



FLOOR ALERT: AB 2930 (Bauer-Kahan) - OPPOSE

The above organizations respectfully **OPPOSE AB 2930 (Bauer-Kahan)**, requiring impact assessments of automated decision tools (ADTs). We agree that companies must take care to reduce bias and discrimination in consequential decisions, whether made by ADTs or human-made. However, overregulation of this technology can undermine its potential to reduce, if not eliminate, bias and discrimination. Overregulation can also impede many beneficial uses and outcomes, such as its ability to enable quick approvals and providing broader access to credit, and the ability to identify fraudulent activity more quickly.

AB 2930 goes beyond a simple requirement that businesses conduct impact assessments to mitigate potential harms. For example, it creates ambiguity around what is unlawful discrimination, provides for an opt-out right (even if an assessment has been conducted and risks of bias and discrimination have been mitigated), and calls for potentially devastating statutory penalties for each day that a business is late in providing an assessment to the Civil Rights Department. Our coalition has recently offered updated amendments to the author that would help address the vast majority of our concerns, including critical issues that apply across all industries:

- **Overlybroad scope.** AB 2930 applies to every industry and businesses of all sizes and is not sufficiently limited to high-risk uses of ADT. Various key terms and standards including “consequential decisions,” “automated decision tool,” “algorithmic discrimination,” and “substantial factor”, require additional clarity and significant narrowing.
- **Various obligations within the mandated impact assessments and notice requirements are unworkable.** Requiring businesses to accommodate requests to opt out of the use of ADT when “technically feasible” is especially problematic and may not have the intended outcome.
- **Inadequate confidentiality protections.** Impact assessments must be exempt from the public disclosure to encourage candor and avoid concerns around assessments becoming fodder for litigation or exposing confidential business information.
- **Single enforcer.** Allowing public attorneys across the state to enforce and overly broad and vague law will only exacerbate potential risks of overregulation.
- **Insufficient preemption protections and related concerns around regulatory activity.** The issues raised by this bill are too important to Californians across the state and our struggling economy to significantly delegate and defer to unelected officials in various agencies.