



STATE OF CALIFORNIA

CALIFORNIA PRIVACY PROTECTION AGENCY

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To: California Privacy Protection Agency Board
(Meeting of December 8, 2023)

From: Philip Laird
General Counsel
California Privacy Protection Agency

Date: November 17, 2023

Re: Agenda Item 6 – Discussion and Possible Action to Adopt Proposed Regulation,
Section 7600, to Establish the CPPA’s Data Broker Registration Fee, Pursuant to Civil
Code § 1798.99.80, et seq.

This memorandum provides staff’s recommendation for the Board to adopt the attached regulatory amendment, which moves the existing registration fee for the data broker registry from the Attorney General’s division and chapter of the California Code of Regulations (CCR) to the California Privacy Protection Agency’s (CPPA) division and chapter of the CCR, in alignment with SB 362.

Background

In 2019 Assembly Bill 1202 (Chapter 753, Statutes of 2019) was signed into law, newly requiring data brokers to register annually with the Attorney General and to pay a registration fee to cover the costs of establishing and maintaining the online registry. The registry requires data brokers to disclose their name, contact information, and web address, among other information. The Attorney General promulgated 11 CCR § 999.400 to establish a \$400 registration fee to be paid by data brokers annually. Presently, there are approximately 500 data brokers registered on the Attorney General’s website.

This year the Legislature passed – and Governor Newsom signed – Senate Bill 362 (Chapter 709, Statutes of 2023), which, among other things, transfers responsibility for the data broker registry from the Attorney General to the CPPA beginning January 1, 2024. Data brokers will be required to register with the CPPA by January 31, 2024, and “Pay a registration fee in an amount determined by the California Privacy Protection Agency, not to exceed the reasonable costs of establishing and maintaining the informational internet website . . . and the reasonable costs of establishing, maintaining, and providing access to the accessible deletion mechanism.”¹

In furtherance of the registry’s transfer to the CPPA, SB 362 vests the CPPA with rulemaking authority to implement and administer the law, and expressly exempts the Agency from having to comply with the rulemaking requirements in the Administrative Procedures Act when establishing fees.

¹ Civil Code § 1798.99.82(b)(1).

Recommendation

Staff recommends that the Board adopt the proposed regulatory amendment – which merely moves the existing \$400.00 registration fee from the Attorney General’s regulations to the CPPA’s regulations – as the Agency anticipates costs to administer the registry to be equivalent to those incurred by the Attorney General’s Office. As the Agency prepares to implement the accessible delete mechanism in 2026, staff will recommend adjustments to the registration fee amount, as necessary, to cover the costs of that new function.