

**CALIFORNIA PRIVACY PROTECTION AGENCY**

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To: California Privacy Protection Agency Board  
(Meeting of May 10, 2024)

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**Subject: Agenda Item 4 – Update Regarding SB 362 Implementation, Including Discussion and Possible Action on Proposed Data Broker Registration Regulations**

This memorandum provides the California Privacy Protection Agency (“Agency”) staff’s recommendation for the Board to move the attached draft regulations, which add clarity and specificity to the technical requirements of the data broker registry in SB 362, to formal rulemaking.

**Background**

In 2023, the Legislature passed – and Governor Newsom signed – Senate Bill 362 (Chapter 709, Statutes of 2023, also referred to as “the Delete Act”), which, among other things, transferred the administration and enforcement of the Data Broker Registry from the Office of the Attorney General to the Agency as of January 1, 2024. The Agency now maintains the Data Broker Registry and posts publicly the required information disclosed by data brokers.

A business that meets the definition of “data broker,” as defined in California Civil Code § 1798.99.80, must register with the Agency on its website by January 31, following each year in which a business acts as a “data broker” and pay the applicable registration fee. For example, a business that engages in data broker activities in 2023 is required to register by January 31, 2024 – even if the business has no plans to engage in data broker activities in 2024. A data broker that fails to register by January 31 may be liable for administrative fines and costs in an administrative action or investigation brought by the Agency (Civ. Code § 1798.99.82(d)).

The Agency administered the data broker registration process for the first time in January of this year. Through that effort, Agency staff encountered a variety of common questions and occasional obstacles that indicated a need for clarification of SB 362’s registration requirements.

**Analysis**

The proposed draft regulations largely memorialize the Agency’s existing practices related to the data broker registry, but also clarify key terms and concepts.

Specifically, the proposed additions to § 7600 further elaborate how data brokers must pay their registration fees and clarify that fees cannot be prorated or refunded.

Section 7601 defines key words and phrases, including what it means for a data broker to have a “direct relationship” with a consumer, and what data qualifies as “minor” data and “reproductive health care data” for reporting purposes.

Section 7602 provides additional detail as to who may register a data broker, and clarifies that each business that independently meets the definition of “data broker” – regardless of its affiliation with another business as a parent or subsidiary company – must register.

Section 7603 expressly requires that all information reported when registering must be true and correct, that email addresses and websites reported must be accurate and functional, and clarifies what information is required when describing the extent to which a data broker is regulated by certain enumerated state and federal laws.

Section 7604 describes the limits to changing reported information after the close of the registration period and establishes a process for requesting removal for erroneous registrations.

Finally, § 7605 clarifies that the disclosure requirements in § 7003 apply to data broker disclosures mandated under SB 362.

*This package does not address the accessible deletion mechanism.*

SB 362 additionally tasks the Agency with establishing a deletion mechanism that allows consumers to instruct data brokers to delete their non-exempt personal information related to the consumer through a single deletion request to the Agency, starting on January 1, 2026. These regulations do not address the accessible deletion mechanism, as it will be addressed in a separate rulemaking package at a later date. This package solely addresses the requirement that data brokers register annually with the Agency.

## **Recommendation**

Staff recommends that the Board direct staff to commence rulemaking and take all steps necessary to prepare and notice the text of the proposed regulatory amendments for a 45-day public comment period.