

AB 2653 • California

State contracts: report: modern foundation models and associated artificial intelligence systems.

In Committee

Risk: Medium

Study/Task Force

Last Action (May 14, 2026): In committee: Held under submission.

Summary

AB 2653 mandates a working group to evaluate labor practices in AI development, reporting to the Legislature by December 31, 2027.

Business Impact

If you develop AI systems, you must consider labor standards in procurement by 2027 or face potential legislative changes.

Key Provisions

- Establishes a Foundation Model Labor and Procurement Working Group with 9 members as provided.
- Assesses labor practices in the development of foundation models and AI systems.
- Develops recommendations for incorporating labor standards into procurement decisions.
- Requires a report to be submitted to the Legislature by December 31, 2027.

Compliance Checklist

- Participate in the Foundation Model Labor and Procurement Working Group | Who: Members of the working group appointed by the Department of Industrial Relations | Penalty: Potential exclusion from state procurement processes
- Implement recommendations from the working group regarding labor standards | Who: State agencies and contractors involved in AI procurement | Penalty: Potential procurement issues or disqualification

Industries Affected

Employment

Government

Technology

Topics

AI Transparency

AI in Government

Comprehensive AI

Frontier or
General-Purpose AI

Bill Sponsors

Name	Party	Role
Lee		Author

Official Source

http://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202520260AB2653

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