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SB-69 Artificial intelligence program: Attorney General. (2025-2026)



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CALIFORNIA LEGISLATURE — 2025-2026 REGULAR SESSION

SENATE BILL NO. 69

> **Introduced by Senator McNerney** (Coauthors: Senators Archuleta and Arreguín)

> > January 14, 2025

An act to amend Section 44127 of the Health and Safety Code, relating to air pollution. add Section 12525.6 to the Government Code, relating to artificial intelligence.

LEGISLATIVE COUNSEL'S DIGEST

SB 69, as amended, McNerney. Clean Cars 4 All Program. Artificial intelligence program: Attorney General.

Existing law generally regulates artificial intelligence, including by requiring the Office of Emergency Services to, as appropriate, perform a risk analysis of potential threats posed by the use of generative artificial intelligence to California's critical infrastructure, including those that could lead to mass casualty events.

This bill would require the Attorney General to establish and maintain a specified program to build internal expertise in artificial intelligence, including its applications, risks, regulatory implications, and civil rights impacts. The bill would require, on or before July 1, 2027, and annually thereafter, the Attorney General to submit a public report to the Legislature describing the program, key developments in artificial intelligence law and policy, and recommendations for additional state oversight or safeguards.

Existing law establishes the Clean Cars 4 All Program, which is administered by the State Air Resources Board, to focus on achieving reductions in the emissions of greenhouse gases, improvements in air quality, and benefits to low-income state residents through the replacement of high-polluter motor vehicles with cleaner and more efficient motor vehicles or a mobility option. Under existing law, the distribution of incentives under the program is implemented in air pollution control and air quality management districts that choose to participate in the program and through a statewide program. Existing law requires the state board to consider certain metrics in allocating funding under the program to participating air districts and to the statewide

program.

This bill would authorize a participating air district to submit a disbursement request to the state board for an amount equal to its previous 4 months of expenditures under the program if it determines that its balance of available funding for the program is less than the total amount of its expenditures under the program over the previous 4 months. If there are sufficient funds available from funds allocated to the program to cover the amount in the disbursement request while retaining a specified reserve, the bill would require the state board to issue the requested amount of funding to the air district within 60 days of the submittal of the disbursement request.

Vote: majority Appropriation: no Fiscal Committee: yes Local Program: no

THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:

SECTION 1. Section 12525.6 is added to the Government Code, to read:

- **12525.6.** (a) The Attorney General shall establish and maintain a program to build internal expertise in artificial intelligence, including its applications, risks, regulatory implications, and civil rights impacts.
- (b) The program shall include, but not be limited to, all of the following:
 - (1) Designating a team or office within the Department of Justice that is responsible for Al-related legal and policy issues.
 - (2) Recruiting or training legal and technical staff with specialized knowledge in artificial intelligence, machine learning, and automated decision systems.
 - (3) Collaborating with academic institutions, civil rights organizations, and technical experts to support evidence-based analysis of artificial intelligence systems.
 - (4) Collaborating with state agencies, including, but not limited to, the Department of Technology and the Government Operations Agency.
- (c) On or before July 1, 2027, and annually thereafter, the Attorney General shall submit, pursuant to Section 9795, a public report to the Legislature describing the department's activities under this section, key developments in artificial intelligence law and policy, and recommendations for additional state oversight or safeguards.

SECTION 1.Section 44127 of the Health and Safety Code is amended to read:

44127.(a)Upon appropriation by the Legislature, the state board may allocate moneys for the expansion of the replacement component or mobility option component of the program or Clean Cars 4 All from any of the following:

- (1)The Enhanced Fleet Modernization Subaccount, created pursuant to Section 44126.
- (2)The High Polluter Repair or Removal Account, created pursuant to Section 44091.
- (3)The Vehicle Inspection and Repair Fund, created pursuant to Section 9886 of the Business and Professions Code.
- (b)Upon appropriation by the Legislature, the state board may allocate moneys consistent with law for Clean Cars 4 All from the Greenhouse Cas Reduction Fund, created pursuant to Section 16428.8 of the Government Code.
- (e)Of the funds made available in Items 3900 101 0001 and 3900 101 3228 of the Budget Act of 2023 (Sections 110 and 111 of Chapter 38 of the Statutes of 2023) to the state board and that the state board allocated to Clean Cars 4 All, the state board shall maintain funding for each district participating in Clean Cars 4 All, such that if a district has insufficient funds to meet processed demand, the state board shall reallocate moneys to that district to ensure operation is minimally impacted for district Clean Cars 4 All programs.
- (d)(1)In allocating funding under Clean Cars 4 All to districts participating in the program, and to the statewide program, the state board shall consider, at a minimum, all of the following metrics:
- (A)Number of vouchers deployed.
- (B)Proportion of applications that have been started and resulted in completed replacement transactions or mobility vouchers.
- (C)Demand for vouchers.
- (D)Proportional investment to underserved populations identified pursuant to paragraph (4) of subdivision (c) of Section 44125.5.
- (E)Population in eligible Clean Cars 4 All ZIP Codes.

(2)Beginning January 1, 2023, and every year thereafter, the state board shall publish, as part of its funding plan, a report identifying how each criterion was used to allocate funding to districts and to the statewide program.

(e)(1)If a district determines that its balance of available funding for Clean Cars 4 All is less than the total amount of its expenditures under Clean Cars 4 All over the previous four months, then that district may submit a disbursement request to the state board for an amount equal to its previous four months of expenditures under Clean Cars 4 All.

(2)The state board shall verify and process a disbursement request submitted pursuant to paragraph (1) within 30 days. If there are sufficient funds available from funds allocated to Clean Cars 4 All to cover the amount in the disbursement request and still retain an amount no less than the total amount of its expenditures under Clean Cars 4 All over the previous four months, then the state board shall issue the requested amount of funding to the district within 60 days of the submittal of the disbursement request.

(f)(1)Up to 10 percent of the moneys allocated by the state board for Clean Cars 4 All may be used for outreach programs in accordance with both of the following requirements:

(A)Before a district allocates more than 5 percent of the moneys received from the state board for Clean Cars 4 All in a fiscal year for outreach, the district shall submit a description to the state board of the outreach efforts that will be funded with any money above 5 percent of the moneys allocated by the state board and a justification of how the additional funding for outreach will support deployment of Clean Cars 4 All to households in census tracts shown to be the most impacted in each region, households making less than 225 percent of the federal poverty level, households that are primarily non-English speaking, and other underserved populations identified pursuant to paragraph (4) of subdivision (c) of Section 44125.5.

(B)A district that allocates more than 5 percent of the moneys received from the state board for Clean Cars 4 All in a fiscal year for outreach shall submit a report to the state board on the outcome of this expenditure, including a description of outreach efforts that were funded or augmented with any money above 5 percent of the moneys allocated by the state board for Clean Cars 4 All and how that funding supported deployment of Clean Cars 4 All to households in census tracts shown to be the most impacted in each region, households making less than 225 percent of the federal poverty level, households that are primarily non-English speaking, and other underserved populations identified pursuant to paragraph (4) of subdivision (c) of Section 44125.5.

(2)Documents and information submitted by a district to the state board pursuant to this subdivision shall be for informational purposes only.

(g)(1)Notwithstanding Section 10231.5 of the Government Code, the state board shall report annually to the budget committees of both houses of the Legislature the amount of funding allocated by the state board to the statewide Clean Cars 4 All program and to each district Clean Cars 4 All program and detailed performance metrics consistent with the requirements of subdivision (d) for the statewide and district Clean Cars 4 All programs, including the number and dollar amount of grants awarded by each district program and by the statewide program and regionally specific information for grant awards made by the administrator under the statewide program.

(2)Notwithstanding Section 9795 of the Government Code, a report prepared pursuant to paragraph (1) shall be submitted as an electronic copy to the committees described in paragraph (1) and posted on the state board's internet website.