

ASSEMBLY THIRD READING  
AB 2656 (Petrie-Norris)  
As Amended April 14, 2026  
Majority vote

## SUMMARY

Requires a public employer, as provided, to provide a recognized employee organization no less than 45 days' written notice before taking an action to develop, purchase, implement, or utilize any generative artificial intelligence (GenAI) to perform a service that is within the scope of work of the job classification represented by the recognized employee organization, and incorporates the statutory definitions of "GenAI" and "AI" by reference.

### Major Provisions

Please refer to the summary.

## COMMENTS

### *AI and GenAI*

The development of GenAI has created exciting opportunities for California's economy and the lives of its residents. GenAI can generate compelling text, images and audio in an instant – but with novel technologies come novel safety concerns.

In brief, AI is the mimicking of human intelligence by artificial systems such as computers. AI uses algorithms – sets of rules – to transform inputs into outputs. Inputs and outputs can be anything a computer can process: numbers, text, audio, video, or movement. AI is not fundamentally different from other computer functions; its novelty lies in its application. Unlike normal computer functions, AI is able to accomplish tasks that are normally performed by humans.

AI that are trained on small, specific datasets in order to make recommendations and predictions are sometimes referred to as "predictive AI." This differentiates them from GenAI, which are trained on massive datasets in order to produce detailed text and images. When Netflix suggests a TV show to a viewer, the recommendation is produced by predictive AI that has been trained on the viewing habits of Netflix users. When ChatGPT generates text in clear, concise paragraphs, it uses GenAI that has been trained on the written contents of the internet.

GenAI's use has skyrocketed in recent years, with one report suggesting that roughly 115 million to 180 million people use GenAI daily.<sup>1</sup> With so many people relying on GenAI tools like ChatGPT and Claude, it's unsurprising that states and businesses have also turned to the technology as a potential tool to streamline tasks and promote efficiency. Indeed, a 2024 survey

---

<sup>1</sup> "How many people are using generative AI on a daily basis? A Gemini report." Andres, Guadamuz (Apr 14, 2025). Visit: <https://www.technollama.co.uk/a-gemini-report-how-many-people-are-using-generative-ai-on-a-daily-basis-a-gemini-report>.

found that just over half (53 %) of state employees surveyed said that they use GenAI in their work.<sup>2</sup> This number is only expected to grow as GenAI continues to develop and improve.

### *The Governor's GenAI Executive Order*

In September 2023, the Governor signed Executive Order N-12-23 with the stated goals of "deploy[ing] GenAI ethically and responsibly throughout state government, protect[ing] and prepar[ing] for potential harms, and remain[ing] the world's AI leader."<sup>3</sup> The executive order lists a number of provisions.

In response to the Executive Order, the Legislature enacted Chapter 928, Statutes of 2024 (Senate Bill 896, Dodd), which codified several provisions of N-12-23.<sup>4</sup> That bill required that the Office of Emergency Services perform a risk analysis of potential threats to California's critical infrastructure posed by GenAI, to be updated as needed to address significant developments, and established disclosure requirements for state agencies and departments that use GenAI to communicate directly with a person regarding government services and benefits.

### *The Importance of Notice*

The U.S. Department of Labor released a report entitled, "*Artificial Intelligence and Worker Well-Being: Principles and Best Practices for Developers and Employers*" in October 2024 to provide guidance on responsible use of AI and other technologies in the workplace.<sup>5</sup> Most relevant to this bill is the section outlining recommended employer transparency measures about the AI systems that are used in the workplace. According to the U.S. Department of Labor:

"Employers should provide workers and their representatives advance notice and appropriate disclosure if they intend to use worker-impacting AI. This disclosure should include an explanation of the purpose of the AI system; how job seekers or workers will engage with the worker-impacting AI system; and how the AI systems will be used to monitor workers, direct work, or inform significant employment decisions."<sup>6</sup>

In 2025, the American Federation of Labor – Congress of Industrial Organizations (AFL-CIO), released "A First Look at Labor's AI Values," which outlined principles for responsible AI development and deployment in the workforce.<sup>7</sup> The report outlined four critical themes for AI deployment in the workplace, including establishing rules for responsible tech use, centering workers, improving jobs and livelihoods, and advancing the public good.<sup>8</sup> Under the first theme of establishing rules for responsible tech use, AFL-CIO outlines the importance of transparency and disclosure, stating that "[t]ransparency around the use of digital technologies in the

---

<sup>2</sup> "Generating opportunity: The risks and rewards of generative AI in state government," *National Association of State Chief Information Officers* (Nov 2024). Visit: [https://www.nascio.org/wp-content/uploads/2024/11/NASCIO\\_Risks-and-Rewards-of-GenAI\\_2024\\_a.pdf](https://www.nascio.org/wp-content/uploads/2024/11/NASCIO_Risks-and-Rewards-of-GenAI_2024_a.pdf).

<sup>3</sup> Executive Order N-12-23. Visit: <https://www.gov.ca.gov/2023/09/06/governor-newsom-signs-executive-order-to-prepare-california-for-the-progress-of-artificial-intelligence/>.

<sup>4</sup> The Governor released an updated Executive Order (N-5-26) on March 30, 2026, which requires companies interested in doing business with the State to certify that their AI systems include necessary safeguards against illegal content, harmful bias, and violations of civil rights and liberties. Visit: <https://www.gov.ca.gov/wp-content/uploads/2026/03/3.30-FINAL-Trusted-AI-Procurement-EO-N-5-26.pdf>.)

<sup>5</sup> Visit: [https://data.aclum.org/wp-content/uploads/2025/01/DOL\\_www\\_dol\\_gov\\_general\\_AI-Principles.pdf](https://data.aclum.org/wp-content/uploads/2025/01/DOL_www_dol_gov_general_AI-Principles.pdf).

<sup>6</sup> *Id.* p. 5.

<sup>7</sup> Visit: <https://laborcenter.berkeley.edu/wp-content/uploads/2025/09/Labors-AI-Values-v2.pdf>.

<sup>8</sup> *Id.* p. 2.

workplace is articulated as both the right to advance notice . . . and the right of post-use explanation."<sup>9</sup> Thus, both the Department of Labor and labor unions see advanced notice for workers as critical to the responsible deployment of AI in the workplace.

*Neither Limits or Prohibits Public Employer Action to Develop, Purchase, Implement, or Use GenAI or AI*

This bill neither explicitly nor tacitly limits or prohibits a public employer from taking action to develop, purchase, implement, or utilize GenAI to perform a service that is within the scope of work of the job classification represented by the recognized employee organization. If it is alleged that the public employer's development, purchase, implementation, or use of GenAI may involve matters relating to the scope of representation, i.e., the mandatory subjects of bargaining being wages, hours (of employment), and other terms and conditions of employment, such matters may be resolved through collective bargaining or the PERB's grievance resolutions processes.

*Relationship to Collective Bargaining*

Generally, the mandatory subjects of collective bargaining in the public sector, commonly referred to as the "scope of representation" under the various public employment relations statutes cover wages, hours, and other terms and conditions of employment, and explicitly exclude certain matters. Although the subjects of wages and hours need not be discussed here due to lack of relevance, the subject of "terms of conditions of employment" may be relevant to the potential collective bargaining of the subject of this bill. "Terms and conditions of employment" acts similarly as a category of "other" when compared to the specific categories of "hours" and "wages." While it is not explicitly defined in some of the public employment relations statutes,<sup>10</sup> it is explicitly defined in others.<sup>11</sup> In addition, the Public Employment Relations Board (PRB) has interpreted the Dills Act's scope of representation, which has resulted in what is largely a well-settled rule. That is, subjects are within the scope of bargaining "if they involve the employment relationship and are of such concern to both management and employees that conflict is likely to occur, and if the mediatory influence of collective negotiation is an appropriate means of resolving the conflict." However, decisions that concern "essential managerial prerogatives" are not within the scope of representation under the (Dills) Act." (*California State Employees Assn. v. State of California (Dept. of Transportation)* (1983) PERB Decision No. 361.) Depending on the specific facts and circumstances of an unfair practice charge filed with the PERB and the public employment relations statute under which a claim is filed, the PERB may apply its decision in *California State Employees Assn., id.*, to the other statutes relating to the collective bargaining of the subject of this bill.

Please see the policy committee analyses for a full discussion of this bill.

**According to the Author**

"This measure ensures that public employees are not left in the dark as artificial intelligence becomes more integrated into government operations. As cities, counties, and state agencies

---

<sup>9</sup> *Ibid*, pg. 3.

<sup>10</sup> For example, see Sections 3504, Gov. Code (Meyers-Milias-Brown Act), 3516, Gov. Code (Dills Act); Section 3570, Gov. Code (Higher Education Employment Relations Act); Section 99563.5, Pub. Util. Code (Los Angeles County Metropolitan Transportation Authority Transit Employer-Employee Relations Act); 71816, Gov. Code (Court Interpreter Act); 71634, Gov. Code (Trial Court Act), and 3524.61, Gov. Code (Judicial Council Employer-Employee Relations Act).

<sup>11</sup> For example, see Section 3543.2(a), Gov. Code (Educational Employment Relations Act).

increasingly deploy AI tools in the workplace, employees deserve clear, advance notice when these technologies are being used and how they may impact their duties, evaluations, and decision-making processes. While emerging technologies can be valuable tools, they must be implemented thoughtfully, transparently, and with appropriate safeguards. Requiring advance notice is a straightforward, commonsense step that promotes accountability without slowing innovation. It ensures that employees can adapt to new systems, raise concerns where appropriate, and maintain the professional judgment that is critical in high-stakes public safety environments."

### **Arguments in Support**

The Peace Officers Research Association of California states, "[this bill] ensures that public employee organizations receive advance notice of the proposed use of [GenAI] and are provided a meaningful opportunity to engage with public agencies prior to its implementation. This bill establishes a reasonable and necessary framework to ensure that the introduction of new technologies enhances, rather than undermines, the work of public employees. GenAI is rapidly transforming workplaces across the public sector, including law enforcement. While this technology has the potential to improve efficiency and support public safety operations, it also raises important concerns related to job displacement, working conditions, and the use of automated systems that may lack transparency or accountability. Decisions about the development and implementation of GenAI are often made without sufficient input from the employees most directly impacted. Public safety professionals bring valuable, real-world experience and insight that can help ensure these tools are implemented effectively and responsibly. Providing advance notice and an opportunity to engage allows employee organizations to identify potential risks, improve outcomes, and help integrate new technologies in a way that supports both public safety and workforce stability. [This bill] strikes an appropriate balance by fostering collaboration between public employers and employee organizations, while ensuring that decisions impacting wages, hours, and working conditions are not made unilaterally. By requiring advance notice, the bill promotes transparency, accountability, and thoughtful implementation of emerging technologies."

### **Arguments in Opposition**

Among other things, a coalition of local public agency representatives state "[l]ike much of the public sector, local agencies are cautiously testing the use of artificial intelligence tools in day-to-day operations. Tools that promise to streamline routine activities (like the notetaking tools included in virtual meeting software such as Zoom and Teams) allow our employees to focus their time and attention on the most important components of serving the public. Often, these tools are relatively benign, like ChatGPT and Microsoft Copilot, and such tools are frequently included in off-the-shelf software ubiquitous in the modern office environment. When tools become available that assist with specific aspects of public service (like charting in a health clinic or monitoring drinking water safety), they are often vetted in partnership with employees with the mutual goals of ensuring staff is empowered to focus on certain aspects of their work and providing more efficient and effective outcomes that benefit the public. Importantly, local agencies remain subject to the statutory provisions [of the MMBA], which require local agencies to meet and confer with recognized employee organizations regarding changes to employees' wages, hours, or terms and conditions of employment. Existing law provides a robust framework for determining when particular uses of generative artificial intelligence may actually have a significant and adverse effect on the employment relationship, in which case notification (and more) is already required. This bill is therefore both overbroad and unnecessary. Finally, local agencies are subject to last year's AB 339 (Chapter 687, Statutes of 2025), which requires

additional notice to recognized employee organizations regarding a range of local agency contracting activities, even when those activities do not rise to the level of triggering meet-and-confer obligations under the MMBA's usual standards. This additional notification requirement has been incredibly burdensome for local agencies and has required a significant amount of time, legal resources, and training to implement. The further unworkable notification provisions in this bill would exacerbate these concerns and represent another state mandate for which the state may be obligated to provide reimbursement under Article XIII B of the California Constitution. It is also important to note the myriad other legislative measures that seek to limit the use of artificial intelligence in the public sector in multiple forms. Regardless of the benefit of any new technologies and regardless of any obligation to take such action in a public meeting, local agencies would be seriously hindered in adopting such tools under these proposals. To be sure, if some of those measures are approved by the Legislature, there will be no notification necessary as many of them would effectively impose bans on the use of most AI tools."

## FISCAL COMMENTS

According to the Assembly Committee on Appropriations, this bill would result in the following:

- 1) Costs of an unknown, but potentially significant amount, in excess of \$150,000, across local agencies (nearly 4,000 cities, counties, and special districts) to plan and provide the required notice. If the Commission on State Mandates determines this bill's requirements to be a reimbursable state mandate, the state would need to reimburse these costs to local agencies (General Fund).
- 2) Costs of an unknown, but potentially significant amount, in excess of \$150,000, to the state as an employer to implement this bill's notice requirements (General Fund, special fund). The magnitude of costs depends on the prevalence of workplace AI tools across the state.

The Legislative Analyst's Office recently warned of General Fund structural deficits of around \$35 billion per year in the 2027-28 fiscal year and ongoing.

## VOTES

### **ASM PRIVACY AND CONSUMER PROTECTION: 14-1-0**

**YES:** Bauer-Kahan, Macedo, Aguiar-Curry, Bryan, Hoover, Irwin, Lowenthal, McKinnor, Ortega, Patterson, Petrie-Norris, Ward, Wicks, Wilson

**NO:** DeMaio

### **ASM PUBLIC EMPLOYMENT AND RETIREMENT: 7-0-0**

**YES:** McKinnor, Lackey, Alanis, Boerner, Garcia, Nguyen, Michelle Rodriguez

### **ASM APPROPRIATIONS: 14-0-1**

**YES:** Wicks, Hoover, Aguiar-Curry, Calderon, Caloza, Fong, Mark González, Krell, Pacheco, Pellerin, Sharp-Collins, Solache, Ta, Tangipa

**ABS, ABST OR NV:** Dixon

## UPDATED

VERSION: April 14, 2026

CONSULTANT: Michael Bolden / P. E. & R. / (916) 319-3957

FN: 0002843