

Date of Hearing: March 18, 2026

ASSEMBLY COMMITTEE ON LABOR AND EMPLOYMENT

Liz Ortega, Chair

AB 1898 (Schultz) – As Introduced February 12, 2026

SUBJECT: Workplace artificial intelligence tools

SUMMARY: Requires an employer to provide written notice to a worker who will likely be directly or indirectly affected and to their exclusive bargaining representative of a workplace AI tool used to assist the employer in making employment-related decisions or to surveil the workplace at least 90 days before its deployment. Specifically, **this bill:**

- 1) Defines “artificial intelligence” to mean 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.
- 2) Defines “automated decision system” to mean any 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 used to assist or replace human discretionary decision making and materially impacts natural persons. An automated decision system does not include a spam email filter, firewall, antivirus software, identity and access management tools, calculator, database, dataset, or other compilation of data.
- 3) Defines “employer” to mean any 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. This shall include all branches of state government, all cities, counties, and cities and counties, including charter cities and charter counties, special districts, transit districts, the University of California, the California State University, community college districts, school districts, and any other governmental entities.
- 4) Provides that “employer” includes a labor contractor of a person defined as an employer in 3) above.
- 5) Defines an “employment-related decision” to mean any decision by an employer that materially impacts a worker’s wages, benefits, compensation, work hours, work schedule, performance evaluation, hiring, discipline, promotion, termination, job tasks, skill requirements, work responsibilities, assignment of work, access to work and training opportunities, productivity requirements, or workplace health and safety.
- 6) Defines “worker” to mean a natural person or an employee of, or an independent contractor providing service to, a business or a state or local governmental entity in a workplace.
- 7) Defines “worker data” to mean any information that identifies, relates to, describes, is reasonably capable of being associated with, or could reasonably be linked, directly or indirectly, with a covered worker, regardless of how the information is collected, inferred, or obtained.

- 8) Defines “workplace AI tool” to mean an automated decision system or workplace surveillance tool.
- 9) Defines “workplace surveillance tool” to mean any system, application, instrument, or device that collects or facilitates the collection of worker data, activities, communications, actions, biometrics, or behaviors, or those of the public that are also capable of passively surveilling workers, by means other than direct observation by a person, including, but not limited to, video or audio surveillance, continuous incremental time-tracking tools, geolocation, electromagnetic tracking, photoelectronic tracking, or that utilizes a photo-optical system or other means.
- 10) Requires an employer to provide a written notice that a workplace AI tool was used to assist the employer in making employment-related decisions or to surveil the workplace.
- 11) Requires the notice to be given to a worker who will likely be directly or indirectly affected and to the exclusive bargaining representative of any affected worker according to the following:
 - a. At least 90 days before a workplace AI tool is first deployed by the employer.
 - b. If the employer is using an existing workplace AI tool on or before January 1, 2027, no later than February 1, 2027.
 - c. To a new worker upon hire.
- 12) Requires an employer to require a worker to sign to confirm they received and understand the notice. The employer shall not use the workplace AI tool until affected workers return their signed notices.
- 13) Requires an employer to maintain an updated list of all workplace AI tools currently in use and shall provide that list to workers annually.
- 14) States that the notice shall satisfy all of the following:
 - a. It shall be written in plain language as a separate, standalone communication.
 - b. It shall be written in the language in which routine communications and other information are provided to workers.
 - c. It shall be provided via a simple and easy-to-use method, including, but not limited to, an email, hyperlink, or other written format.
- 15) The notice shall contain all of the following information, as applicable:
 - a. The purpose and justification for the use of the workplace AI tool.
 - b. The specific employment-related decisions potentially affected by the use of the workplace AI tool.

- c. A description of any worker data collected by the workplace AI tool, the frequency of worker data collection, and how, where, and the duration the worker data will be stored.
 - d. A plain-language description of the workplace AI tool, including the input data it uses, the analysis and calculations it performs on the data, and the output data it generates.
 - e. If and which persons can access worker data and if that data will be sold, transferred, or leased to other entities than the employer.
 - f. A description of the general locations and the specific activities, communications, and job roles that will be surveilled and the technologies that will be used.
 - g. The entity that created the workplace AI tool and the specific name of the model.
 - h. A description of each quota set or measured by the workplace AI tool to which the worker is subject, including the quantified number of tasks to be performed or products to be produced, and any potential adverse employment action that could result from failure to meet the quota, as well as whether those quotas are subject to change and if any notice is given of changes in quotas.
 - i. Whether any jobs or job tasks will be replaced or automated by the workplace AI tool and the expected timeline of those impacts.
 - j. The training given to managers or workers on the use of the workplace AI tool.
 - k. The results of any risk assessments conducted on the workplace AI tool conducted as part of the employer's compliance with the California Consumer Privacy Act of 2018.
- 16) Requires the Labor Commissioner (LC) 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 through its procedures in the labor code, including issuing a citation against an employer who violates these provisions 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 LC shall be the same as those set out in Section 98.74 or 1197.1, as applicable.
- 17) Authorizes these provisions to be enforced by a public prosecutor pursuant to their authority under the labor code.
- 18) Authorizes, as an alternative to 16) and 17) above, any worker, or their exclusive representative, who has suffered a violation of these provisions to bring a civil action in a court of competent jurisdiction for damages caused by that adverse action, including punitive damages.
- 19) Permits in any civil action brought pursuant to 16), 17), and 18) above, the petitioner to seek appropriate temporary or preliminary injunctive relief, punitive damages, and reasonable attorney's fees and costs.

- 20) States that, except as provided in 21) below, in addition to any other remedy, an employer who violates these provisions may be subject to a penalty of up to five hundred dollars (\$500) per employee for each violation.
- 21) Authorizes an employee, the LC, or a public prosecutor to recover a penalty under this part as a statutory penalty paid to the employee or a civil penalty, but not both, for the same violation.
- 22) Authorizes an action brought pursuant to these provisions to be brought in the superior court in any county in which the violation in question is alleged to have occurred or in which the employer resides or transacts business.
- 23) States that the bill does not preempt any city, county, or city and county ordinance that provides equal or greater protection to employees who are covered by it.
- 24) States that the Legislature finds and declares that this bill addresses a matter of statewide concern rather than a municipal affair, as specified.

EXISTING LAW:

- 1) Establishes the Division of Labor Standards Enforcement (DLSE), under the direction of the LC, within the Department of Industrial Relations (DIR) and sets forth its powers and duties regarding the enforcement of labor laws. Labor Code § 79 et seq.
- 2) 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.
- 3) 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).
- 4) Authorizes a public prosecutor to prosecute an action, either civil or criminal, for primarily wage and hour labor code violations or to enforce those provisions of the labor code independently, or to enforce any other provisions of the code as specifically authorized. Labor Code § 181(a).

FISCAL EFFECT: Unknown.

COMMENTS: This bill is triple referred to the Assembly Privacy and Consumer Protection Committee and the Assembly Judiciary Committee upon passage from this Committee.

The use of AI in workplaces is expanding exponentially worldwide. From 2017 to 2024, the percentage of firms employing AI went from 20 percent to 72 percent.¹ In addition, in 2025, 92 percent of employers projected they would invest in Generative AI over the next three years.²

A recent survey of workers' attitudes toward AI adoption reveals that more than half of the worker respondents are worried about how AI may be used in the workplace in the future.³ Further, the majority of younger workers, age 18 to 29, report feeling overwhelmed by the prospect of future AI deployment.⁴ Overall, very few workers believe AI will help them in future job prospects.

With the increased adoption of workplace AI tools, researchers have homed in on the harmful effects these tools can have on workers. A study of electronic performance monitoring from 2020 points out that “the level of invasiveness offered by contemporary surveillance technologies raises important questions about their implications for employees’ mental health by potentially creating a climate of intimidation, fear, and resentment that can undermine psychological well-being.”⁵ Empirical data suggests that employee surveillance can lead to numerous mental health impacts including increased stress and decreased job satisfaction⁶ as well as lower productivity, burnout, and injury.⁷

Worker autonomy is also generally weakened by AI adoption. In the context of the employee-employer relationship, where there is already a power imbalance, AI deployment can be used as another tool to exert managerial control. AI tools control workers “by monitoring their tasks, tracking their time, and analyzing their productivity. These systems are often used to dictate work schedules, assess performance, and guide decisions with minimal human oversight. Too often these mechanisms offer limited to no transparency, leaving workers and frontline managers with little understanding of how the systems operate- let alone opportunities to provide input on their design and deployment.”⁸

According to the author, “Artificial intelligence is rapidly transforming the workplace. AI systems currently sold to employers are no longer simple AI chatbots and search engines. Today, employers have access to a wide range of AI-enabled tools to survey and manage workers, such as AI-powered surveillance and automated decision-making systems.

While employers continue to purchase and utilize these AI powered systems, the vast majority of workers are unaware of how these tools are being used to monitor or manage their day-to-day life at the worksite. AB 1898 ensures workers are given at least 90 days’ notice before these tools are implemented and requires employers to disclose the purpose of the AI tool, a description of

¹ McKinsey, “The state of AI in early 2024: Gen AI adoption spikes and starts to generate value.” May 30, 2024.

² *Ibid.*

³ Pew Research Center. “U.S. workers are more worried than hopeful about future AI use in the workplace.” February 25, 2025.

⁴ *Ibid.*

⁵ Ravid, Daniel M., Tomczak, David L., and White, Jerod C., et al. “EPM 20/20: A Review, Framework, and Research Agenda for Electronic Performance Monitoring.” *Journal of Management*, 2020, 46(1):100–126.

⁶ Glavin, Paul, Bierman, Alex, and Schieman, Scott. “Private Eyes, They See Your Every Move: Workplace Surveillance and Worker Well-Being.” *Social Currents*, 2024 Mar 28;11(4):327–345.

⁷ Eyster, Katherine and Steffens, Sara. “Introduction to AI and Worker Power: Understanding Key Issues and Impacts for Workers,” Congressional Progressive Caucus Center. Updated September 11, 2025.

⁸ *Ibid.*

the worker data that will be captured by the tool, what employment-related decision may be affected by the AI tool, and a description of the general locations where these tools will be used in the workplace. By promoting transparency and accountability, this bill allows employees to be informed about technologies that are being used in their workplace.”

The author states that the measure will maximize benefits for underserved and marginalized communities because “Surveillance equipment and the use of automated decision-making systems are extremely prevalent in low wage industries – thus impacting low-income communities that are already disproportionately experiencing job insecurity and a lack of economic resources. Additionally, Black and Latinx workers significantly overrepresent some of the highest surveilled sectors of the workforce including grocery and transportation. A lack of knowledge of what types of surveillance and ADS tools are being used on the workforce further exacerbates the challenges that low income and many communities of color constantly face in the workplace.”

Committee comments

As mentioned in local governments’ opposition to the bill, proposed Labor Code § 1601(c) would prohibit an employer from using a workplace AI tool until every affected worker has signed their notice of the employer’s intent to adopt the tool. For larger organizations, it could take significant time to ensure that all notices are returned signed and this could lead to a delay in implementation of the AI tool. In the future, the author may wish to consider adding some language that if a worker does not sign to acknowledge receipt of the notice by a certain amount of time, say 60 or even 90 days, the presumption is that they received the notice.

Arguments in Support

The California Federation of Labor Unions, AFL-CIO, sponsor of the bill, states, “The development and proliferation of artificial intelligence tools have dramatically altered the modern workplace and the lives of millions of workers. Today, employers have access to a wide range of AI-enabled tools to surveil and manage workers. These surveillance tools are enabled with sophisticated technology such as retina scanners, heat and motion sensors, and gait recognition software. Additionally, wearable tracking devices with the ability to capture sensitive biometric data have become increasingly common across industries such as agriculture.

In addition to the expansion of AI powered surveillance tools in the workplace, workers are also subject to the use of automated decision-making systems (ADS). Often used to automate managerial decisions, ADS are increasingly used without oversight to make decisions that impact workers’ paychecks. A 2025 Resume Builder survey of employers found that 60% of managers use AI systems to make critical decisions about workers, including raises, terminations, and layoffs. Of those, 20% let AI make final decisions without any human input or oversight.

While employers continue to purchase and utilize these AI powered systems, most workers are unaware of the tools being used to monitor or manage them. A 2025 study by Express VPN reported that only 22% of workers across various industries were aware when they are being monitored and up to 44% of workers were unaware their employers were using biometric surveillance methods such as facial recognition in the workplace.

Without transparency, workers are left in the dark leading to a decimation of privacy rights and trust in the workplace. Workers may suspect employer surveillance but do not know why, how, or for what purpose. Constant workplace surveillance has proven to increase psychological distress, stress, and lower job satisfaction among workers. The lack of transparency in the use of AI tools at work deprives workers of the ability to identify potential violations.”

Arguments in Opposition

A coalition of employer organizations, including the California Chamber of Commerce, are opposed and state, “The bill’s definitions of covered technologies are extremely broad and capture many low-risk tools. For example, the definition of “automated decision system” includes tools that merely “assist” human decision making related to anything about employment, which would encompass something as simple as basic scheduling software or other technologies with minimal automation. Likewise, a “workplace surveillance tool” includes any technology that “collects” or “facilitates” the collection of any information that is “reasonably capable of being associated” directly or indirectly with an employee.

Under AB 1898, an employee must receive notice even if the workplace AI tool only “indirectly” impacts them or merely “assists” with an “employment-related decision,” no matter how minimal or inconsequential the impact. The circumstances in which a tool would trigger notice obligations are effectively endless. Additionally, even where a workplace AI tool has no impact on a particular employee, the employer would still have to provide that employee with an annual list of every workplace AI tool used anywhere in the organization. This not only creates a substantial administrative burden, it also raises concerns about broad disclosure of a company’s, state agency’s, or local government’s security systems to a wide audience.”

A coalition of local government organizations, including the California State Association of Counties, is opposed to the bill and state, “Proposed Labor Code § 1601(c) allows a single employee or independent contractor to veto the use of tools used for essential security, operational, or office functions, including security cameras or work email. The bill not only requires notice to employees, but this section prohibits the use of AI/ADS or a “workplace surveillance tool,” until workers sign and return a notice. This provision alone raises profound concerns for the security and operations of public agencies and the public at large. A single individual could, intentionally or not, prevent a school from using emergency alerts, turn off security cameras at an election facility, or allow police officers to stop using body cameras.”

Related and Prior Legislation

AB 1883 (Bryan) of 2026 would generally regulate the use of workplace surveillance tools and an employer’s use of worker data. The bill would prohibit an employer from using certain workplace surveillance tools, including a workplace surveillance tool that incorporates facial, gait, or emotion recognition technology, except as specified. The bill would also prohibit an employer from using a workplace surveillance tool to infer specified categories of information about a worker, including, among others, their veteran status, ancestral history, religious beliefs, or disability status. This measure is pending a hearing in this Committee.

SB 951 (Reyes) of 2026 would establish the California Worker Technological Displacement Act, which would require a covered employer, as defined, to provide at least a 90-day advanced written notice, as described, before any technological displacement or termination of contract affecting 25 or more workers or 25 percent of the workforce, whichever is less. The bill would

require a covered employer to provide that notice to affected employees, the EDD, and specified state and local entities. This bill is pending a hearing in the Senate Labor, Public Employment and Retirement Committee.

SB 947 (McNerney) would prohibit an employer from using an Automated Decision System (ADS) to perform certain functions and would limit the purposes for and way in which an ADS may be used. The bill would authorize a worker to request, and require an employer to provide, a copy of the most recent 12 months of the worker's own data primarily used by an ADS to make a disciplinary, termination, or deactivation decision, as specified. The bill would require an employer that uses an ADS to assist in making a disciplinary, termination, or deactivation decision to provide the affected worker with a written postuse notice, as specified. This bill is pending a hearing in the Senate Labor, Public Employment and Retirement Committee.

AB 1221 (Bryan) of 2025 would generally regulate the use of workplace surveillance tools and an employer's use of worker data. The bill would, among other things, require an employer, at least 30 days before introducing a workplace surveillance tool, to provide a worker who will be affected a written notice that includes, among other things, a description of the worker data to be collected, the intended purpose of the workplace surveillance tool, and how this form of worker surveillance is necessary to meet that purpose. This bill died in the Assembly Appropriations Committee.

AB 1331 (Elhawary) of 2025 would limit the use of workplace surveillance tools, as defined, by employers, including by prohibiting an employer from monitoring or surveilling workers in employee-only, employer-designated areas, as specified. The bill would provide workers with the right to leave behind workplace surveillance tools that are on their person or in their possession when entering certain employee-only areas and public bathrooms and during off-duty hours, as specified. The bill would prohibit 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. This bill is on the Senate Floor Inactive File.

SB 7 (McNerney) of 2025 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. This bill was vetoed by Governor Newsom.

SB 238 (Smallwood-Cuevas) of 2025 would require an employer to annually provide a notice to the DIR of all the workplace surveillance tools the employer is using in the workplace. The bill would require the notice to include, among other information, the personal information that will be collected from workers and consumers and whether they will have the option of opting out of the collection of personal information. This bill is in the Assembly Consumer Privacy and Protection Committee.

REGISTERED SUPPORT / OPPOSITION:

Support

California Federation Labor Unions, AFL-CIO (Sponsor)
Teamsters California (Co-Sponsor)
American Federation of State, County and Municipal Employees, California
California Conference Board of the Amalgamated Transit Union
California Conference of Machinists
California Federation of Teachers AFL-CIO
California School Employees Association
California State Legislative Board of the Smart - Transportation Division
Engineers and Scientists of California, IFPTE Local 20, AFL-CIO
Oakland Privacy
Peace Officers Research Association of California
Privacy Rights Clearinghouse
Unite Here, AFL-CIO
Utility Workers Union of America, AFL-CIO

Opposition

Allied Managed Care and Acclamation Insurance Management Services
American Petroleum and Convenience Store Association
Anaheim Chamber of Commerce
Associated Builders and Contractors of California
Associated General Contractors of California
Association of California Healthcare Districts
California Apartment Association
California Assisted Living Association
California Association of Sheet Metal & Air Conditioning Contractors National Association
California Association of Winegrape Growers
California Chamber of Commerce
California Credit Union League
California Farm Bureau
California Fuels and Convenience Alliance
California Grocers Association
California Hispanic Chamber of Commerce
California Hospital Association
California Landscape Contractors Association
California League of Food Producers
California Manufacturers and Technology Association
California Restaurant Association
California Retailers Association
California Special Districts Association
California State Association of Counties
California Trucking Association
Carlsbad Chamber of Commerce
Citrus Heights Chamber of Commerce
Civil Justice Association of California
Colusa County Chamber of Commerce
Flasher Barricade Association
Glendora Chamber of Commerce
Greater Bakersfield Chamber of Commerce

Greater Coachella Valley Chamber of Commerce
Greater High Desert Chamber of Commerce
Greater Riverside Chamber of Commerce
Greater Stockton Chamber of Commerce
Hollywood Chamber of Commerce
Huntington Beach Chamber of Commerce
Imperial Valley Regional Chamber of Commerce
LA Canada Flintridge Chamber of Commerce
Leading Age California
League of California Cities
Lincoln Area Chamber of Commerce
Long Beach Area Chamber of Commerce
Menifee Valley Chamber of Commerce
Murrieta Wildomar Chamber of Commerce
Newport Beach Chamber of Commerce
North San Diego Business Chamber of Commerce
Oceanside Chamber of Commerce
Orange County Business Council
Palm Desert Chamber
Rural County Representatives of California
Santa Ana Chamber of Commerce
Santa Clarita Valley Chamber of Commerce
Security Industry Association
Simi Valley Chamber of Commerce
Society of Human Resource Management, California
Southwest California Legislative Council
Technet-technology Network
Torrance Area Chamber of Commerce
Urban Counties of California
Ventura Chamber of Commerce
Yorba Linda Chamber of Commerce
Yuba Sutter Chamber of Commerce

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