

TYPES NOT MAPPED YET October 01, 2024 | TTR not mapped yet | Brittney K. Mollman, Luke Sosnicki

# California's Journey to Regulate Technology: September 2024 Legislative Update

### Veto for the California Consumer Privacy Act of 2018: opt-out preference signal

On September 20, 2024, California Governor Gavin Newsom vetoed a proposed law (Assembly Bill 3048) that would have strengthened protections under the California Consumer Privacy Act (CCPA) by requiring internet browsers and mobile operating systems to offer consumers the ability to exercise their privacy preferences through an online tool called an "opt out preference signal."

The [bill](#) passed the state legislature on August 28, 2024. If passed, it would have mandated opt-out preference signals in web browsers and mobile operating systems by January 1, 2026.

Currently, 10% of the global desktop browser market (Mozilla Firefox, DuckDuckGo and Brave) offers an opt out preference signal. The world's largest internet browsers (Chrome, Safari and Edge) have declined to do so. While it is true that users may still download a third party plug-in that enables global opt outs, the current process has been [criticized](#) as cumbersome for consumers that have to navigate through complex opt-out forms on individual websites. Of further concern to consumer advocates is that no major mobile operating system has incorporated an opt-out preference signal.

The absence of mobile operating system infrastructure was [an apparent basis](#) for the Governor's refusal to sign the bill into law. The Governor explained that "[t]o ensure the ongoing usability of mobile devices, it's best if the design questions are first addressed by developers, rather than by regulators." The Governor also acknowledged the existing options available to consumers to opt out of targeted advertising.

The Governor faces [criticism from consumer advocates](#) for his decision due to the industry's historic failures to implement meaningful privacy choices for consumers without government intervention.

A full inventory of the bills signed and vetoed by Governor Newsom on September 20, 2024 can be found [here](#).

### A Veto for the Safe and Secure Innovation for Frontier Artificial Intelligence Models Act

On Sunday September 29, Governor Newsom vetoed [S.B. 1047](#), also known as the Safe and Secure Innovation for Frontier Artificial Intelligence Models Act. The bill would have required developers of large artificial intelligence (AI) models, and those providing the computing power to train those models, to put certain safeguards and policies in place to prevent catastrophic harm. A key component to the bill was the creation of a state entity to oversee development of qualifying AI models.

In his [veto message](#), Newsom was clear that he acknowledged the need for AI systems regulation based on "empirical evidence and science." While he praised the California legislature for its "thoughtful proposals to regulate AI" which "magnified the conversation about threats that could emerge from the deployment of AI," Governor Newsom concluded SB 1047 fell short by regulating only the "most expensive and large scale [AI] models." He argued the proposed regulatory framework would "give the public a false sense of security" because "[s]maller, specialized models may emerge as equally or even more dangerous" than larger models. He also criticized the bill because it did not take into account whether AI models were being "deployed in high-risk environments, involves critical decision-making or the use of sensitive data" but instead "applie[d] stringent standards to even the most basic functions." Governor Newsom expressed concern that implementing SB 1047 would stifle innovation and continued growth of AI in the state, which "is home to 32 of the world's 50 leading AI companies."

Not unlike his decision to veto AB 3048, this decision leaves the technology industry to police itself for the time being. [Critics](#) of the Governor's decision say that it leaves the powerful AI technology being developed without any

"binding restrictions from U.S. policymakers, particularly given Congress's continuing paralysis around regulating the tech industry in any meaningful way."

On the other side of the argument, entities have praised Governor Newsom's decision. "Today, we see parallels to the early Internet in the AI ecosystem, which has also become increasingly closed and consolidated in the hands of a few large, tech companies," the foundation wrote in an earlier statement. "We are concerned that SB 1047 would further this trend, harming the open-source community and [making AI less safe](#) - not more."

At the same time that Governor Newsom vetoed SB 1047, he also announced a series of initiatives covering the deployment and regulation of GenAI technology which cracks down on deepfakes, requires AI watermarking, protects children and workers and combats AI-generated misinformation. A full inventory of the bills passed by Governor Newsom in the past 30 days can be found [here](#).

## About Cybersecurity Bits and Bytes

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