

Date of Hearing: April 16, 2026

Fiscal: Yes

ASSEMBLY COMMITTEE ON PRIVACY AND CONSUMER PROTECTION

Rebecca Bauer-Kahan, Chair

AB 2027 (Ward) – As Amended April 9, 2026

SUBJECT: Worker data: prohibitions: artificial intelligence

SYNOPSIS

As surveillance technologies have become cheaper, more scalable, and easier to deploy, worker privacy has steadily eroded across a wide range of industries. Employers can now monitor keystrokes, employee location, communications, productivity metrics, and even biometric signals with relative ease, even extending these practices to contractors and third-party workers. Once collected, this workplace data does not go unused – it can be aggregated, labeled, and repurposed as training data for artificial intelligence (AI) systems designed to optimize workflows, automate tasks, and, in some cases, replace the very workers from whom the data was derived.

This bill would prohibit an employer, or a third-party vendor that contracts with an employer, from using a worker’s personal information to train an AI system to replicate, automate, or replace the worker’s job – either directly, or by providing a third party with access to the data. The bill would additionally require contracts between employers and third-party vendors to contain reasonable security measures to protect workers’ personal information. The bill is enforceable by the Labor Commissioner, public prosecutors, or through a civil action brought by a worker or their exclusive representative.

AB 2027 is sponsored by the California Federation of Labor Unions and supported by a variety of workers’ rights and privacy advocacy groups. It is opposed by a collection of trade associations including the California Chamber of Commerce.

EXISTING LAW:

- 1) Provides, pursuant to the California Constitution, that all people are free and independent by nature and have inalienable rights. Among these is the fundamental right to privacy. (Cal. Const. art. I, § 1.)
- 2) Establishes the Information Practices Act of 1977, governing the collection, maintenance, use, and dissemination of personal information by California state agencies. (Civ. Code § 1798 *et seq.*)
- 3) Provides the following definition for “personal information”:
 - (1) “Personal information” means information that identifies, relates to, describes, is reasonably capable of being associated with, or could reasonably be linked, directly or indirectly, with a particular consumer or household. Personal information includes, but is not limited to, the following if it identifies, relates to, describes, is reasonably capable of being associated with, or could be reasonably linked, directly or indirectly, with a particular

consumer or household:

(A) Identifiers such as a real name, alias, postal address, unique personal identifier, online identifier, Internet Protocol address, email address, account name, social security number, driver's license number, passport number, or other similar identifiers.

(B) Any personal information described in subdivision (e) of Section 1798.80.

(C) Characteristics of protected classifications under California or federal law.

(D) Commercial information, including records of personal property, products or services purchased, obtained, or considered, or other purchasing or consuming histories or tendencies.

(E) Biometric information.

(F) Internet or other electronic network activity information, including, but not limited to, browsing history, search history, and information regarding a consumer's interaction with an internet website application, or advertisement.

(G) Geolocation data.

(H) Audio, electronic, visual, thermal, olfactory, or similar information.

(I) Professional or employment-related information.

(J) Education information, defined as information that is not publicly available personally identifiable information as defined in the Family Educational Rights and Privacy Act (20 U.S.C. Sec. 1232g; 34 C.F.R. Part 99).

(K) Inferences drawn from any of the information identified in this subdivision to create a profile about a consumer reflecting the consumer's preferences, characteristics, psychological trends, predispositions, behavior, attitudes, intelligence, abilities, and aptitudes.

(L) Sensitive personal information.

(2) (A) "Personal information" does not include publicly available information or lawfully obtained, truthful information that is a matter of public concern.

(B) (i) For purposes of this paragraph, "publicly available" means any of the following:

(I) Information that is lawfully made available from federal, state, or local government records.

(II) Information that a business has a reasonable basis to believe is lawfully made available to the general public by the consumer or from widely distributed media.

(III) Information made available by a person to whom the consumer has disclosed the information if the consumer has not restricted the information to a specific audience.

(ii) “Publicly available” does not mean biometric information collected by a business about a consumer without the consumer’s knowledge.

(3) “Personal information” does not include consumer information that is deidentified or aggregate consumer information.

(4) “Personal information” can exist in various formats, including, but not limited to, all of the following:

(A) Physical formats, including paper documents, printed images, vinyl records, or video tapes.

(B) Digital formats, including text, image, audio, or video files.

(C) Abstract digital formats, including compressed or encrypted files, metadata, or artificial intelligence systems that are capable of outputting personal information. (Civ. Code § 1798.140.)

- 4) Establishes the California Consumer Privacy Act, which grants consumers certain rights regarding 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. (Civ. Code § 1798.100 *et seq.*)
- 5) Establishes the Division of Labor Standards Enforcement (DLSE), under the direction of the Labor Commissioner, within the Department of Industrial Relations, and authorizes the LC to investigate employee complaints and enforce labor laws, as specified. (Lab. Code § 79 *et seq.*)
- 6) Authorizes the DLSE to enforce the Labor Code and all labor laws of the state, the enforcement of which is not specifically vested in any other officer, board, or commission. (Lab. Code § 95(a).)
- 7) Authorizes the Labor Commissioner to prosecute actions for the collection of wages, penalties, and demands, as specified. (Lab. Code § 98.3.)
- 8) Authorizes, until January 1, 2029, the Attorney General, a district attorney, a city attorney, a county counsel, or any other city or county prosecutor, to prosecute an action, either civil or criminal, for violation of certain provisions of the Labor Code or to enforce those provisions independently. (Lab. Code § 180 *et seq.*)

THIS BILL:

- 1) Defines:

- a. “Artificial intelligence” to mean 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. “Employer” to mean a person, business, private entity, state, city, county, charter county, city and county, municipality, charter municipality, special district, transit district, the University of California, the California State University, community college district, school district, or any other state or local governmental entity that, 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. Further defines “employer” to include an employer’s labor contractor.
 - c. “Personal information” to have the same meaning as defined in Section 1798.140 of the Civil Code.
 - d. “Public prosecutor” to have the same meaning as defined in Section 180 of the Labor Code.
 - e. “Worker” to mean a natural person who is an employee of, or an independent contractor providing service to or through, an employer.
- 2) Prohibits an employer from using a worker’s personal information to train an artificial intelligence system to replicate, automate, or replace a worker’s job.
 - 3) Prohibits an employer from selling, disclosing, licensing, transmitting, making available, exposing, processing, monetizing, or otherwise providing access to a worker’s personal information to a third party for the purpose of training an artificial intelligence system to replicate, automate, or replace a worker’s job.
 - 4) Prohibits a vendor from providing services to an employer under a contract from doing any of the following:
 - a. Transferring, selling, disclosing, licensing, transmitting, making available, exposing, processing, monetizing, or otherwise providing access to the personal information of an employer’s worker to a third party for the purpose of training an artificial intelligence system to replicate, automate, or replace a worker’s job.
 - b. Using the personal information of an employer’s worker to train an artificial intelligence system to replicate, automate, or replace a worker’s job if the vendor sells or leases the artificial intelligence system to other customers.
 - 5) Requires that a contract between an employer and a vendor for services involving the access or capture of a worker’s personal information on the employer’s behalf include a requirement that the vendor must implement and maintain reasonable security procedures to protect the worker’s personal information from unauthorized or illegal access, destruction, use, modification, or disclosure.
 - 6) Provides that the Labor Commissioner or a public prosecutor shall enforce the provisions of the bill, or that a worker or their exclusive representative who suffers a violation may bring a

civil action, and authorizes a penalty of up to \$500 for each violation in addition to any injunctive relief, punitive damages, and reasonable attorney's fees and costs authorized by the court. Specifies that actions may be brought in the superior court in any county in which the violation in question is alleged to have occurred, or in which the employer resides. Specifies that enforcement provisions do not preempt any city, county, or city and county ordinance that provides equal or greater protection to workers.

COMMENTS:

1) **Author's statement.** According to the author:

Artificial intelligence is rapidly reshaping our economy, but it is increasingly being built on the backs of workers without their knowledge or consent. The data workers generate every day is fueling AI systems that can monitor, analyze, and ultimately replace them, while employers and tech companies profit from its extraction and sale.

While workers have historically faced being asked to train their replacements, the scale and speed of today's technology is unprecedented. AI systems can now learn from human labor in real time, accelerating job loss and deskilling across industries, from call centers to software engineering. This is not just about privacy or dignity, it is a direct threat to jobs and economic stability.

AB 2027 sets clear boundaries. It prohibits employers from using worker data to train AI systems that automate or replace jobs, and prevents the sale or sharing of that data for that purpose. It also ensures tech developers cannot use worker data collected through their tools to build systems that displace workers.

This bill affirms a simple principle: workers should not be used to train their own replacements, and innovation must not come at the expense of economic security.

2) **Background.** *Artificial intelligence.* AI refers to the mimicking of human intelligence by artificial systems such as computers.¹ AI uses algorithms – sets of rules – to transform inputs into outputs. Inputs and outputs can be anything a computer is able to process: numbers, text, audio, or video, for example. AI is not fundamentally different from other computer functions; unlike other computer functions, however, AI is able to accomplish tasks that are normally performed by humans.

Most modern AI tools are created through a process known as “machine learning,” which enables AI tools to learn relationships between inputs and outputs without being explicitly programmed.² The process of exposing a naïve AI to data is known as “training.” The algorithm that an AI develops during training is known as its “model.” At its core, training is an optimization problem: machine learning attempts to identify model parameters – weights – that minimize the difference between predicted outcomes and actual outcomes. During training, these

¹ AB 2885 (Bauer-Kahan, Stats. 2024, Ch. 843) defined the term as “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.”

² IBM, *What is machine learning?*, www.ibm.com/topics/machine-learning.

weights are continuously adjusted to improve the model's performance. Once trained, the model can process new, never-before-seen data.³

Models trained on small, specific datasets in order to make recommendations and predictions are sometimes referred to as "predictive AI." This differentiates them from generative AI (GenAI) which are trained on massive datasets in order to produce detailed text, images, audio, and video. When ChatGPT generates text in clear, concise paragraphs, it uses GenAI that has been trained on the written contents of the internet.⁴ When Netflix suggests content to a viewer, its recommendation is produced using predictive AI that has been trained on the viewing habits of Netflix users.⁵

AI's effect on labor markets. According to a recent report from executive outplacement firm Challenger, Gray & Christmas, AI was responsible for 54,836 announced layoffs in the United States in 2025.⁶ Earlier this year, a Resume.org survey of 1000 United States hiring managers revealed that 55% of companies expected further layoffs in 2026, and that 44% of these companies cited AI as a top driver – though 59% admitted they intentionally emphasized AI when explaining hiring freezes or layoffs because it "plays better with stakeholders."⁷ It is difficult to separate the signal from the noise when assessing the effect that advanced AI is having on the labor market, as emphasized in a recent review published in *Computers in Human Behavior Reports*:

The use of Generative AI has significant effects on businesses and the labor market. One of the key contributions of this technology is the ability to generate content. However, the generation of inaccurate and incomplete content by AI may lead to a decrease in trust in the technology. In some industries and occupations, Generative AI may replace employees in content creation activities and related tasks, reducing job opportunities in these sectors. On the other hand, GenAI may create new specializations in content creation, leading to new job opportunities for people with AI-related knowledge.⁸

Ford CEO Jim Farley recently expressed his belief that "artificial intelligence is going to replace literally half of all white collar workers,"⁹ a belief shared by Anthropic CEO Darius Amodei.¹⁰ On the other hand, Nvidia CEO Jensen Huang recently predicted that AI will primarily augment,

³ *Ibid.*

⁴ OpenAI, *How ChatGPT and Our Language Models Are Developed*, <https://help.openai.com/en/articles/7842364-how-chatgpt-and-our-foundation-models-are-developed>.

⁵ Netflix, *How Netflix's Recommendations System Works*, <https://help.netflix.com/en/node/100639>.

⁶ Challenger, Gray & Christmas, "Challenger Report December 2025," (Jan. 8, 2026), <https://www.challengergray.com/wp-content/uploads/2026/01/Challenger-Report-December-2025.pdf>.

⁷ Resume.org, "The Great Turnover: 9 in 10 Companies Plan To Hire in 2026, Yet 6 in 10 Will Have Layoffs," <https://www.resume.org/the-great-turnover-9-in-10-companies-plan-to-hire-in-2026-yet-6-in-10-will-have-layoffs-2>.

⁸ Salari, Beirumvand, Hosseinian-Far, Habibi, Babajani, and Mohammadi, "Impacts of generative artificial intelligence on the future of labor market: A systematic review," *Computers in Human Behavior Reports*, (Mar. 15, 2025), <https://www.sciencedirect.com/science/article/pii/S2451958825000673>.

⁹ Jeannine Mancini, "Ford CEO Says AI Will Replace 'Literally Half' of White-Collar Workers — But Blue-Collar Trades Are Still The Essential Backbone Of The Economy," *yahoo!finance*, (Oct. 6, 2025), <https://finance.yahoo.com/news/ford-ceo-says-ai-replace-203114506.html>.

¹⁰ Jim VandeHei and Mike Allen, "Behind the Curtain: A white-collar bloodbath," *Axios*, (May 28, 2025), <https://www.axios.com/2025/05/28/ai-jobs-white-collar-unemployment-anthropic>.

rather than replace, American workers.¹¹ Anthropic’s “Economic Index” tool, which tracks AI usage trends across the workforce, reveals that California currently ranks fifth among states in terms of AI usage, behind Washington DC, Massachusetts, Washington state, and New York.¹²

California’s creative economy. The creative economy is both hugely important to California and particularly sensitive to AI. The Otis College 2025 Report on the Creative Economy estimates that California’s creative economy employs more than 760,000 workers with an average salary of \$191,000 per year, accounting for roughly 5% of the state’s workforce.¹³ The 2023 version of this report estimated that California’s creative economy was responsible for 14.9% of the state’s \$3.4 trillion economy in 2021, generating over \$194.1 billion in federal, state, and municipal taxes.¹⁴

While the adoption of GenAI is opening up new possibilities in music, film, publishing and other creative fields, the technology’s impact on California’s creative economy and individual creators remains uncertain and unevenly distributed. To date, few studies have assessed how AI will affect jobs and incomes for writers, actors, musicians, designers and other creators. A global report published by the International Confederation of Societies of Authors and Composers (CISAC and PMP Strategy) in December of 2024 projected the emergence of a massive market for AI-generated content. The study estimated that AI-generated audiovisual content, including film and TV, could be worth €48 billion (\$55.73 billion) by 2028. However, the report warned that up to 21% of creators’ revenue in film and TV could be cannibalized as a result:

In an unchanged regulatory framework, creators will actually suffer losses on two fronts: the loss of revenues due to the unauthorised use of their works by Gen AI models without remuneration; and replacement of their traditional revenue streams due to the substitution effect of AI-generated outputs, competing against human- made works.¹⁵

Tech industry layoffs. Over the past two years, major California-based tech companies have laid off hundreds of thousands of workers around the globe. These companies have increasingly linked these layoffs to AI: in March, Reuters reported that Meta’s layoff plans, which could affect 20% or more of the company, were intended to offset AI infrastructure investments and prepare for greater efficiency brought about by AI-assisted workers.¹⁶ Oracle similarly laid off 30,000 employees in late March – representing roughly 18% of its global workforce – in order to fund its commitment to aggressively build out AI infrastructure.¹⁷ Amazon announced plans to lay off 16,000 employees in January of this year, its second round of large-scale job reductions in

¹¹ Ashton Jackson, “Nvidia CEO: You won’t lose your job to AI—you’ll ‘lose your job to somebody who uses AI,’” *CNBC*, (May 28, 2025), <https://www.cnbc.com/2025/05/28/nvidia-ceo-jensen-huang-youll-lose-your-job-to-somebody-who-uses-ai.html>.

¹² Anthropic, “Anthropic Economic Index,” <https://www.anthropic.com/economic-index#state-usage>.

¹³ Otis College of Art and Design, Otis College Update on the Creative Economy, (Mar. 27, 2025), available at https://www.otis.edu/about/initiatives/documents/25-063-CreativeEconomy_Report4_250325.pdf.

¹⁴ Otis College of Art and Design, Otis College Report on the Creative Economy, (2023), available at <https://www.televisionacademy.com/files/assets/Downloads/2023-otis-report-on-the-creative-economy-v1.pdf>.

¹⁵ PMP Strategy/CISAC, Study on the economic impact of Generative AI in the Music and Audiovisual industries, (Nov. 2024), available at <https://www.cisac.org/services/reports-and-research/cisacpmp-strategy-ai-study>.

¹⁶ Katie Paul, Jeff Horwitz, and Deepa Seetharaman. “Exclusive: Meta planning sweeping layoffs as AI costs mount,” *Reuters*, (Mar. 13, 2026), <https://www.reuters.com/business/world-at-work/meta-planning-sweeping-layoffs-ai-costs-mount-2026-03-14/>.

¹⁷ Jon Markman, “Oracle’s Massive 30,000 Layoff As AI Spending Surges,” *Forbes*, (Apr. 6, 2026), <https://www.forbes.com/sites/jonmarkman/2026/04/06/oracles-massive-30000-layoff-as-ai-spending-surges/>.

three months. The company announced in a blog post that the layoffs were necessary to increase its decision-making speed.¹⁸ Jack Dorsey, founder and CEO of startup “Block, Inc” tied cutting 40% of his company to advances in efficiency due to AI in a recent X post:

we're not making this decision because we're in trouble. our business is strong. gross profit continues to grow, we continue to serve more and more customers, and profitability is improving. but something has changed. we're already seeing that the intelligence tools we're creating and using, paired with smaller and flatter teams, are enabling a new way of working which fundamentally changes what it means to build and run a company. and that's accelerating rapidly.¹⁹

Workplace surveillance. Over the last five years, surveillance tools have become more affordable and more intrusive. Employers can collect vast dossiers on their employees, gathering sweeping amounts of data about every aspect of their jobs and personal lives. Often this is done “without employees’ full informed or free consent. Many workers, while generally aware they are being monitored, don’t know the extent of the surveillance or what is being done with the information.”²⁰

Employers are using more surveillance technology than ever — digital cameras, motion scanners, RFID badges, Apple Watch badges, Bluetooth beacons, keystroke logging — to track every single movement of workers in the office and to gauge their productivity. Some workplaces are using biometric data such as eye movements, body shifts, and facial expressions, captured by computer webcams, to evaluate whether their employees are being appropriately attentive in their work tasks. As an example, AI systems at call centers record and grade how workers are handling calls. This technology can be used to “coach” workers while they are talking to customers, telling them to sound happier or be more empathetic.²¹ Another example is wearable technology that, among other things, tracks a worker’s movements throughout the day, gathering biometric data, measuring how many times they use the bathroom, how long they spend in break areas, and which employees are spending time together. At least one company sells biometric ID badges with microphones, sensors, and other tools to record conversations, monitor speech, body movements, and location.²² Even body temperature, sweat, and frequency of bathroom visits can be tracked and analyzed by employers.

A recent article in MIT Technology Review describes one company’s surveillance tool this way:

Companies that use electronic employee monitoring report that they are most often looking to the technologies not only to increase productivity but also to manage risk. And software like Teramind²³ offers tools and analysis to help with both priorities. While Teramind, a globally distributed company, keeps its list of over 10,000 client companies private, it

¹⁸ Jordan Vallnsky, “Amazon is laying off 16,000 employees as AI battle intensifies,” *CNN*, (Jan. 28, 2026), <https://www.cnn.com/2026/01/28/tech/amazon-layoffs-ai>.

¹⁹ Jack Dorsey, X, (Feb. 26, 2026), <https://x.com/jack/status/2027129697092731343>.

²⁰ Higginbotham and Wroclawski. “These Video Doorbells Have Terrible Security. Amazon Sells Them Anyway.” *Consumer Reports* (Feb 29, 2024) available at <https://www.consumerreports.org/home-garden/home-security-cameras/video-doorbells-sold-by-major-retailers-have-security-flaws-a2579288796/>

²¹ Kevin Roose, “A Machine May Not Take Your Job, but One Could Become Your Boss,” *New York Times* (Jun. 23, 2019), <https://www.nytimes.com/2019/06/23/technology/artificial-intelligence-ai-workplace.html>

²² Humanyze: The Future of Workforce & Market Intelligence <https://humanyze.com/>

²³ <https://www.teramind.co/solutions/compliance-management/>

provides resources for the financial, health-care, and customer service industries, among others—some of which have strict compliance requirements that can be tricky to keep on top of. The platform allows clients to set data-driven standards for productivity, establish thresholds for alerts about toxic communication tone or language, create tracking systems for sensitive file sharing, and more.

[. . .]

Selecting and tuning the appropriate combination of data is up to Teramind’s clients and depends on the size, goals, and capabilities of the particular company. The companies are also the ones to decide, based on their legal and compliance requirements, what measures to take if thresholds for negative behavior or low performance are hit.²⁴

According to documents filed by Amazon workers with the National Labor Relations Board, Amazon tracks every minute that their workers spend not performing their assigned tasks. To facilitate this, Amazon uses handheld scanners that are also used to track packages. One worker claims they “can receive a written warning for accumulating 30 minutes of time off task in a day one time in a rolling one-year period. They can be fired if they accumulate 120 minutes of time off task in a single day or if they have accumulated 30 minutes of time off task on three separate days in a one-year period.”²⁵ Activities considered “time off task” include going to the bathroom, talking to another worker, or going to the wrong workstation. Workers reported that they were afraid to go to the bathroom or get a drink of water for fear of being disciplined.²⁶ At the end of each shift, supervisors are required to interrogate the worker with the highest time off task. In addition to handheld devices, Amazon uses an AI camera system trained on each workstation analyzing workers’ movements. The cameras automatically register the location of products and catalog every mistake workers make.²⁷ Monitoring the workers’ non-stop labor also helps improve the AI computer system, which learns from the responses of Amazon’s video reviewers and becomes more accurate over time.²⁸

Oxfam, an international organization focused on fighting global poverty, investigated the workplace surveillance practices at Amazon and Walmart warehouses in the United States. Employers like Amazon often claim that their surveillance systems are designed to make workers safer. “However, in recent years worker groups have decried the high injury rates and horrific working conditions that workers encounter as Amazon employees.”²⁹ The report describes the surveillance technology as follows:

The scanners play a key role in the surveillance machine because what the scanner records

²⁴ Rebecca Akermann, “Your Boss is Watching,” MIT Technology Review (Feb. 24, 2025)

²⁵ Lauren Kaori Gurley, “Internal Documents Show Amazon’s Dystopian System for Tracking Workers Every Minute of Their Shifts” Vice (Jun. 2, 2022), <https://www.vice.com/en/article/internal-documents-show-amazons-dystopian-system-for-tracking-workers-every-minute-of-their-shifts/>

²⁶ *Ibid.*

²⁷ Niamh McIntyre and Rosie Bradbury, The eyes of Amazon: a hidden workforce driving a vast surveillance system,

The Bureau of Investigative Journalism (Nov. 21, 2022), <https://www.thebureauinvestigates.com/stories/2022-11-21/the-eyes-of-amazon-a-hidden-workforce-driving-a-vast-surveillance-system/>

²⁸ *Ibid.*

²⁹ At Work and Under Watch: Surveillance and suffering at Amazon and Walmart warehouse, Oxfam (Apr. 10, 2024), <https://www.oxfamamerica.org/explore/research-publications/at-work-and-under-watch/>

can lead to “Associate Development and Performance Trackers,” or “ADAPTs,” which are automated write-ups that penalize workers for not meeting production goals. In addition, hundreds of security cameras are constantly monitoring the warehouse floor, ready to notify a manager when a worker is away from their station for too long.

[. . .]

Another example of the detailed metrics that Amazon monitors is a worker’s units per hour (UPH) score, which records how many actions a worker is able to accomplish in an hour. . . . [W]orker metrics are prominently displayed on a monitor, which keeps workers psychologically primed to constantly worry about “making rate” and about how they are doing compared with their co-workers. . . . Importantly, workers are not told what the data that electronic devices are constantly collecting is being used for, nor are they properly notified of their privacy rights.

3) **What this bill would do.** This bill would prohibit an “employer,” or a vendor providing services to an employer, from using the personal information of a “worker” to train an AI system to replicate, automate, or replace a worker’s job, or from providing a third party with access to a worker’s personal information to do the same. The bill defines employer to include both private- and public-sector entities, as well as an employer’s labor contractor. The bill defines “worker” to include an independent contractor providing service to or through an employer. The bill additionally requires that any contract between an employer and a vendor for services involving access to a worker’s personal information must include reasonable security procedures to protect that information. The bill’s requirements may be enforced by the Labor Commissioner or a public prosecutor; alternatively, a worker or their exclusive representative may bring a civil action for damages and other remedies.

This bill is part of a broader package of workers’ rights legislation introduced this year to address the growing impact of AI in the workplace. Other measures in this package include:

- AB 1883 (Bryan), related to workplace surveillance.
- AB 1898 (Schultz), related to employment decisions made by AI systems.
- AB 2545 (Schiavo), related to studying the impact of AI on the workforce.
- AB 2563 (Lee), related to state AI procurement standards.
- AB 2656 (Petrie-Norris), related to technological displacement of public sector workers.
- SB 947 (McNerney), related to employment decisions made by AI systems.
- SB 951 (Reyes), related to technological displacement of workers.

Together, these bills represent a coordinated effort to ensure that technological advancement does not come at the expense of workers’ dignity and safety.

4) **Opposition concerns.** Writing on behalf of a coalition of trade associations, the California Chamber of Commerce opposes the bill on the basis that it would “impose sweeping and unworkable restrictions on the use of worker data that will significantly hinder responsible innovation and expose employers to substantial litigation risk.” Much of the language called into question by this letter has been heavily amended or removed from the bill since the letter was submitted. Criticism that remains relevant emphasizes the following points:

CalChamber: AB 2027’s Overly Broad Restrictions on Vendor Sharing Interferes with Litigation and Compliance. Proposed Section 1571(d) (1) would prohibit vendors from transferring, disclosing, or otherwise providing access to worker data to third parties for purposes related to training AI systems. This sweeping language may unintentionally restrict routine and necessary disclosures that occur in the ordinary course of business, including disclosures required for litigation, investigations, and legal compliance . . . Because the provision would broadly restrict vendors from transmitting or otherwise making worker data available through automated or networked technologies, it would create ambiguity regarding whether vendors may continue to provide litigation-related support services that require access to workforce data.

Recent amendments narrow this bill’s focus to a worker’s “personal information,” rather than the broader “worker data,” and as a result, this concern may no longer apply. It is hard to imagine that “routine and necessary disclosure[s] that occur in the ordinary course of business” includes using a worker’s personal information to train an AI system capable of replacing them.

CalChamber: AB 2027’s Restrictions on AI Development Discourages Innovation and Workplace Improvements. AB 2027 would prohibit employers from using worker data to train AI systems intended to automate or replicate job functions. While we appreciate concerns regarding responsible deployment of AI technologies, AB 2027 fails to recognize the many beneficial uses of AI systems that assist workers rather than replace them. AI-enabled tools are frequently deployed to augment human decision-making, improve efficiency, and reduce administrative burdens that otherwise limit employee productivity.

Compared to “replacement,” which is inherently harmful to a worker being replaced, “replication” and “automation” have the potential to be genuinely beneficial – for example, the automation of a repetitive task may allow a worker to engage with more cognitively rewarding aspects of their job. Going forward, the author may wish to reconsider the strict prohibition on “automation” and “replication” that currently exists in the bill.

CalChamber: Independent Contractors Should Not Be Included in the Definition of “Worker.” The bill’s definition of “worker” includes independent contractors, which should be removed from the bill. Contractors are often limited-term workers who are performing a specific job for a company. By definition they are very different from an employee. Their contract will dictate the terms of that job and any job-specific requirements. This trend of treating them the same as employees in every new bill is at odds with prior legislation and court decisions. Further, their inclusion in such a broad bill compounds the bill’s administrative burden on businesses and state and local governments.

The vast majority of Amazon delivery drivers do not work for Amazon, despite wearing Amazon vests, driving Amazon trucks, and delivering Amazon-branded packages. They instead work for Amazon “Delivery Service Partners,” more than 4,000 independent small businesses that together represent roughly 390,000 driving jobs.³⁰ But while these workers do not work for Amazon, they are aggressively surveilled by the company – in 2021, each Amazon truck was

³⁰ Amazon Staff, “Everything you need to know about Amazon’s Delivery Service Partner (DSP) program,” (Oct. 28, 2024), <https://www.aboutamazon.com/news/policy-news-views/amazon-dsp-program-update>.

equipped with an AI-powered, inward-facing camera system called Driveri, as described by the ACLU:

The device Amazon is installing (called “Driveri,” pronounced “driver eye”) has cameras pointing in four directions, one of which is toward the driver. In a video posted online, the company says the “camera records 100 percent of the time when you’re out on your route,” and watches for 16 behaviors that will “trigger Driveri to upload recorded footage.” These include not only accidents but also such things as following another car too closely, making a U-turn, failing to wear the seatbelt, obstructing the camera, “hard” braking or accelerating, and appearing to be distracted or drowsy — or what the AI interprets as those activities, anyway. Sometimes the robot camera will shout commands at you, such as “maintain safe distance!” or “please slow down!” One driver told CNBC that if the camera catches you yawning, it will tell you to pull over for at least 15 minutes — and if you don’t comply, you may get a call from your boss.³¹

Given the extensive surveillance practices employed by companies like Amazon – not only with respect to their own employees, but also independent contractors and third-party partners – it seems reasonable and appropriate for this bill to cover such circumstances.

ARGUMENTS IN SUPPORT:

The California Federations of Labor Unions, the sponsor of this measure, writes on behalf of a coalition of workers’ rights organizations:

Employers and tech companies have developed a plethora of AI tools to extract worker data. AI surveillance tools can capture all aspects of how a worker does their job relying on facial, gait, and emotional recognition and measuring neural activity. Wearable tools allow companies to analyze physical movements and not just collect data but also develop the most “efficient” movements to complete tasks. The invasiveness, scale, and velocity of AI data extraction and tool development means that as workers do their jobs, they may be unknowingly training their robot replacements. Even if they are not directly training an AI system, employers can sell worker data to brokers and tech companies for profit.

The strip mining of worker data is not simply a privacy or worker dignity issue; the scope and scale of AI surveillance and task automation threaten mass job loss across all industries. The development and deployment of AI tools to potentially replace or erode human jobs is happening at a velocity that makes it difficult for society to adapt or even mitigate the damage to workers, families, the economy, and society.

ARGUMENTS IN OPPOSITION:

California Chamber of Commerce writes in opposition to this measure on behalf of a coalition of industry trade associations:

AB 2027 would impose sweeping and unworkable restrictions on the use of worker data that

³¹ Jay Stanley, “Amazon Drivers Placed Under Robot Surveillance Microscope,” (Mar. 23, 2021), <https://www.aclu.org/news/privacy-technology/amazon-drivers-placed-under-robot-surveillance-microscope>.

will significantly hinder responsible innovation and expose employers to substantial litigation risk. AB 2027 would undermine the ability of businesses to use common technologies that improve workplace efficiency, safety, and compliance with existing employment laws.

A coalition of organizations representing public entities, including but not limited to the California State Association of Counties and League of California Cities, writes in opposition to this measure:

We understand the reasonable concerns about the rapid integration of new technologies into daily life. However, the scope of this bill is vast and would leave significant questions about whether agencies can use AI systems or how they could train them to perform their tasks.

Local agency employers are incorporating AI and automated decision system (ADS) technology to improve service delivery, address risks, and empower employees to focus on more meaningful work through streamlining some rote aspects of job duties. State law has protected the right of public employees to bargain, and most public employees have a property interest in their position that is protected by due process. Public agencies and their workforce have long bargained over the conditions of their workplace and, more frequently, we have seen MOUs include agreements on the use of AI or ADS.

REGISTERED SUPPORT / OPPOSITION:

Support

California Labor Federation, Afl-cio (Sponsor)
 Alameda Labor Council
 American Federation of Musicians, Local 7
 American Federation of State, County and Municipal Employees (AFSCME) California
 California Alliance for Retired Americans (CARA)
 California Faculty Association
 California Federation of Labor Unions, Afl-cio
 California Federation of Teachers Afl-cio
 California School Employees Association
 California State Legislative Board of the Sheet Metal, Air, Rail and Transportation Workers -
 Transportation Division (SMART-TD)
 California Teachers Association
 Central Coast Labor Council
 Central Labor Council, Fresno-madera-tulare-kings Counties, Afl-cio
 Inland Empire Labor Council, Afl-cio
 North Bay Labor Council
 North Valley Labor Federation
 Oakland Privacy
 Orange County Labor Federation, Afl-cio
 San Mateo County Central Labor Council
 Techequity Action
 UAW Region 6
 What We Will

Opposition

Acclamation Insurance Management Services
Allied Managed Care
Associated General Contractors of California
Associated General Contractors San Diego
Association of California Healthcare Districts (ACHD)
Association of California School Administrators
California Apartment Association
California Chamber of Commerce
California Farm Bureau
California Hospital Association
California Manufactures & Technology Association
California Retailers Association
California Special Districts Association
California State Association of Counties (CSAC)
California Trucking Association
Cinema Association of California
Civil Justice Association of California (CJAC)
Flasher Barricade Association
Leadingage California
League of California Cities
Los Angeles Area Chamber of Commerce
National Association of Professional Employer Organizations
National Payroll Reporting Consortium
Rural County Representatives of California (RCRC)
Technet
Urban Counties of California (UCC)

Oppose Unless Amended

Insights Association

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