

Date of Hearing: August 5, 2026

ASSEMBLY COMMITTEE ON APPROPRIATIONS

Buffy Wicks, Chair

SB 1106 (Cabaldon) – As Amended July 2, 2026

Policy Committee: Privacy and Consumer Protection

Vote: 12 - 0

Urgency: No

State Mandated Local Program: No

Reimbursable: No

SUMMARY:

This bill defines “agentic artificial intelligence” (agentic AI) in state law, requires the Office of Emergency Services (Cal OES) to include agentic AI in recommendations made as part of an existing risk analysis of threats posed by generative AI (GenAI) to the state’s critical infrastructure, and requires the Department of Technology (CDT) to include agentic AI systems in an existing comprehensive inventory of high-risk automated decision systems proposed for use, or in use, by state agencies.

FISCAL EFFECT:

- 1) Ongoing costs of \$350,000 (General Fund) annually to Cal OES for one contractor with expertise in agentic AI, to support incorporation of agentic AI into the recommendations Cal OES develops as part of the existing GenAI critical infrastructure risk analysis. Of note, this bill requires Cal OES to reflect changes in AI technology, including agentic AI, in recommendations Cal OES already produces under existing law, and does not require a new risk analysis, a new report, a new consultation process, or a new deliverable. Whether meeting that requirement necessitates an ongoing dedicated contract, rather than periodic subject-matter consultation drawn from existing contracting authority, is not clear from the bill. Cal OES also anticipates increased workload in Legal Affairs from Public Records Act requests related to implementation of this bill. Cal OES indicates any such increase could be absorbed by existing staff.
- 2) Costs of an unknown amount, likely minor, to CDT (General Fund) to expand the comprehensive inventory of high-risk automated decision systems to encompass agentic AI systems proposed for use, or in use, by state agencies, and to reflect those systems in the annual report to the Legislature. CDT already conducts the inventory and produces the report under existing law; this bill adds a new category of covered systems rather than a new process. The Government Operations Agency does not anticipate any costs associated with this bill.

COMMENTS:

- 1) **Purpose.** According to the author:

SB 1106 establishes a foundational framework that will enable state departments and lawmakers to identify and appropriately regulate agentic artificial intelligence systems, also known as AI agents. . . . SB

1106 provides the state with a clear, practical definition of agentic AI, ensuring California's policies keep pace with the technology.

- 2) **Background.** Unlike GenAI systems, which produce discrete outputs in response to prompts, agentic AI systems can pursue complex objectives over time by decomposing broad instructions into smaller tasks, using external tools, adapting to changing circumstances, and operating with limited human involvement. Major AI developers have released agentic products, and deployment is expanding across consumer and enterprise settings. The Legislature adopted statutory definitions of “artificial intelligence” and “generative artificial intelligence” in 2024; no state or federal statute currently defines agentic AI. This bill would establish that definition and integrate the term into two existing oversight mechanisms: the CDT inventory of high-risk automated decision systems established by AB 302 (Ward), Chapter 800, Statutes of 2023, and the Cal OES critical infrastructure risk analysis established by SB 896 (Dodd), Chapter 928, Statutes of 2024. As amended in the Assembly Committee on Privacy and Consumer Protection, this bill replaces the definition contained in the Senate version with an alternate definition provided by the author, responding to concerns that the prior definition was anchored to “stochastic” system architecture and required a system to exhibit all listed capabilities before qualifying as agentic.
- 3) **Support and Opposition.** This bill is author-sponsored. The Center for AI and Digital Policy holds a “support if amended” position, requesting further changes to the definition. There is no registered opposition.

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