

SB 53 Readiness Checklist

What do the new laws mean for your organization?

SB 53 TRANSPARENCY IN FRONTIER ARTIFICIAL INTELLIGENCE ACT

California's SB 53 aims to set global benchmarks for safe, trustworthy, and innovative AI through transparency, public safety, and accountability.

It applies to large-scale frontier AI models - **systems advancing state-of-the-art capabilities and posing significant social impact or risk**.

⌚ Transparency

Frontier AI firms must publish compliance frameworks online, aligned with global safety standards.

⌚ Innovation

SB 53 establishes CalCompute, a public AI computing cluster consortium, to foster safe, accessible development.

⌚ Responsiveness

Annual review by the Department of Technology with legislative update recommendations.

⌚ Safety

Mandatory reporting of critical AI safety incidents to California's Office of Emergency Services.

⌚ Accountability

Whistleblower protections and civil penalties for violations.

Ĝ Governance

Oversight will include multi-stakeholder participation across academia, industry, and civil society.

Who does SB 53 apply to?

Any California-based company deploying large-scale AI. Especially those with over \$500M in annual revenue or handling sensitive data must comply.

Major AI Developers

Companies that build and deploy “frontier” AI models with large user bases and advanced capabilities.



Enterprise Adopters

Large technology/enterprise firms using advanced AI for their products, services, or internal platforms.



Industry Adopters

HEALTHCARE



FINANCE



E-COMMERCE



What changes do companies need to make?

Externally (Public-facing)

Terms of service / public framework →
disclose how you use and safeguard AI

Community guidelines → set clear guardrails for
acceptable AI outputs and user interactions

Transparency reports → publicly share model
purpose, risks, safety incidents, and limitations

Internally (Company-facing)

HR policies → protect whistleblowers
and clearly notify staff of their rights

Internal protocols → set standardized processes
for safety incident reporting and reviews

Compliance routines → perform quarterly risk
checks and keep compliance records up to date

WE HAVE PUT A DETAILED CHECKLIST FOR YOUR TEAM BELOW

Transparency & Public Disclosure

- Post your AI safety framework on your website, referencing national or global standards
- Update the framework at least once a year or after major changes, with reasons for updates
- Publish plain-language transparency reports for each major model release or update, covering:
 - > Purpose and capabilities
 - > Risks and limitations
 - > Safeguards in place

Safety Reporting

- Set up a clear process to detect and log safety incidents
- Provide a public channel for reporting incidents
- Assign team leads and train staff on reporting steps
- Report serious incidents within 15 days (24 hours for emergencies) to California officials
- Hold a quarterly “catastrophic risk” review and share a short summary with authorities

Whistleblower & Employee Rights

- Offer an anonymous reporting channel (form or hotline) and link it on your site and employee portal
- Provide employees with written whistleblower rights once a year and collect sign-offs
- Respond quickly to tips and share monthly progress updates with the reporting employee

Accountability

- Run regular compliance self-audits and keep full records
- Fix missing or misleading information in official documents immediately
- Keep a compliance file ready for legal review and maintain updated legal contacts

Innovation & Engagement

- Follow CalCompute and look for partnership/participation opportunities (research, training, access to resources)
- Attend industry feedback events/ workshops, and invite outside experts and stakeholders
- Encourage staff training, ethical awareness, and diversity in your AI program

More reading material on SB 53

- [Link to the Senate bill and signing order](#)
- [Analysis by the Senate committee](#)
- [International AI Safety Report](#)

Marketers & business leaders should take note of SB 53

California is setting the rules of the game for AI, and it is likely that more states and governments will follow suit.

Compliance = Trust, Trust = Adoption

This would bring more awareness of AI and its use cases to the masses, and that means more users.

Early movers will shape perception and avoid penalties. This also gives your company a chance to be a part of driving the laws that will govern AI.

Leadership priorities

C-suite checklist

CEO/Founder

Position the brand as a responsible AI leader

CISO/CTO/CIO

Build model testing and reporting frameworks

CHRO

Integrate whistleblower safeguards

CMO

Market compliance as a trust advantage

“AI offers transformative societal value but also poses systemic risks. To safeguard public interest, its trajectory cannot be dictated solely by private corporations.

Proactive involvement from governments and independent research institutions is essential.

• Establishing enforceable legal frameworks and rigorous technical standards at this inflection point ensures AI development aligns with safety, accountability, and the broader public good.”

Amitabh Kumar, Co-Founder, Contrails AI

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