
THIRD READING

Bill No: SB 813

Author: McNerney (D)

Amended: 1/5/26

Vote: 21

SENATE JUDICIARY COMMITTEE: 10-0, 4/29/25

AYES: Umberg, Allen, Arreguín, Ashby, Caballero, Durazo, Laird, Stern, Valladares, Wiener

NO VOTE RECORDED: Niello, Wahab, Weber Pierson

SENATE APPROPRIATIONS COMMITTEE: 5-2, 1/22/26

AYES: Caballero, Cabaldon, Grayson, Richardson, Wahab

NOES: Seyarto, Dahle

SUBJECT: California AI Standards and Safety Commission: independent verification organizations

SOURCE: Fathom

DIGEST: This bill (1) requires the Government Operations Agency (GovOps) to establish the California Artificial Intelligence (AI) Standards and Safety Commission (Commission); and (2) tasks the Commission with specified responsibilities, including designating “Independent verification organizations” (IVO). IVOs are required to carry out specified duties, including to ensure developers’, deployers’, and security vendors’ exercise of heightened care and compliance with best practices for the prevention of personal injury and property damage and certify qualified AI models or AI applications that meet the requirements prescribed by the IVO.

ANALYSIS:

Existing law:

- 1) Provides that every person is responsible, not only for the result of their willful acts, but also for an injury occasioned to another by the person’s want of

ordinary care or skill in the management of their property or person, except so far as the latter has, willfully or by want of ordinary care, brought the injury upon themselves. (Civil Code § 1714(a).)

- 2) Requires the California Department of Technology (CDT) to conduct a comprehensive inventory of all high-risk automated decision systems (ADS) that have been proposed for use, development, or procurement by, or are being used, developed, or procured by, any state agency. It defines the relevant terms:
 - a) “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.
 - b) “High-risk automated decision system” means an ADS that is used to assist or replace human discretionary decisions that have a legal or similarly significant effect, including decisions that materially impact access to, or approval for, housing or accommodations, education, employment, credit, health care, and criminal justice. (Government Code § 11546.45.5.)

This bill:

- 1) Requires GovOps to establish the California AI Standards and Safety Commission.
- 2) Requires the Commission to do the following:
 - a) Analyze, review, and compare standards, best practices, testing methodologies, and certification frameworks developed by IVOs or other private and public entities and identify areas that need standards development.
 - b) Provide written recommendations, guidance, and advice to the Governor, the Legislature, and state agencies and departments that procure, deploy, or regulate AI informed by standards developed through an IVO, by academia, or by AI deployers.
 - c) Maintain formal liaison relationships with state agencies deploying or procuring AI for specified purposes.

- d) Submit specified reports every two years to the Legislature.
- e) Maintain a publicly accessible registry listing IVO organizations and any standards or updates they report to the commission.
- f) Publish findings on the commission's internet website and facilitate comment from researchers, civil society, industry, and government stakeholders.
- g) Designate IVOs.

- 3) Requires the Commission, in designating IVOs, to determine whether an applicant IVO's plan ensures acceptable mitigation of risk from any IVO-verified AI model and AI application by considering specified factors.
- 4) Requires an applicant to the Commission for designation as an IVO to submit with its application a plan that contains specified elements.
- 5) Places a series of requirements on an IVO designated pursuant hereto, including:
 - a) Ensure developers', deployers', and security vendors' exercise of heightened care and compliance with best practices for the prevention of personal injury and property damage and certify qualified AI models or AI applications that meet the requirements prescribed by the IVO.
 - b) Implement the plan submitted pursuant hereto.
 - c) Decertify an AI model or AI application that does not meet those requirements.
 - d) Submit to the Legislature and the Commission an annual report that addresses specified topics.
- 6) Authorizes an IVO to adopt regulations as necessary.

Background

As AI models and applications become more sophisticated and integrated into our daily lives, they introduce new safety and security risks. Automated systems can make critical errors in high-stakes situations like self-driving vehicles, medical diagnostics, or home security systems when they encounter edge cases or adversarial inputs. AI-powered chatbots, phishing, identity theft, and deepfakes create novel threats to personal security and assets. Additionally, over-reliance on

AI systems without adequate human oversight in critical infrastructure or emergency response could lead to cascading failures during unusual circumstances. While these technologies offer tremendous benefits, ensuring the highest level of due care on the part of AI developers and deployers is of paramount importance.

This bill requires GovOps to establish the California AI Standards and Safety Commission. The bill tasks the Commission with specified responsibilities, including designating “Independent verification organizations” (IVO), defined as a private entity, nonprofit organization, academic consortium, or multistakeholder partnership designated as an IVO by the commission pursuant to this chapter. IVOs are required to carry out specified duties, including to ensure developers’, deployers’, and security vendors’ exercise of heightened care and compliance with best practices for the prevention of personal injury and property damage and certify qualified AI models or AI applications that meet the requirements prescribed by the IVO.

This bill is sponsored by Fathom. It is supported by 21 individuals. It is opposed by industry and advocacy groups, including the California Chamber of Commerce and the Consumer Attorneys of California.

Comments

According to the author:

California is a world leader in AI development, so it is incumbent on our state to ensure that the use of artificial intelligence is safe and beneficial. To do so, it is imperative that we establish strong yet workable standards — standards created by independent, third-party experts and academics who can nimbly adapt to evolving technology.

SB 813 is an innovative and pragmatic approach to ensuring that artificial intelligence is developed responsibly. With the public-private governance concept, we can both advance high-level standards to improve consumer awareness and safety, while also not constraining California developers with endless red tape.

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

According to the Senate Appropriations Committee:

- **Department of Justice (DOJ):** Unknown, potentially significant workload cost pressures (General Fund) to designate MROs as required by this bill.

- **Trail Courts:** Unknown, potentially cost pressures to the state funded trial court system (Trial Court Trust Fund, General Fund) to adjudicate civil actions affected by this bill. By creating a rebuttable presumption if certain requirements are met, this bill may encourage litigants to bring their claims that otherwise would not have, and could lead to more complex court proceedings with attendant workload and resource costs to the court. The fiscal impact of this bill to the courts will depend on many unknown factors, including the number of cases filed and the factors unique to each case. An eight-hour court day costs approximately \$10,500 in staff in workload. If court days exceed 10, costs to the trial courts could reach hundreds of thousands of dollars. In 2023–24, over 4.8 million cases were filed statewide in the superior courts. Filings increased over the past year, driven mostly by misdemeanors and infractions, and civil limited cases. The increase in filings from the previous year is greater than 5% for civil limited and unlimited, appellate division appeals, juvenile delinquency, misdemeanors and infractions, and probate. While the courts are not funded on a workload basis, an increase in workload could result in delayed court services and would put pressure on the General Fund to fund additional staff and resources and to increase the amount appropriated to backfill for trial court operations. The Governor’s 2025-26 budget proposes a \$40 million ongoing increase in discretionary funding from the General Fund to help pay for increased trial court operation costs beginning in 2025-26.

SUPPORT: (Verified 1/23/26)

Fathom (source)
21 individuals

OPPOSITION: (Verified 1/23/26)

Abundance Institute
California Chamber of Commerce
California Initiative for Technology & Democracy
Chamber of Progress
Children’s Advocacy Institute
Consumer Attorneys of California
Electronic Frontier Foundation
Tech Equity Action
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ARGUMENTS IN SUPPORT: Fathom argues:

SB 813 reflects a deliberate convergence of legal risk mitigation, regulatory innovation, and business incentive alignment. By authorizing an AI Standards and Safety Commission to designate independent, expert-led IVOs with the capacity to develop and enforce best-practice standards, the state empowers an agile, scalable model for compliance and trust-building. Unlike static regulatory regimes, IVOs are dynamic institutions designed to calibrate their oversight to evolving technological, economic, and risk environments.

From a policy standpoint, this legislation leverages the efficiencies of public-private partnerships to institutionalize adaptable legal guardrails befitting a rapidly evolving technology —converting them into enforceable, certifiable standards. The IVO framework aligns with successful analogues in financial reporting (e.g., FASB), cybersecurity (e.g., NIST frameworks), and environmental compliance (e.g., LEED). These models have proven that sector-led, state-enabled governance fosters both innovation and accountability.

ARGUMENTS IN OPPOSITION: TechNet writes:

California has historically played a leadership role by aligning with broader standards-setting efforts rather than creating siloed frameworks that may diverge from national and international approaches.

We support thoughtful, evidence-based approaches to AI governance and share the goal of promoting responsible development and deployment. However, SB 813 would establish a far-reaching verification framework that lacks clear incentives and sufficient guardrails while introducing uncertainty into a still-nascent industry.

Prepared by: Christian Kurpiewski / JUD. / (916) 651-4113
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***** END *****