SENATE COMMITTEE ON APPROPRIATIONS
Senator Sabrina Cervantes, Chair
2025 - 2026 Regular Session

SB 947 (McNerney) - Employment: automated decision systems

Version: April 22, 2026
Policy Vote: L., P.E. & R. 3 - 1, P., D.T., & C.P. 7 - 2
Urgency: No
Mandate: No
Hearing Date: May 4, 2026
Consultant: Robert Ingenito

Bill Summary: SB 947 would (1) prohibit an employer from using an automated decision system (ADS) that does certain functions and limits the purposes and manner in which an ADS may be used to make disciplinary, termination, or deactivation decisions, (2) grant a worker access to their own data collected or used by an ADS, as specified, (3) require an employer to provide a written ADS postuse notice, as specified, (4) includes worker anti-retaliation provisions for the exercise of these rights, (5) require enforcement through the Labor Commissioner (LC) or authorized public prosecutor, (6) prescribes penalties and remedies for violations, including civil actions.

Fiscal Impact:

- The Department of Industrial Relations (DIR) has yet to determine its administrative impacts that would result from this bill. However, based on the department's costing of similar legislation, DIR's annual administrative costs, at a minimum, would likely be in the millions of dollars (Labor Enforcement and Compliance Fund).

- This bill could result in an increased number of civil actions. Consequently, the bill could result in potentially significant cost pressures to the courts; the magnitude is unknown (Trial Court Trust Fund (TCTF)). The specific number of new actions that could be filed under the bill also is unknown; however, it generally costs about $10,500 to operate a courtroom for an eight-hour day. Courts are not funded on the basis of workload, and increased pressure on TCTF may create a need for increased funding for courts from the General Fund. The proposed 2026-27 budget includes $70 million in ongoing support from the General Fund to continue to backfill TCTF for revenue declines.

- This bill could result in increased penalty revenue to the State. The magnitude is unknown.

Background: Workplace surveillance tools are technologies used by employers to monitor and evaluate things such as workflow and employee activities and performance. Common examples include keystroke logging software, which tracks keyboard activity to gauge productivity, and screen monitoring tools that capture screenshots or live feeds of employee screens. Email and communication monitoring systems are also widely used to scan messages for sensitive information or inappropriate content. GPS tracking is used to monitor employees' location and movement, both in the field and in factories and other workplaces. Additionally, video surveillance cameras in offices or warehouses

can monitor physical behavior and security. In recent years, some employers are even requiring workers to wear tracking tools that monitor not only location and movement, but biometric information. These tools aim to enhance productivity and security; at the same time, however, they raise concerns in several areas, including privacy.

Proposed Law: This bill, among other things, would do the following:

- Prohibit an employer, as defined, from using an ADS to perform certain functions and would limit the purposes for and way in which an ADS may be used.

- 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.

- Require an employer that primarily relied upon an ADS to make a disciplinary, termination, or deactivation decision to provide the affected worker with a written postuse notice, as specified.

- Prohibit an employer from discharging, threatening to discharge, demoting, suspending, or in any manner discriminating or retaliating against any worker for taking certain actions asserting their rights under the bill.

- Require the Labor Commissioner to enforce the bill's provisions, authorize, in the alternative, any worker who has suffered a violation of these provisions to bring a civil action for damages, and authorize a public prosecutor to bring a civil enforcement action, as specified.

- Set forth specified types of relief that a plaintiff may seek and specified penalties that an employer that violates these provisions is subject to, including a $500 civil penalty.

- Provide that an employer who complies with the requirements related to notice in this bill is not required to comply with any substantially similar provisions under any other state law, except as specified.

- Not apply to parties covered by a valid collective bargaining agreement if the agreement contains specified information, including an explicit waiver of the bill's provisions.

- Declare that its provisions do not prohibit any employer from complying with regulatory or contractual requirements in the provision of products or services to the federal government, as defined.

Related Legislation:

- SB 951 (Reyes), among other things, would establish the California Worker Technological Displacement Act requiring an employer to provide at least a 90-day advanced written notice before any technological displacement. The bill is currently pending in this Committee.

- SB 1248 (Cabaldon) would impose certain restrictions on the use of an ADS by a state agency to confer services. The bill is currently pending in this Committee.

- SB 719 (Cabaldon) would extend the requirement for the California Department of Technology (CDT) to conduct annual inventories 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 agencies and to submit a report of the comprehensive inventories to the Legislature. These requirements become inoperative on January 1, 2032. The bill is currently pending referral in the Assembly.

- SB 7 (McNerney, 2025) would have established new rules for employers using an ADS to make employment-related decisions. The bill was vetoed by Governor Newsom.

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