

## One Big Beautiful Veto Request – AB 56, AB 1043, SB 771, AB 1064, and SB 7

### Veto Request

September 29, 2025

**The Honorable Gavin Newsom  
Governor of California**

Dear Governor Newsom,

A number of bills recently passed by the California legislature would undermine free expression and the competitive economic climate in your state.

While markets are constantly changing, California remains the heart of tech innovation in the United States. Indeed, just last year, the state was able to bridge a significant budget deficit with funds collected from technology companies.<sup>1</sup> That has not stopped many from continuing the demonization of the industry. Legislative efforts continue to target an industry that provides platforms for Californians to share their opinions and engage with fellow citizens. NetChoice continues to contend that attempts to limit speech are not only legally indefensible, but represent a fundamentally bankrupt policy position. Repression is not a legitimate avenue towards democratic revitalization. Censorship is not synonymous with safety.

We respectfully ask that you veto these bills.

### **AB 56 – Social media warning labels**

In *NetChoice v. Bonta* it was made clear that the state cannot force online platforms to become “roving online censors for the state.”<sup>2</sup> The legislature does not appear to have read that ruling. This time, under AB 56, a platform hosting lawful, constitutionally protected speech must

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<sup>1</sup> [A Mystery Surge in California Tax Revenue Points to Tech Companies Like Nvidia. Here's Why](#), CalMatters, Oct 2, 2024.

<sup>2</sup> [NetChoice v. Bonta](#) (2023, ruling 2025)

regularly warn their users against engaging with the platform and disseminate unscientific assessments about the safety of said expression. Colorado has enacted a similar law which NetChoice is currently challenging.<sup>3</sup>

Proponents of the bill argue that such warning labels are synonymous with other warning labels, like those related to carcinogens, that California and other states already mandate. This ignores clear precedent on the issue. Such a conclusion would also seek to draw parallels between carcinogenic products and constitutionally protected speech. Drawing parallels between cancer and expression reflects a fundamental misunderstanding of First Amendment law that renders this legislation legally indefensible.

### **AB 1043 – Age verification signals: software applications and online services**

AB 1043 is a member of a growing list of bills seeking to regulate the app store ecosystem. NetChoice recognizes the efforts made by the bill sponsor to address major concerns raised by NetChoice and others when similarly situated proposals were introduced in other states. It does not change our fundamental position on the bill.

AB 1043 valiantly attempts to differentiate itself from other app store age verification bills. One way it does that is by not requiring the age-specific dissemination of user information between an app store and the apps themselves. Instead, it sends age “signals” in an attempt to better protect user privacy. While that is a laudable effort, the reality is that in order to create a functional system of age signals, the granular user data must still be harvested and stored by app stores, creating a significant privacy risk that could be exploited by hackers, scammers, and sexual predators.

AB 1043 ultimately suffers from the same problems as every other content-based regulation we have ever seen. It equates form and function, and fails to appreciate that they are not the same. California repeatedly loses legal challenges to its tech legislation because it spends so much time obsessing over form. It is often reasoned that if the state censors speech in just the “right way,” the legislation will withstand scrutiny. Courts, however, are interested far more in the

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<sup>3</sup> [NetChoice v. Weiser \(2025\)](#)

function of a bill. What is it meant to do? AB 1043 means to censor. All of its laudable goals are oriented towards the regulation of lawful content, which is prohibited by the First Amendment. As such, it violates the constitutional rights of every Californian.

### **SB 771 – Liability for lawful speech**

SB 771 is facially absurd. It is such a clear and obvious violation of the First Amendment that it is difficult, and upsetting, to imagine how it cleared both chambers of the California legislature.

Nevertheless, it did.

The bill places significant liability on speech that could aid and abet hate crimes. While the aiding and abetting of an actual hate crime is already illegal in California, attempting to penalize speech that could theoretically lead to a hate crime is a bizarre step into a brave new world. Relaying hateful content, celebrating illegal activity, and other “lawful but awful” instances of expression are fully protected under the law.

There is no hate speech exception to the First Amendment, and it is violative of the same for the state to legally and financially coerce private entities to clamp down on politically disfavored speech. It should also be said that this almost certainly attaches liability to more morally neutral speech. The simple act of reporting hate crimes could conceivably carry a financial penalty, since a disturbed individual could be spurred to act out violent fantasies by reading about the depraved actions of another. While the intent of the bill is well meaning, it falls entirely outside America’s First Amendment jurisprudence and would be almost comically simple to weaponize.

### **AB 1064 and SB 7 – Regulation of AI**

Last legislative session you vetoed SB 1047, a burdensome bill that would have undermined California’s global competitiveness and significantly curtailed American AI development. Two of the AI bills that have reached you this session are more of the same.

Both of these bills are poorly constructed and vague, leading to challenges related to compliance. The harms alluded to in AB 1064, for example, are so nebulous, that many AI companies would likely find it in their best interest to eliminate any offerings geared towards

children. While reasonable people can agree on certain types of AI use cases inappropriate for children, AB 1064 is far more likely to eliminate even those that children would benefit from. AI tools focused on education, mental health, and violence mitigation would all be kept from California consumers. It could very likely make AI products less safe for children, as it would ensure they are designed exclusively for adult use and consumption while little can be done, practically, to keep young people from engaging.

AB 1064 also has provisions that would make it ripe for First Amendment legal challenge. The bill bans companion chatbots for minors unless such chatbots can “prioritize factual accuracy.” This provision puts the government in the unconstitutional position of determining whether content is true, and whether it can be disseminated through an AI chatbot. This would also unconstitutionally burden expressions of conscience. Faith-based and other sentiments of deeply-held personal belief that cannot—and should not—be “fact checked,” would be stripped from platforms at the direction of the state.

SB 7 is likely to cost California businesses between \$524 million and \$1 billion in annual compliance costs.<sup>4</sup> Similar to AB 1064 it imagines harms and forecloses the possibility of benefits derived to both employees and employers through the use of AI. What is left is a broadly conceived bill that would result in an avalanche of reporting and leave most California employers completely in the dark as to their compliance status with the law. The most likely scenario would be the complete delay of AI adoption in all but the largest corporate environments. Those small businesses brave enough to contend with SB 7 could see themselves quickly shuttered.

Both bills represent the kind of AI doomerism entirely divorced from California’s lived reality. It is the most innovative state in the nation, and the home to many of the most significant companies actually building AI tech. That bills would be signed into law essentially barring the adoption of AI is self-defeating. Not only does such a move hurt the consumers and businesses already in California, it sends a chilling message that the state is closed to investment and that

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<sup>4</sup> [CalChamber Analysis: Up to \\$1 Billion in Costs from Legislation to Limit Workplace Automation Technology](#), June 23, 2025.

they should send their dollars to other states. In a year of record budget deficits, this would be unwise.

## **Conclusion**

NetChoice has stressed throughout our engagement that an unconstitutional law protects no one. In many instances, California has served as a poster child for that motto. No child is made safer, no consumer made more secure, when the bill in question has been struck down for violating the US Constitution. At some point, the legislature must relent in their seemingly inexhaustible desire to police speech and regulate sources of expression. The reality is, however, that there is little public recourse. Legislation harming fundamental constitutional rights gin up few headlines to that effect. When they are challenged and struck down, the press releases have already been sent out and the political victories have already been won. In many cases, the ink is already drying on more drafts to grant additional powers to the government at the expense of the First Amendment. Something must be done to break this dangerous cycle. We ask that you exercise your executive prerogative and your constitutional duty by vetoing the above-mentioned bills.

Sincerely,

Zachary Lilly  
Deputy Director of State and Federal Affairs  
NetChoice

*NetChoice is a trade association that works to make the internet safe for free enterprise and free expression.*