
VETO

Bill No: SB 7
Author: McNerney (D), et al.
Enrolled: 9/17/25
Vote: 27

SENATE LABOR, PUB. EMP. & RET. COMMITTEE: 4-1, 4/9/25
AYES: Smallwood-Cuevas, Cortese, Durazo, Laird
NOES: Strickland

SENATE JUDICIARY COMMITTEE: 11-2, 4/29/25
AYES: Umberg, Allen, Arreguín, Ashby, Caballero, Durazo, Laird, Stern, Wahab,
Weber Pierson, Wiener
NOES: Niello, Valladares

SENATE APPROPRIATIONS COMMITTEE: 5-1, 5/23/25
AYES: Caballero, Cabaldon, Grayson, Richardson, Wahab
NOES: Seyarto
NO VOTE RECORDED: Dahle

SENATE FLOOR: 28-9, 9/12/25
AYES: Allen, Archuleta, Arreguín, Ashby, Becker, Blakespear, Caballero,
Cervantes, Cortese, Durazo, Grayson, Hurtado, Laird, Limón, McGuire,
McNerney, Menjivar, Padilla, Pérez, Reyes, Richardson, Rubio, Smallwood-
Cuevas, Stern, Umberg, Wahab, Weber Pierson, Wiener
NOES: Alvarado-Gil, Dahle, Grove, Jones, Niello, Ochoa Bogh, Seyarto,
Strickland, Valladares
NO VOTE RECORDED: Cabaldon, Choi, Gonzalez

ASSEMBLY FLOOR: 45-17, 9/11/25 - See last page for vote

SUBJECT: Employment: automated decision systems

SOURCE: California Federation of Labor Unions, AFL-CIO

DIGEST: This bill regulates the use of automated decision systems (ADS) in the employment setting. Among other things, this bill 1) requires an employer to provide a written notice that an ADS is in use at the workplace to all workers that will foreseeably be directly affected by the ADS; 2) prohibits in some instances and in others limits the use of an ADS by an employer, as specified; 3) provides worker anti-retaliation protections for exercising their rights under these provisions; and 4) specifies enforcement provisions that include penalties and relief for violations.

Assembly Amendments, among other things, 1) remove the application of these prohibitions on vendors of an ADS and limited all provisions to employers; 2) modified the written notification requirements and removed several provisions previously required to be included in the notices; 3) removed provisions previously prohibiting employers from using ADS for specified purposes, including for the use of predictive behavior; 4) add requirements that the notice include, if applicable, a description of quotas set or measured by the ADS to which the worker is subject; 5) remove the worker's right to appeal decisions made by the ADS, as specified, but retained a worker's right to know the type of employment-related decisions potentially affected by the ADS; 6) limit workers to accessing their own worker data collected and used by the ADS to make discipline, termination, or deactivation decisions, but remove their right to correct errors; 7) modify the civil penalty provisions to a flat amount instead of specifying it applies per violation; and 8) remove the worker's private right of action.

ANALYSIS:

Existing law:

- 1) Requires the Department of Technology to conduct, in coordination with other interagency bodies, as it deems appropriate, a comprehensive inventory of all high-risk ADS that have been proposed for use, development, or procurement by, or are being used, developed, or procured by, any state agency. As part of this review, requires the analysis to include descriptions of any alternatives to its use, the categories of data and personal information the ADS uses to make decisions, and measures that are in place to mitigate the risks of its use, including cybersecurity risk and the risk of inaccurate, unfairly discriminatory, or biased decisions of the ADS. (Government Code §11546.45.5)
- 2) Defines the following terms:

- a) “Artificial intelligence” (AI) means 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.
- b) “Automated decision system” means a computational process derived from machine learning, statistical modeling, data analytics, or AI that issues simplified output, including a score, classification, or recommendation, that is used to assist or replace human discretionary decisionmaking and materially impacts natural persons. “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.

(Government Code §11546.45.5)

- 3) 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.)
- 4) 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))
- 5) Requires the Attorney General to adopt regulations governing access and opt-out rights with respect to businesses’ use of automated decisionmaking technology, including profiling and requiring businesses’ response to access requests to include meaningful information about the logic involved in those decisionmaking processes, as well as a description of the likely outcome of the process with respect to the consumer. (Civil Code §1798.185)
- 6) Establishes the Department of Industrial Relations (DIR) in the Labor and Workforce Development Agency (LWDA), and vests it with various powers and duties to foster, promote, and develop the welfare of the wage earners of California, to improve their working conditions, and to advance their opportunities for profitable employment. (Labor Code §50.5)

- 7) Establishes within the 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)
- 8) Requires employers to provide to each employee, upon hire, a written description of each quota to which the employee is subject, including the quantified number of tasks to be performed or materials to be produced or handled, within the defined time period, and any potential adverse employment action that could result from failure to meet the quota. (Labor Code §2101)
- 9) Prohibits an employer from requiring an employee to meet a quota that prevents compliance with meal or rest periods, use of bathroom facilities, including reasonable travel time to and from bathroom facilities, or occupational health and safety laws in the Labor Code or division standards. Additionally, prohibits an employer from taking adverse employment actions against an employee for failure to meet a quota that does not allow a worker to comply with meal and rest periods, or occupational health and safety laws in the Labor Code or division standards, or for failure to meet a quota that has not been disclosed to the employee pursuant to Labor Code Section 2101. (Labor Code §2101)

This bill:

- 1) Defines, among others, the following terms:
 - a) "Automated decision system" or "ADS" means any computational process derived from machine learning, statistical modeling, data analytics, or AI that issues simplified output, including a score, classification, or recommendation, that is used to assist or replace human discretionary decisionmaking 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.
 - b) "ADS output" means any information, data, assumptions, predictions, scoring, recommendations, decisions, or conclusions generated by an ADS.
 - c) "Employer" means 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, 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. “Employer” includes a labor contractor of a person defined as an employer.

- d) “Employment-related decision” means 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.
 - e) “Worker” means any natural person who is an employee of, or an independent contractor providing service to, or through, a business or a state or local governmental entity in any workplace.
 - f) “Worker data” means any information that identifies, relates to, or describes a worker, regardless of how the information is collected, inferred, or obtained.
- 2) Requires 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 a worker who will foreseeably be directly affected by the ADS, or their authorized representative, according to the following:
- a) At least 30 days before an ADS is first deployed by an employer.
 - b) No later than April 1, 2026, if an employer is using an ADS to assist in making employment-related decisions at the time this bill takes effect.
 - c) To a new worker within 30 days of hiring the worker.
- 3) Requires the written notice to be all of the following:
- a) In plain language as a separate, stand-alone communication.
 - b) In the language in which routine communications and other information are provided.
 - c) Provided via a simple and easy-to-use method, as specified.
- 4) Requires the employer to maintain an updated list of all ADS currently in use.
- 5) Requires the written notice to contain the following information:

- a) The type of employment-related decisions potentially affected by the ADS.
 - b) A general description of the categories of worker input data the ADS will use, the sources of the data, and how worker input data will be collected.
 - c) Any key parameters known to disproportionately affect the output of the ADS.
 - d) The individuals, vendors, or entities that created the ADS.
 - e) If applicable, a description of each quota set or measured by an ADS to which the worker is subject, as specified, 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.
 - f) A description of the worker's right to access and correct the worker's data used by the ADS.
 - g) That the employer is prohibited from retaliating against workers for exercising their rights to access and correct their data used by the ADS.
- 6) Requires an employer to notify a job applicant upon receiving the application that the employer utilizes an ADS when making hiring decisions, if the employer will use the ADS in making decisions for that position. Notifications may be made using an automatic reply mechanism or on a job posting.
- 7) Prohibits an employer from using an ADS to do any of the following:
- a) Prevent compliance with or violate any federal, state, or local labor, occupational health and safety, employment, or civil rights laws or regulations.
 - b) Infer a worker's protected status under Section 12940 of the Government Code.
 - c) Identify, profile, predict, or take adverse action against a worker for exercising their legal rights, including, but not limited to, rights guaranteed by state and federal employment and labor law.
- 8) Prohibits an employer from using an ADS to collect worker data for a purpose not previously disclosed in the required written notice specified above.
- 9) Prohibits an employer from relying solely on an ADS when making a discipline, termination, or deactivation decision.
- 10) When an employer relies primarily on ADS output to make a discipline, termination, or deactivation decision, requires the employer to use a human

reviewer to review the ADS output and compile and review other information that is relevant to the decision, if any. Specifies, that for these purposes, “other information” may include, but is not limited to, any of the following:

- a) Supervisory or managerial evaluations.
 - b) Personnel files.
 - c) Work product of workers.
 - d) Peer reviews.
 - e) Witness interviews that may include relevant online customer reviews.
- 11) Prohibits an employer from using customer ratings as the only or primary input data for an ADS to make employment-related decisions.
- 12) Grants workers the right to request, and requires 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 discipline, termination, or deactivation decision, but limits a worker to one request every 12 months.
- 13) Specifies that, for purposes of safeguarding the privacy rights of consumers, workers, and individuals, when an employer is required to provide worker data pursuant to these provisions, that data shall be provided in a manner that anonymizes the customer’s, other worker’s, or individual’s personal information.
- 14) Requires 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, at the time the employer informs the worker of the decision.
- 15) Requires the notice to contain the following information:
- a) The human to contact for more information about the decision and the ability to request a copy of the worker’s own data relied on in the decision.
 - b) That the employer used an ADS to assist the employer in one or more discipline, termination, or deactivation decisions with respect to the worker.
 - c) That the worker has the right to request a copy of the worker’s data used by the ADS.
 - d) That the employer is prohibited from retaliating against the worker for exercising their rights under this part.

- 16) Prohibits an employer from discharging, threatening to discharge, demoting, suspending, or in any manner discriminating or retaliating against any worker for using or attempting to use their rights under these provisions, including the filing a complaint with the Labor Commissioner, as specified.
- 17) Requires 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, pursuant to existing Labor Code provisions, including issuing a citation against an employer who violates these provisions and filing a civil action.
- 18) Specifies that 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.
- 19) Alternatively to enforcement by the LC, authorizes public prosecutors to enforce these provisions pursuant to existing Labor Code Chapter 8 (commencing with Section 180) of Division 1.
- 20) Specifies that in any civil action brought to enforce these provisions in superior court, as specified, the petitioner may seek appropriate temporary or preliminary injunctive relief, including punitive damages, and reasonable attorney's fees and costs as part of the costs of any such action for damages.
- 21) Subjects an employer who violates these provisions to a civil penalty of five hundred dollars (\$500).
- 22) Provides that these provisions do not preempt any city, county, or city and county ordinance that provides equal or greater protection to workers who are covered by this part.
- 23) Except as specified below, provides that an employer who complies with the requirements related to notice under these provisions is not required to comply with any substantially similar notice and appeal provisions related to ADS' used for employment-related decisions required under any other state law.
- 24) Specifies that an employer that is a business subject to the California Consumer Privacy Act of 2018, as specified, is subject to any privacy-related

automated decisionmaking technology regulation duly adopted by the California Privacy Protection Agency, as specified.

- 25) Exempts from these provisions parties covered by a collective bargaining agreement if the agreement explicitly waives this part in clear and unambiguous terms, expressly provides for the wages or earning, working conditions, and other terms and conditions of work, and provides protection from algorithmic management.
- 26) Specifies that these provisions do not prohibit any employer from complying with regulatory or contractual requirements in the provision of products or services to the federal government.
- 27) Provides that these provisions are severable and if any provision or its application is held invalid, that invalidity shall not affect other provisions or applications that can be given effect without the invalid provision or application.

Background

Artificial Intelligence and Automated Decision Systems. With technological advancements happening faster than humans can react, we often miss opportunities to pause and evaluate its impact. Until recently, advancements in technology often automated physical tasks, such as those performed on factory floors or self-checkouts, but AI functions more like human brainpower. AI can use algorithms to accomplish tasks faster and sometimes at a lower cost than human workers can. As this technology develops, so do fears of worker displacement in more areas and industries.

The use of AI-powered ADS is particularly challenging in the employment setting. ADS are computer programs that analyze data (in employment settings, this can be anything from tracking attendance to work product delivery or even worker behavior) to find patterns or correlations and produce outputs for employer use. The use of ADS can pose several challenges including bias and discrimination in its development and use.

Over the last several years, the Legislature has considered a multitude of bills aimed at regulating AI and its use to ensure that the privacy rights of Californians continue to be protected.

Need for this bill?

According to the author:

“Employers are increasingly using automated decision-making systems to surveil, manage, and replace workers in pursuit of maximizing productivity and reducing costs. While the passage of AB 701 (Chapter 197, Statutes of 2021) has prohibited employers from setting productivity demands at the expense of health and safety, "robo-bosses" continue to pose a threat to workers. Unregulated employer use of ADS leaves workers vulnerable to discrimination, lower pay, dangerous working conditions, and high risk of unjust termination.

SB 7 ensures human oversight of automated decision-making systems when making decisions that impact workers’ working conditions and livelihoods and increases transparency for workers of the automated systems that are managing their work and making decisions about their employment. SB 7 will prevent the outsourcing of decisions that impact workers’ lives to machines. It allows for the use of technology and tools to make workplaces more productive and efficient but ensures human oversight to prevent abuse and mistakes.”

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

Related/Prior Legislation

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 1331 (Elhawary, 2025) would limit the use of workplace surveillance tools, as defined, by employers, including by prohibiting an employer from monitoring or surveilling workers in private, off-duty areas, as specified, and requiring workplace surveillance tools to be disabled during off-duty hours, as specified, and subjects violators to specified penalties.

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

According to the Assembly Appropriations Committee:

- 1) Costs (General Fund, special funds) of an unknown but likely significant amount to each state entity that uses ADS for employment decisions and must comply with the bill's requirements as an employer. Each affected agency will face significant workload costs to provide the required notices, ensure its use of ADS complies with the bill's use requirements, and fulfill the bill's appeal requirements. Incidence of these systems in state agencies is unknown; actual costs will depend on the number of affected agencies, the number of workers in each affected agency, and the number of appeals. By way of illustration, if 10 state entities must each hire two additional employees to fulfill these requirements, at a cost of approximately \$150,000 per employee for salary and benefits, the resulting cost would be \$3 million annually ongoing.
- 2) Likely significant, non-reimbursable costs to local entities that use ADS for employment decisions and must comply with the bill's requirements as employers.
- 3) Costs to the Labor Commissioner's Office (LCO) (Labor and Enforcement Compliance Fund) to enforce the bill's requirements, possibly in the hundreds of thousands to millions of dollars annually. LCO anticipates minimum costs of approximately \$603,000 in the first year of implementation and \$570,000 ongoing annually thereafter. However, if LCO must handle "more than a few dozen" complaints each year, or needs additional technical expertise related to ADS, LCO reports it will need additional funding. The actual number of workers affected by this bill is unknown, but there are nearly 17 million Californians who work for wages or salaries in the state – a few dozen complaints per year is likely a low estimate. If so, the LCO will need additional resources above this minimum estimate.
- 4) Possible costs (General Fund, special funds) to the Department of Justice (DOJ) of an unknown amount. Actual costs will depend on whether the Attorney General pursues enforcement actions, and, if so, the level of additional staffing DOJ needs to handle the related workload. If DOJ hires staff to handle enforcement actions authorized by this bill, the department would incur significant costs, likely in the low hundreds of thousands of dollars annually at a minimum. If DOJ does not pursue enforcement as authorized by this bill, the department would likely not incur any costs.
- 5) Cost pressures (Trial Court Trust Fund, General Fund) of an unknown but potentially significant amount to the courts to adjudicate enforcement actions. Actual costs will depend on the number of cases filed and the amount of court time needed to resolve each case. It generally costs approximately \$1,000 to

operate a courtroom for one hour. Although courts are not funded on the basis of workload, increased pressure on the Trial Court Trust Fund may create a demand for increased funding for courts from the General Fund. The fiscal year 2025-26 state budget provides \$82 million ongoing General Fund to the Trial Court Trust Fund for court operations.

SUPPORT: (Verified 10/16/25)

California Federation of Labor Unions, AFL-CIO (Source)
American Federation of State, County, & Municipal Employees California
California Alliance for Retired Americans
California Coalition for Worker Power
California Community Foundation
California Conference Board of The Amalgamated Transit Union
California Conference of Machinists
California Democratic Party
California Employment Lawyers Association
California Federation of Teachers
California Immigrant Policy Center
California Nurses Association/National Nurses United
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 & Technology
Center for Inclusive Change
Center on Policy Initiatives
Coalition for Humane Immigrant Rights
Coalition of Black Trades Unionists, San Diego Chapter
Communications Workers of America, District 9
Community Agency for Resources, Advocacy, and Services
Consumer Attorneys of California
Consumer Federation of California
Culver City Democratic Club
Engineers and Scientists of California, IFPTE Local 20, AFL-CIO
Inland Empire Labor Council, AFL-CIO
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 Intl. Longshore and Warehouse Union
Omidyar Network
Pillars of the Community
PowerSwitch Action
Rise Economy
San Diego Black Worker Center
San Francisco Women's Political Committee
Santa Monica Democratic Club
SEIU California State Council
Surveillance Resistance Lab
TechEquity Action
The Workers Lab
UNITE HERE, 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 10/16/25)

Acclamation Insurance Management Services
Allied Managed Care
American Staffing Association
Associated General Contractors of California
Associated General Contractors - San Diego Chapter
Association of California Healthcare Districts
Brea Chamber of Commerce
Burbank Chamber of Commerce
California Apartment Association
California Association of Winegrape Growers
California Chamber of Commerce
California Credit Union League
California Grocers Association
California Hospital Association
California League of Food Producers

California Manufacturers and Technology Association
California Retailers Association
California Special Districts Association
California State Association of Counties
Carlsbad Chamber of Commerce
Chamber of Progress
Coalition of Small and Disabled Veteran Businesses
Consumer Technology Association
Corona Chamber of Commerce
County of Riverside
El Dorado County Chamber of Commerce
El Dorado Hills Chamber of Commerce
Elk Grove Chamber of Commerce
Flasher Barricade Association
Folsom Chamber of Commerce
Gilroy 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
Greater San Fernando Valley Chamber of Commerce
Insights Association
Lake Elsinore Valley Chamber of Commerce
Lincoln Area Chamber of Commerce
Los Angeles Area Chamber of Commerce
Los Angeles County Business Federation
Long Beach Area Chamber of Commerce
Mission Viejo Chamber of Commerce
Murrieta/Wildomar Chamber of Commerce
Oceanside Chamber of Commerce
Orange County Business Council
Pacific Association of Building Service Contractors
Public Risk Innovation, Solutions, and Management
Rancho Cucamonga Chamber of Commerce
Rancho Mirage Chamber of Commerce
Rocklin Area Chamber of Commerce
Roseville Area Chamber of Commerce
Rural County Representatives of California
San Diego Regional Chamber of Commerce

San Francisco Chamber of Commerce
Santa Clarita Valley Chamber of Commerce
Santee Chamber of Commerce
Security Industry Association
Shingle Springs/Cameron Park Chamber of Commerce
Society for Human Resource Management
Southwest California Legislative Council
TechNet
Torrance Area Chamber of Commerce
Tri County Chamber Alliance
Uber Technologies, INC.
United Chamber Advocacy Network
Urban Counties of California
Valley Industry and Commerce Association
Western Car Wash Association
Yuba Sutter Chamber of Commerce

ARGUMENTS IN SUPPORT:

According to the sponsors of the measure:

“In order to protect workers from automated discrimination, SB 7, the No Robot Bosses Act, will ensure human oversight of automated decision-making systems when making decisions affecting a worker’s livelihood. SB 7 puts in place pre- and post-use notification to workers of the use of ADS to increase transparency. When an ADS is used to make an employment related decision, the bill establishes a process for workers to appeal the decision and to correct any erroneous data used as input. The bill also prohibits employers from uses of ADS that are potentially discriminatory, invasive, or unproven. Lastly, SB 7 requires human oversight of decisions made by an ADS to prevent the emergence of Robo-bosses. It requires employers to provide independent, corroborating evidence when employers use an ADS for firing, promotions, or discipline decisions—those decisions that most impact a worker’s life and livelihood.”

ARGUMENTS IN OPPOSITION:

A coalition of employer organization, including the California Chamber of Commerce, are opposed, arguing that the bill needs significant amendments to be workable. Their outstanding concerns include:

- “Broad access and correction requirements: Section 1524(e) contains a vague, broad requirement to allow workers to “access” and “correct” all data

collected or used by an ADS. This is not limited in any way. It would apply to any minor use of ADS for a low-risk decision. Further, the worker would then simply have the right to “correct” the data. There is nothing in the bill about how this works or what occurs if the requested “correction” is disputed. For example, a worker could go in and correct all time entries stating they clocked in late.

- Overly broad definitions: ADS is defined as any system that merely “assists” someone in making a decision, no matter how minor. An “employment-related decision” includes low-level decisions like scheduling or task allocation.
- Enforcement: SB 7 creates a new private right of action, including penalties.

Independent contractors: SB 7 treats employees and independent contractors the same. An independent contractor’s contract will dictate the terms of the job, the circumstances under which the relationship may be terminated, and other provisions that SB 7 will impact. For example, SB 7 significantly limits the ability of an ADS to consider customer reviews/ratings. That may be one of the only performance metrics of a contractor that is available. It also does not make sense to pepper them with lengthy notices.”

GOVERNOR'S VETO MESSAGE:

This bill would establish new rules for employers using automated decision systems (ADS) to make employment-related decisions. Proposed rules include requiring the employer to notify a worker before deploying an ADS that makes employment-related decisions, prohibiting an employer from relying solely on an ADS when making a disciplinary, termination, or deactivation decision, and giving a worker the right to request data used by the ADS to help make such a decision.

I share the author's concern that in certain cases unregulated use of ADS by employers can be harmful to workers. However, rather than addressing the specific ways employers misuse this technology, the bill imposes unfocused notification requirements on any business using even the most innocuous tools. This proposed solution fails to directly address incidents of misuse.

Moreover, this measure proposes overly broad restrictions on how employers may use ADS tools. For example, prohibiting an employer from using customer ratings as the primary input data for an ADS takes away a potentially valuable tool for rewarding high-performing employees. To the

extent that customer reviews are unfairly or inappropriately used to make decisions about a worker, legislation should address those specific scenarios rather than ban this practice altogether.

Finally, I share the author's concern about situations where an employer uses an ADS to make disciplinary, termination, or deactivation decisions. Such situations are partially covered by forthcoming California Privacy Protection Agency regulations, which would allow employees and independent contractors to better understand how their personal data is used by automated decision technology. Before enacting new legislation in this space, we should assess the efficacy of these regulations to address these concerns.

For these reasons, I cannot sign this bill.

ASSEMBLY FLOOR: 45-17, 9/11/25

AYES: Addis, Aguiar-Curry, Alvarez, Arambula, Bains, Bauer-Kahan, Bennett, Berman, Boerner, Bonta, Bryan, Calderon, Caloza, Carrillo, Connolly, Elhawary, Fong, Gabriel, Garcia, Gipson, Mark González, Haney, Hart, Kalra, Krell, Lee, Lowenthal, McKinnor, Muratsuchi, Ortega, Papan, Patel, Pellerin, Ransom, Celeste Rodriguez, Rogers, Schiavo, Schultz, Sharp-Collins, Solache, Stefani, Ward, Wicks, Zbur, Rivas

NOES: Alanis, Ávila Farías, DeMaio, Dixon, Ellis, Gallagher, Jeff Gonzalez, Hadwick, Hoover, Johnson, Lackey, Macedo, Patterson, Sanchez, Ta, Tangipa, Wallis

NO VOTE RECORDED: Ahrens, Castillo, Chen, Davies, Flora, Harabedian, Irwin, Jackson, Nguyen, Pacheco, Petrie-Norris, Quirk-Silva, Ramos, Michelle Rodriguez, Blanca Rubio, Soria, Valencia, Wilson

Prepared by: Alma Perez-Schwab / L., P.E. & R. / (916) 651-1556
10/20/25 9:47:24

**** END ****