When entering an area listed in (2) above, employee-only breakrooms and cafeterias, and public bathrooms.
  - b) During off-duty hours, excluding rest periods.
- 4) Prohibits an employer from requiring a worker to physically implant a device that collects or transmits data, including a device that is installed subcutaneously in the body.
- 5) Prohibits an employer from using audio surveillance to record employee-only breakrooms or cafeterias.
- 6) If an employer uses a workplace surveillance tool in an employee-only breakroom or cafeteria, requires the employer to post signage in the area

notifying workers that they are subject to surveillance that does not record audio.

- a) Prohibits the workplace surveillance tool in an employee-only breakroom or cafeteria from using artificial intelligence monitoring capacity.
- 7) Authorizes a worker or their authorized representative to request video surveillance that the worker is in.
- 8) Authorizes an employer to use workplace surveillance tools that passively surveil workers in an area not listed in (2) above and employee-only breakrooms and cafeterias, even if an off-duty worker may be present, as long as the worker is made aware in advance that a workplace surveillance tool is in use.
- 9) Notwithstanding the prohibitions specified, authorizes an employer to check workplace surveillance tools for the one-time entry and exit in the areas listed in (2) above and employee-only breakrooms and cafeterias for health and safety purposes, as long as it is not used to monitor the frequency of a worker's use of those areas.
- 10) On a multiemployer jobsite, requires the controlling employer to post a notice at the jobsite providing a general description of the types of activities that may be monitored or surveilled and for what purposes. Specifies that such a notice satisfy the requirement for any employer whose employees perform work on that jobsite.
- 11) Specifies that an employer is not in violation of this bill's provisions in any of the following circumstances:
  - a) A worker brings a workplace surveillance tool into an area listed in (2) above or employee-only breakrooms or cafeterias because it is required to access a locked or secured area.
  - b) A worker uses a workplace surveillance tool to access a locked or secured area during off-duty hours.
  - c) A worker voluntarily chooses to bring a workplace surveillance tool into an area listed in (2) above or employee-only breakrooms or cafeterias.
  - d) A worker voluntarily keeps a workplace surveillance tool on their person during off-duty hours.

- e) A worker brings, or keeps on their person during off-duty hours, a workplace surveillance tool, including a badge or personal alarm system, into an area listed in (2) above or employee-only breakrooms or cafeterias because the employer has a policy that requires that workplace surveillance tool to be in the worker's possession while on work premises for identification or safety purposes, if the workplace surveillance tool meets both of the following conditions:
  - i) Does not detect or record audio.
  - ii) Is not artificial intelligence enabled.
- 12) Prohibits a worker from removing or physically tampering with any component of a workplace surveillance tool that is part of or embedded in employer equipment or vehicles.
- 13) Prohibits an employer from discharging, threatening to discharge, demoting, suspending, or in any manner discriminating against an employee for using, or attempting to use, the employee's rights under this part, including the filing of a complaint, as specified.
- 14) Specifies that in addition to any other remedy, an employer who violates these provisions shall be subject to a civil penalty of \$500 per violation.
- 15) In addition to any other remedy, authorizes the Labor Commissioner to enforce these provisions, 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 including by issuing a citation and filing a civil action, as specified.
- 16) Authorizes these provisions to also be enforced by a public prosecutor, as specified.
- 17) Provides that the above provisions do not preempt any local law that provides equal or greater protection to workers.
- 18) Specifies that the above provisions are severable and if any provision is held invalid, that invalidity shall not affect other provisions or applications that can be given effect.

- 19) Provides that these provisions do not limit the authority of the Attorney General, a district attorney, or a city attorney, either upon their own complaint or the complaint of any person acting for themselves or the general public, to prosecute actions, either civil or criminal, for violations of these provisions, or to enforce the provisions independently and without specific direction of the LC or the Division of Labor Standards Enforcement.
- 20) Specifies that these provisions do not prohibit any employer from using workplace surveillance tools as required by federal law or existing state law.
- 21) Specifies that these provisions do not authorize any employer to use workplace surveillance tools as prohibited by federal law or existing state law.
- 22) Exempts from all these provisions, an employer that does either of the following:
  - a) Develops products for national security, military, space, or defense purposes.
  - b) Develops aircraft for operation in national airspace.
- 23) Specifies that this bill's provisions do not apply to a law enforcement agency that includes any employee who is a peace officer, as specified, when it acts as a law enforcement agency or as the employer of its own employees.
  - a) For purposes of this provision, specifies that a law enforcement agency is not to be deemed the employer of any employees who are not directly employed by the law enforcement agency.

# **Background**

Need for this bill? According to the author: "As technology's capabilities have increased, employer surveillance of workers has increased. Recent reports from Express VPN found that close to 80% of employers use monitoring software to track employee performance. With employer surveillance on the rise, workers have limited access to spaces in their workplace, that are not under constant surveillance. Employers use workplace surveillance to track, monitor, manage, and prevent workers from advocating for their rights. The new surveillance state at the workplace has proven to increase psychological distress, stress, and lower job satisfaction among workers."

### **Related/Prior Legislation**

SB 7 (McNerney, 2025) would regulate the use of automated decision systems (ADS) in the employment setting. SB 7 is pending on the Assembly Floor.

AB 1018 (Bauer-Kahan, 2025) would, among other things, regulate the development and deployment of an ADS used to make consequential decisions, as defined. *AB 1018 is pending on the Senate Floor*.

[NOTE: Please see the Senate Labor, Public Employment and Retirement Committee analysis on this bill for more background information and information on additional prior and related legislation.]

FISCAL EFFECT: Appropriation: No Fiscal Com.: Yes Local: No

According to the Senate Appropriations Committee:

- This bill would result in costs to the State as a direct employer to revise policies and ensure the use of any existing tools comply with its requirements (General Fund or special fund). The magnitude of such costs is unknown, and would be driven by the use of workplace surveillance tools across the State's roughly 200 departments and agencies.
- The Department of Industrial Relations (DIR) indicates that it would incur first-year costs of \$1.23 million, and \$1.67 million annually thereafter, to enforce the provisions of the bill. (Labor Enforcement and Compliance Fund).
- By authorizing public prosecution to enforce worker privacy rights, this bill could result in potentially significant cost pressures to the courts; the magnitude is unknown (Trial Court Trust Fund (TCTF)). The specific number of new actions that could be filed under the bill also is unknown; however, it generally costs about \$10,500 to operate a courtroom for an eight-hour day. Courts are not funded on the basis of workload, and increased pressure on TCTF may create a need for increased funding for courts from the General Fund. The enacted 2025-26 budget includes \$38 million in ongoing support from the General Fund to continue to backfill TCTF for revenue declines.
- This bill could result in increased penalty revenue to the State; the magnitude is unknown, but probably minor.

SUPPORT: (Verified 8/29/25)

California Federation of Labor Unions (Source)

Air Line Pilots Association, International

AFSCME California

Association of Flight Attendants - CWA

California Alliance for Retired Americans

California Civil Liberties Advocacy

California Coalition for Worker Power

California Conference Board of the Amalgamated Transit Union

California Conference of Machinists

California Employment Lawyers Association

California Federation of Teachers AFL-CIO

California Immigrant Policy Center

California Nurses Association

California Professional Firefighters

California School Employees Association

California State Legislative Board of the SMART - Transportation Division

California State University Employees Union

California Teamsters Public Affairs Council

Center for Democracy and Technology

Center for Inclusive Change

Center on Policy Initiatives

Church State Council

Coalition for Humane Immigrant Rights

Coalition of Black Trade Unionists, San Diego County Chapter

Communications Workers of America, District 9

Community Agency for Resources, Advocacy and Services

Consumer Attorneys of California

Consumer Federation of California

Engineers and Scientists of California, IFPTE Local 20, AFL-CIO

Inland Empire Labor Council

International Cinematographers Guild, Local 600, IATSE

International Lawyers Assisting Workers Network

Los Angeles Alliance for a New Economy

Los Angeles County Democratic Party

National Employment Law Project

National Union of Healthcare Workers

Northern CA District Council of the Int. Longshore and Warehouse Union

Oakland Privacy

Omidyar Network

Pillars of the Community

PowerSwitch Action

Rise Economy

San Diego Black Workers Center

Secure Justice

Service Employees International Union, California State Council

Surveillance Resistance Lab

Teamsters California

TechEquity Action

The Center for AI and Digital Policy

The Workers Lab

Transport Workers Union of America, AFL-CIO

UNITE HERE! International Union, AFL-CIO

UNITE HERE! Local 11

United Food and Commercial Workers, Western States Council

Utility Workers Union of America

Warehouse Worker Resource Center

Workers' Algorithm Observatory

Working Partnerships USA

Worksafe

## **OPPOSITION:** (Verified 8/29/25)

Acclamation Insurance Management Services

**ADT Security Services** 

Aerospace and Defense Alliance of California

Agricultural Council of California

Allied Managed Care

American Petroleum and Convenience Store Association

American Property Casualty Insurance Association

Anaheim Chamber of Commerce

Associated General Contractors of California

Associated General Contractors – San Diego Chapter

Association of California Healthcare Districts

Association of California School Administrators

Association of Orange County Deputy Sheriff's

Brea Chamber of Commerce

CalBroadband

Calforests

California Alarm Association

California Alliance of Family Owned Businesses

California Apartment Association

California Association of Health Facilities

California Association of Joint Powers Authorities

California Association of Licensed Security Agencies, Guards & Associates

California Association of Recreation and Park Districts

California Association of School Business Officials

California Association of Sheet Metal & Air Conditioning Contractors National

California Association of Winegrape Growers

California Attractions and Parks Association

California Automatic Vendors Council

California Bankers Association

California Beer and Beverage Distributors

California Cardroom Alliance

California Chamber of Commerce

California Cities for Self-reliance Joint Powers Authority

California Construction and Industrial Materials Association

California Credit Union League

California Farm Bureau

California Fitness Alliance

California Fraternal Order of Police

California Fuels and Convenience Alliance

California Gaming Association

California Grocers Association

California Hospital Association

California Hotel & Lodging Association

California Landscape Contractors Association

California League of Food Producers

California Manufacturers and Technology Association

California Moving and Storage Association

California Municipal Utilities Association

California Pawnbrokers Association

California Pest Management Association

California Restaurant Association

California Retailers Association

California School Boards Association

California Special Districts Association

California State Association of Counties

California State Council of SHRM

California Statewide Law Enforcement Association

California Travel Association

Carlsbad Chamber of Commerce

Chino Valley Chamber of Commerce

City of Concord

City of Orinda

Coalition of Small and Disabled Veteran Businesses

Colusa County Chamber of Commerce

Communities 4 California Cardrooms

Construction Employers' Association

Corona Chamber of Commerce

County of Fresno

County of Humboldt

County of Kern

County of Los Angeles Board of Supervisors

County of Mendocino

Dairy Institute of California

Dana Point Chamber of Commerce

El Dorado County Chamber of Commerce

El Dorado Hills Chamber of Commerce

Elk Grove Chamber of Commerce

Flasher Barricade Association

Folsom Chamber of Commerce

Garden Grove Chamber of Commerce

Greater Coachella Valley Chamber of Commerce

Greater Conejo Valley Chamber of Commerce

Greater High Desert Chamber of Commerce

Greater Riverside Chambers of Commerce

Housing Contractors of California

**Insights Association** 

LA Canada Flintridge Chamber of Commerce

Lake Elsinore Valley Chamber of Commerce

League of California Cities

Lincoln Area Chamber of Commerce

Livermore Valley Chamber of Commerce

Long Beach Area Chamber of Commerce

Long Beach Police Officers Association

Los Angeles Area Chamber of Commerce

Morgan Hill Chamber of Commerce

Murrieta Wildomar Chamber of Commerce

National Association of Theatre Owners of California

National Electrical Contractors Association

National Health and Fitness Association

Northern California Power Agency

Oceanside Chamber of Commerce

**Orange County Business Council** 

Pacific Association of Building Service Contractors

Paso Robles and Templeton Chamber of Commerce

Public Risk Innovation, Solutions, and Management

Rancho Cordova Area Chamber of Commerce

Rancho Cucamonga Chamber of Commerce

Redondo Beach Chamber of Commerce

Resource Recovery Coalition of California

Rocklin Area Chamber of Commerce

Roseville Area Chamber of Commerce

Rural County Representatives of California

Sacramento County Deputy Sheriff's Association

San Diego Regional Chamber of Commerce

San Jose Chamber of Commerce

Santa Barbara South Coast Chamber of Commerce

Santa Clarita Valley Chamber of Commerce

Security Industry Association

Sheriff's Employee Benefits Association

Shingle Springs/Cameron Park Chamber of Commerce

**SHRM** 

South Bay Association of Chambers of Commerce

Southwest California Legislative Council

**TechNet** 

Torrance Area Chamber of Commerce

Tri County Chamber Alliance

Tulare Chamber of Commerce

United Chamber Advocacy Network

**United Contractors** 

Urban Counties of California

Valley Industry and Commerce Association

Walnut Creek Chamber of Commerce & Visitors Bureau

Western Car Wash Association

Western Electrical Contractors Association

Western Growers Association

Wilmington Chamber of Commerce

Wine Institute

Yuba Sutter Chamber of Commerce

### **ARGUMENTS IN SUPPORT:**

According to a coalition of proponents: "Workplace surveillance is not a new phenomenon; employers have surveilled workers for decades with traditional cameras and microphones. However, today's workplace surveillance capabilities differ in scale, speed, and invasiveness. Employers now have access to a plethora of military grade tools, such as wearable devices, to monitor worker biometrics, speech, and location, as well as heat and retina tracking technology. With the use of these powerful surveillance tools, workers have limited access to spaces in their workplace that are not under constant surveillance. A 2024 study found two-thirds (68%) of U.S. workers report at least one form of electronic monitoring. The study also found 88% of large companies (1000 or more workers) have some form of monitoring, compared to 43% in smaller organizations. Areas such as restrooms, lactation spaces, and worker lounges are not protected from being surveilled with advanced technology that does not rely solely on traditional audio or visual recordings. The new surveillance state at the workplace has proven to increase the likelihood of discrimination, harassment, and psychological distress of workers.

To protect worker privacy in sensitive areas and from developing implantable technology, AB 1331 will update and expand existing workplace privacy laws to address new powerful forms of surveillance technology."

### **ARGUMENTS IN OPPOSITION:**

A coalition of private employer organizations, including the California Chamber of Commerce, are opposed to the measure and write:

"AB 1331 jeopardizes safety and security in every workplace:

- AB 1331 applies to both public and private employers, including schools, hospitals, gambling establishments, cities, counties, correctional facilities, small businesses, and more.
- AB 1331 permanently bans any use of AI in security systems used in a break room or cafeteria. This means banning the following:
  - Technology that pinpoints where there is an ongoing emergency, including gunshot detection or detection of sounds over a specific decibel
  - Technology that can detect in video footage when and where violence or theft occurred
  - Technology used to help find lost children in theme parks

- AB 1331 permanently bans any recording of audio in break rooms or cafeterias, including during an ongoing emergency
- AB 1331 allows workers (including any contractor who ever sets foot on premises) to request copies of video footage they are in, regardless of who else or what else is in that footage.
- AB 1331 functionally prohibits even simple use of AI"

### ASSEMBLY FLOOR: 55-15, 6/5/25

AYES: Addis, Aguiar-Curry, Ahrens, Alvarez, Arambula, Bains, Bauer-Kahan, Bennett, Berman, Boerner, Bonta, Bryan, Calderon, Caloza, Carrillo, Connolly, Elhawary, Fong, Gabriel, Garcia, Gipson, Mark González, Haney, Harabedian, Hart, Irwin, Jackson, Kalra, Krell, Lee, Lowenthal, McKinnor, Muratsuchi, Papan, Patel, Pellerin, Petrie-Norris, Quirk-Silva, Ransom, Celeste Rodriguez, Michelle Rodriguez, Rogers, Blanca Rubio, Schiavo, Schultz, Sharp-Collins, Solache, Soria, Stefani, Valencia, Ward, Wicks, Wilson, Zbur, Rivas

NOES: Ávila Farías, DeMaio, Dixon, Ellis, Gallagher, Jeff Gonzalez, Hadwick, Hoover, Macedo, Patterson, Ramos, Sanchez, Ta, Tangipa, Wallis NO VOTE RECORDED: Alanis, Castillo, Chen, Davies, Flora, Lackey, Nguyen,

Ortega, Pacheco

Prepared by: Alma Perez-Schwab / L., P.E. & R. / (916) 651-1556 9/2/25 18:19:18

\*\*\*\* END \*\*\*\*