Date of Hearing: August 3, 2022

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ASSEMBLY COMMITTEE ON APPROPRIATIONS
Chris Holden, Chair
SB 1216 (Gonzalez) – As Amended June 15, 2022

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Policy Committee: Privacy and Consumer Protection   Vote: 9 - 0
                           Accountability and Administrative Review   7 - 0

Urgency: No   State Mandated Local Program: No   Reimbursable: No

SUMMARY:

This bill requires, upon appropriation, the Secretary of Government Operations establish the Deepfake Working Group (DWG) to evaluate stated implications of the proliferation of deepfakes and digital content forgery technologies, as defined, for California's government agencies, businesses, and residents. This bill also requires the Government Operations Agency (GovOps) DWG to report its findings and recommendations to the Legislature by July 1, 2024.

FISCAL EFFECT:

Costs (General Fund (GF)) of approximately $600,000 ongoing to GovOps in additional staff and infrastructure, including operating expenses such as facilities and equipment for the DWG to study the implications of deepfakes and report to the Legislature. The proposed DWG is not included in the current budget.

COMMENTS:

1) **Purpose.** This bill aims to study the implications of deepfakes to California state agencies and residents. According to the author:

    > Deepfakes are deceptive life-like videos and recordings that can effectively make it appear as though an individual said or did something that never actually took place. This new frontier of technology has created a number of ethical, legal, and policy questions that are not easily answered and creates numerous complex implications for privacy rights, governmental communication, media accuracy, copyright infringement, and many other legal repercussions that can't be easily addressed without thoughtful dialogue amongst informed stakeholders. This bill will allow for the exploration and examination of best practices being used to reduce digital content forgeries, help in identifying mechanisms to certify the authenticity of original content, and evaluate the impact of deepfakes throughout the state.

2) **Deepfakes.** A deepfake is a form of artificial intelligence (AI) that uses images or recordings that are altered or manipulated to misrepresent someone as doing or saying something they did not actually do or say. As an example, a health charity in the UK used a deepfake to have David Beckham seemed to have delivered an anti-malaria message. This message was also

delivered in nine languages. However, the most notable use case -- and most dangerous -- is when others choose to use the technology for nefarious purposes. Deepfakes could be used to spread false information from an otherwise trusted source, for example, with election propaganda. This has led to the thinking that this technology is disruptive to modern life. Deepfake content is created by using two competing AI algorithms -- one is called the generator and the other is called the discriminator. The generator, which creates the phony multimedia content, asks the discriminator to determine whether the content is real or artificial. This bill requires GovOps to convene a working group to study how deepfakes may affect governmental operations and state residents.

3) **Argument in Support**. According to the Anti-Defamation League:

> The proliferation of deepfakes and misinformation continue to increase at an alarming rate, and the public policy solutions needed to protect California residents, businesses, and government institutions remain unclear. Policy solutions continue to allude policy makers across the globe. SB 1216 is a foundational first step to address the growing threat of deepfakes, by bringing together key experts and stakeholders to study this emerging issue and to develop potential solutions to protect all Californians.

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