

CALIFORNIA PRIVACY PROTECTION AGENCY

TITLE 11. LAW

DIVISION 6. CALIFORNIA PRIVACY PROTECTION AGENCY

CHAPTER 3. Data Broker Registration

FINAL STATEMENT OF REASONS

Subject Matter of Proposed Regulations: Data Broker Registration

Sections Affected: California Code of Regulations (CCR), title 11, sections 7600, 7601, 7602, 7603, 7604, and 7605.

BACKGROUND:

On October 10, 2023, the Governor signed Senate Bill (SB) 362, also known as the Delete Act, into law. The Delete Act transferred the administration and enforcement of the Data Broker Registry from the Office of the Attorney General to the California Privacy Protection Agency (Agency) as of January 1, 2024. The Agency now maintains the Data Broker Registry and posts publicly the required information disclosed by data brokers.

On July 5, 2024, the Agency issued a Notice of Proposed Rulemaking and began the 45-day comment period for proposed regulations containing the requirements for data broker registration. The Agency held a virtual public comment hearing on August 20, 2024, the last day of the public comment period. After a review of all comments submitted on the proposed regulations, the Agency determined that no changes would be made to the proposed regulations. The proposed regulations were adopted without any modifications to the originally proposed text.

UPDATE TO INFORMATIVE DIGEST

There have been no changes in the laws related to the proposed action or the effect of the proposed regulations from the laws and effects described in the Notice of Proposed Rulemaking.

UPDATE TO INITIAL STATEMENT OF REASONS

Pursuant to Government Code section 11346.9 subdivision (d), the Agency hereby incorporates the Initial Statement of Reasons prepared in this rulemaking. Unless a specific basis is stated for any modification to the regulations as initially proposed, the necessity for the adoption of new regulations as set forth in the Initial Statement of Reasons continues to apply to the regulations as adopted.

The Agency has made no modifications from the initially proposed text of the regulations.

LOCAL MANDATE DETERMINATION

The proposed regulations do not impose a mandate on local agencies or school districts.

DOCUMENTS INCORPORATED BY REFERENCE

There are no documents incorporated by reference.

SUMMARY OF COMMENTS AND AGENCY RESPONSES

Please see Appendix A below.

ALTERNATIVES THAT WOULD LESSEN ADVERSE ECONOMIC IMPACT ON SMALL BUSINESSES

No alternative proposed to the Agency that would lessen any adverse economic impact on small businesses was rejected by the Agency.

ALTERNATIVES DETERMINATIONS

In accordance with Government Code section 11346.9, subdivision (a)(4), as discussed in the summary of comments and Agency responses, the Agency determined that no alternative it considered or that has otherwise been identified and brought to its attention would be more effective in carrying out the purpose for which the action is proposed, as effective and less burdensome to affected private persons than the proposed action, or more cost-effective to affected private persons and equally effective in implementing the statutory policy or other provision of law.

The provisions adopted by the Agency are the only ones identified by the Agency that will accomplish the goal of effectively implementing the Data Broker Registry. The regulations provide clarity and consistency in the information provided to the Agency and provides flexibility on payment of registration fees.

NON-DUPLICATION

Some of the regulations may repeat or rephrase in whole or in part a state or federal statute or regulation. This was necessary to satisfy the clarity standard set forth in Government Code section 11349.1, subdivision (a)(3).

Appendix A

Summary and Response to Written and Oral Comments Received During the 45-Day Comment Period

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Section	Comment Numbers	Summary of Comments Received During 45-Day Comment Period	Agency Response
7601(a)	90	<p>Commenter states broad support of the proposed definition because the existing framework has led to substantial ambiguity about which data brokers are included in the scope of the law. Data brokers can claim a long list of exemptions and the lack of substantial enforcement has led to a perceived under-count of registered data brokers.</p>	<p>The Agency agrees with this comment and notes commenter’s support.</p>
7601(a)	91	<p>Commenter states broad support of the proposed definition since data brokers employ industry tactics that are notoriously complex and opaque to aggregate data from hundreds or thousands of sources which makes it hard to determine what is a direct relationship. Senate Bill 362 (SB 362), commonly referred to as the Delete Act, sought to provide consumers an easier way to manage their right to delete for businesses that collect and sell personal information without knowledge or consent and the Agency’s regulations should mirror that.</p>	<p>The Agency agrees with this comment and notes commenter’s support.</p>
7601(a)	22, 62, 92	<p>Commenters support the first sentence of the definition of direct relationship to include a 3-year time limit so that businesses cannot claim an indefinite exemption.</p> <p>Commenter supports the three-year time limitation because it protects consumers from businesses claiming an indefinite exemption based on long-past interactions. This reflects a Federal Trade Commission (FTC) report that some data brokers store all data indefinitely. In addition, the definition acknowledges the reality that</p>	<p>The Agency agrees with this comment and notes commenter’s support.</p>

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		<p>consumers may be unaware of ongoing data collection and sales by businesses they interacted with in the distant past.</p> <p>Commenter supports the three-year time frame as a reasonable timeline over how first-party relationships operate and promotes clarity.</p> <p>Commenter supports the three-year time frame as reasonable because of implicit understanding of “direct relationship” and precedent in California (CA) state law. Three years is enough time to establish that the consumer no longer desires to continue the relationship with the business and that consent to collect or share data has lapsed. In addition, a “direct relationship” implies an ongoing dialogue and thus businesses should not be considered as having a direct relationship with consumers indefinitely through a single interaction.</p>	
7601 (a)	23	<p>Commenters support the first sentence of the definition of direct relationship to include the definition of intentional interaction to prevent data brokers from claiming an exemption based on inadvertent online activities by consumers.</p> <p>Commenter supports the definition of direct relationship because consumers may unknowingly interact with numerous entities through a single website visit or app use such as third-party trackers, analytics providers, and</p>	<p>The Agency agrees with this comment and notes commenter’s support.</p> <p>Indeed, the Agency is aware that some data brokers collect personal information directly from consumers as a “third party” during a consumer’s interaction with another “first party” business. The proposed definition therefore clarifies that a business can be a “data broker” even if it collects personal information</p>

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		<p>advertising networks. The definition ensures that businesses can claim a direct relationship only when a consumer knowingly and purposely engages with a business.</p>	<p>directly from a consumer because what makes a relationship “direct” is the consumer’s expectation or intention to interact with a business, not the mere collection of the consumer’s personal information by that business. Relatedly, the definition also clarifies in the third sentence that such “third party” collection and sale of personal information still qualifies a business as a data broker even if the same business separately collects personal information from the consumer through a “direct” intentional interaction.</p>
7601 (a)	37, 38	<p>For the first sentence of the definition of direct relationship, commenter requests clarification on the registration requirements for the three-year time frame. Commenter discusses impact on business registration regarding whether companies need to register once the three-year time limit has lapsed. It is unclear if a business needs to respond to Delete Requests Opt-out Platform (DROP) requests for its entire customer base once a business registers. This may cause companies to start deleting their data for users approaching three-year time limit to avoid registration and compliance obligations.</p> <p>(38) Commenter suggests that the Agency clarify that a business may only be a data broker with respect to the</p>	<p>The Agency disagrees with this comment. Data brokers are required by statute to register in January if they met the definition of “data broker” in the prior year. Pursuant to the statutory definition, a business is a data broker even if it collects and sells to third parties the personal information of a single consumer that it does not have a direct relationship with. Therefore, pursuant to the proposed regulations, a business only needs to determine whether it collects and sells the personal information of any consumer that it hasn’t interacted with in the preceding three years to determine if it is required to register as a data broker. The Agency believes this is sufficiently</p>

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		<p>data of individuals not interacted with in the previous three-years.</p>	<p>clear such that businesses can determine if SB 362 applies to it or not.</p> <p>To the extent the comment seeks clarification about deletion obligations under SB 362 beginning in 2026, the Agency intends to address that topic as part of a future rulemaking package. This package specifically clarifies registration requirements.</p>
7601 (a)	36, 61	<p>For the first sentence of the definition of direct relationship, commenter encourages Agency to consider that the 3-year time limit would widen the scope to companies that infrequently use websites or services and thus diminishes accessibility value of DROP because consumers need to closely inspect list of companies</p> <p>Commenter suggests that if the Agency clarifies that a business may only be a data broker with respect to the data of individuals not interacted with in the previous three years that the appearance of such organizations on the data broker registry could also confuse individuals using the DROP.</p>	<p>The Agency disagrees with this comment. The Agency does not anticipate consumer confusion because consumers will instead be better informed of which businesses continue to collect and sell their personal information, even after three or more years has lapsed since their last interaction with the business. This will assist consumers in better understanding where and how data they do not provide to a business is being brokered without their knowledge.</p>
7601 (a)	39	<p>For the first sentence of the definition of direct relationship, commenter suggests harmonizing with Colorado Privacy Act to require refreshing consent after 24 months to address indefinite relationship. This is a suggestion to the Agency to help balance a concern with</p>	<p>The Agency disagrees with this comment. The Agency believes that imposing a three-year timeframe is sufficient and appropriate to reduce the burden on consumers and minimize consent fatigue (i.e. when consumers stop</p>

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		indefinite relationships) while aligning with user expectations and the goals of DROP.	engaging with privacy preferences because they are faced with too many consent choices), while avoiding an indefinite timeframe.
7601 (a)	117	For the first sentence of the definition of direct relationship, commenter states 3-year time frame is arbitrary and capricious, and Agency fails to provide evidence or basis in law for this time limit. Commenter also acknowledges that an indefinite period could run contrary to consumer expectation.	The Agency disagrees with this comment in part. The Agency believes three years is a sufficient timeframe without a consumer-to-business interaction to consider a direct relationship lapsed and is in line with consumer expectations. As another commenter notes, there is established precedent in California law for such time limits, such as the three-year time limit for abandoned financial assets.
7601(a)	63	For the second sentence of the definition of direct relationship, Commenter supports the definition of direct relationship as providing a reasonable boundary to protect against companies exploiting a rights request as a loophole to establish a direct relationship.	The Agency agrees with this comment and notes commenter’s support.
7601(a)	109, 113	For the second sentence of the definition of direct relationship, commenter requests clarification for exemption about verifying consumer’s identity. Commenter asks for clarity about whether exemption applies narrowly to using identity verification for the purpose of honoring consumer’s privacy rights or if it is a general exemption for businesses that verify a consumer’s identity.	The Agency disagrees with this comment. The regulation is reasonably clear. The plain meaning of “verify the consumer’s identity” is applicable.

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7601(a)	24, 93, 96	<p>Commenter supports the third sentence of the definition of direct relationship because it prevents data brokers from avoiding Act’s obligations despite being a data broker. Without this definition, a data broker could claim broad exemption from SB 362 by claiming an exemption through one arm of their business despite data broker activities in the data broker’s larger business model.</p> <p>Commenter supports the definition because companies that aren’t generally known as data brokers behave as one when they collect and sell information not derived from a direct consumer interaction. These companies may sell access to consumer information not collected directly from a consumer through pixels embedded on third-party websites.</p> <p>Commenter supports the definition because companies that are understood to be data brokers may collect data directly from consumers and should not be able to claim an exemption. For example, a company that collected personal data directly from its consumer but also (1) collected data using software development kits in hundreds of third-party app, (2) purchased location data from other data brokers and aggregators, should not be able to claim an exemption. This prevents creating perverse incentives for data brokers to create superficial relationships to avoid being classified as a data broker.</p>	<p>The Agency agrees with this comment and notes commenter’s support.</p>

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7601 (a)	2	<p>Commenter states that the proposed definition is overly broad for the third sentence of the definition for direct relationship. This definition would require virtually every business to register and make the registry meaningless. The majority of businesses receive personal information about consumers from sources other than consumers themselves such as government sources, publicly available sources of information, and third-party information from service providers.</p>	<p>The Agency disagrees with this comment. We believe the proposed definition is not overly broad but rather it clarifies that businesses who collect and sell personal information about consumers outside of a direct relationship with the consumer are still required to comply with the law’s registration and reporting requirements.</p> <p>Government sources and publicly available information are not sources of “personal information” under the California Consumer Privacy Act (CCPA). SB 362 incorporates existing CCPA definitions by reference, and the proposed regulations do not purport to change the definition of “personal information.”</p> <p>Additionally, the mere collection of personal information from third-party sources does not make a business a data broker. A business is not a data broker if it does not also sell the personal information.</p>
7601 (a)	33, 53, 64, 65, 66, 107, 115, 119,120	<p>Commenter states that for the third sentence of the definition for direct relationship, proposed definition may be considered an expansion of the statute.</p> <p>Commenters state that the Agency exceeds its authority under the Administrative Procedures Act (APA), Cal. Gov.</p>	<p>The Agency disagrees with this comment. Both the legislative history and wording of the statute support the Agency’s proposed definition of “direct relationship.” In the statute, the Legislature provided the Agency with the authority to adopt regulations to implement</p>

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		<p>Code § 11340 et seq, because defining direct relationship to include data brokers that also have first party relationships with consumers exceeds the scope of the Agency’s authority. Commenter cites cases where the court has struck down agency regulations that overstep their statutory authority in violation of the APA.</p> <p>(Commenter states the proposed definition expands the scope because statutory definition establishes that the “direct” qualifier is about the business relationship and not the context in which data is collected.</p> <p>Commenter states the proposed definition expands the definition beyond the Agency’s rulemaking authority based on case law.</p> <p>Commenter states proposed definition departs from and broadens SB 362’s intended scope of what businesses qualify as a data broker.</p> <p>Commenter states proposed definition exceeds the scope of Agency’s regulatory authority.</p> <p>Commenter states proposed definition is vague and overly broad and will create uncertainty in industry which could result in capturing entities that would not qualify as data brokers under SB 362 and the Agency’s authority.</p>	<p>and administer the law. Cal. Civ. Code § 1798.99.87(a).</p> <p>Additionally, while defining certain terms within the statute, the Legislature did not define the phrase “direct relationship,” thus, leaving the Agency with the authority to further define as necessary. In administering the data broker registry, the Agency has become aware that what types of interactions constitute a “direct relationship” has been confusing for businesses and impedes compliance; thus, it is necessary to clarify the meaning of “direct relationship” through regulation.</p> <p>The Delete Act, enacted through SB 362, sought to address concerns that the previous data broker law, enacted through Assembly Bill 1202 (AB 1202), was insufficient in bringing transparency to the data broker industry. SB 362 was intended to bolster the existing data broker registry law by expanding consumers’ deletion rights and providing consumers more control over their personal information.</p> <p>The proposed definition does not alter or broaden the scope of SB 362, nor does it exceed the Agency’s authority to clarify undefined terms. A business that collects personal</p>

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		<p>Commenter states proposed definition changes the scope of law and exceeds Agency regulatory authority. This change should be done through legislation instead of regulation.</p>	<p>information directly from a consumer who intentionally interacts with that business (i.e. a “first party” business) is still not subject to the Delete Act under the proposed definition—even if they sell the consumers directly collected personal information to a third party. Rather, the proposed definition simply clarifies that if a business collects and sells information about the consumer (but not from the consumer), it does not have a direct relationship and must register, regardless of the business potentially having a separate direct and intentional interaction with the same consumer.</p> <p>To interpret the law otherwise would allow businesses to leverage any single interaction (even if such interaction is superficial or misleading¹) the consumer has with any component of their business—no matter how fleeting or passive—as a means to forever broker their personal information without necessarily having to register as a data broker. This actually provides a consumer with less transparency and less control over their personal information, in direct conflict with the purpose of the Delete Act.</p> <p>Alternatively, the proposed definition increases transparency by clarifying that businesses who</p>

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			<p>collect and sell personal information about consumers outside of a direct relationship with the consumer are required to comply with the law’s registration and reporting requirements.</p> <p>Such transparency ultimately provides consumers with greater control over their personal information by informing them of which businesses with whom they have an existing relationship may be separately collecting and selling their personal information with third parties.</p>
7601 (a)	3, 67, 68, 111	<p>For the third sentence of the definition of direct relationship, commenter states CCPA definition of sale and the proposed definition could require all businesses to register because the definition of “sale” is broad.</p> <p>Commenter states because the CCPA has an expansive definition of “sell”, it’s not used in the way consumers typically understand the word and inconsistent with consumer expectations. This expands which businesses need to register and could force a retailer to register, simply because they allow consumers to provide other people’s personal information in order to send them a gift or if they offer a “refer a friend” type functionality.</p> <p>Commenter states proposed definition is too expansive when combined with definition of “sell” under CCPA.</p>	<p>The Agency disagrees with this comment. The definition of “sale” appears in statute and the Agency cannot amend the definition. Cal. Civ. Code § 1798.140 (ad). Furthermore, in administering the data broker registry, the Agency has become aware that what types of interactions constitute a “direct relationship” has been confusing for businesses and impedes compliance; thus, it is necessary to clarify the meaning of “direct relationship” through regulation.</p> <p>The proposed definition does not purport to regulate businesses who merely obtain consumer personal information when a consumer intentionally interacts with the</p>

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		<p>Businesses have direct customer relationships and supplement data about their consumers from other sources. Some businesses require this data to provide services to an end-user consumer. Companies who leverage third-party data sets, such as for fraud prevention or identity verification, are important to provide services for consumers. Customers may be directly benefitting from fraud prevention and identity verification services and know that.</p>	<p>business. Additionally, in circumstances where a business purchases data sets to augment the personal information they collect directly from consumers, or to verify identity, they are not subject to the Delete Act if they do not then also sell such personal information to a third party.</p>
7601 (a)	4, 16, 55, 71, 106, 110, 111, 118	<p>For the third sentence of the definition of direct relationship, commenter states the definition conflicts with the intent of the original data broker registration law, AB 1202. Specifically, that data brokers are entities that consumers are “not aware” exist. The proposed definition conflicts with the original law’s intent because it would require almost all businesses in the state to register. Commenter requests the Agency to decline incorporating the definition because it extends beyond the scope and intent of the original law.</p> <p>Commenter states that the original data broker law makes the distinction between entities that consumers have no interaction with and entities that consumers are not even aware have their personal information, and those they have some direct relationship with. The proposed definition is not supported by the law’s legislative history and contradicts the Legislature’s statement. The Legislature sought to provide consumers</p>	<p>The Agency disagrees with this comment. The proposed regulations implement SB 362, adopted in 2023, not AB 1202 from 2019, when the Agency did not yet exist. The Agency’s proposed definition is consistent with both the legislative history and wording of the statute being implemented, and both support the Agency’s proposed definition of direct relationship.</p> <p>In the current statute, the Legislature affirmatively provided the Agency with the authority to adopt regulations to implement and administer the law. Cal. Civ. Code § 1798.99.87(a). Additionally, while defining certain terms within the statute, the Legislature did not include a definition of direct relationship when modifying the original AB 1202 language, thus leaving any necessary clarification to the</p>

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		<p>a way to exercise privacy rights where consumers did not have a relationship with, nor knew that a company had their personal information. This is different than a business that has a direct relationship with a consumer and collects personal information from other sources.</p> <p>Commenter states proposed definition is not supported by the legislative history of AB 1202 because it erases the statutorily recognized distinction between those businesses with whom consumers knowingly and intentionally engage and those businesses whom consumer do not engage with directly. Commenter states that the legislative history shows that the legislature saw these as binary concepts.</p> <p>Commenter states the original data broker registration law, AB 1202, was modeled after Vermont’s law which did not have the Agency’s definition.</p> <p>Commenter states proposed definition departs from the scope of the definition of a direct relationship between a business and a consumer under AB 1202.</p> <p>Commenter states businesses have relied on AB 1202 to understand whether they qualify as a data broker. Although SB 362 amended AB 1202, SB 362 retained the definition of a data broker. But SB 362 did not include AB 1202’s explanation of what was a direct relationship regarding a consumer being unaware that a data broker</p>	<p>Agency. In administering the data broker registry, the Agency has become aware that what types of interactions constitute a “direct relationship” has been confusing for businesses and impedes compliance; thus, it is necessary to clarify the meaning of “direct relationship” through regulation.</p> <p>The Delete Act, enacted through SB 362, sought to address concerns that the existing data broker law, previously enacted through AB 1202, was insufficient in bringing transparency to the data broker industry. SB 362 was intended to bolster the existing data broker registry law by expanding consumers’ deletion rights and providing consumers more control over their personal information.</p> <p>The Agency disagrees with commenter’s characterization that the proposed definition departs from the Agency’s goals of registering businesses that collect and sell consumer personal information without their knowledge. Instead, the proposed definition furthers that goal and increases transparency by clarifying that businesses who collect and sell personal information about consumers outside of a direct relationship with the consumer are still required</p>

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		<p>has their personal information. The proposed definition does not follow definition of AB 1202 that a “direct relationship” with a business is one where a consumer has “some level of knowledge about and control over the collection of data by [the business].”</p> <p>Commenter states that many businesses with direct consumer relationships include businesses that operate in “hybrid business-service provider capacities (where they also obtain information from their business customers) or that otherwise <i>require</i> externally sourced data in order to provide their services to an end-user consumer.”</p> <p>Commenter states proposed regulations conflict with policy rationale of AB 1202 and the plain language of AB 1202. The policy rationale was to ensure greater transparency for consumers who lacked contact information for businesses with whom they did not have an account. The Agency’s goal of providing consumers with a list of businesses that may be collecting and selling their personal information without knowledge is reached since businesses are already subject to CCPA requirements when they have a direct relationship. The definition would increase the number of businesses defined as data brokers.</p>	<p>to comply with the law’s registration and reporting requirements.</p> <p>This ultimately means consumers that were previously unaware of such data collection practices by businesses they interact with (since the CCPA does not currently require businesses to disclose their third-party data collection practices when interacting with consumers) will now be informed, and ensures they have control over their personal information in instances where a business did not collect the information from the consumer.</p> <p>Finally, although the Agency strives for consistency with privacy laws in other jurisdictions when appropriate, it must comply with California law and use its discretion to adopt requirements appropriate to California.</p>

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7601(a)	54, 56, 57, 58, 69, 73, 116	<p>For the third sentence of the definition of direct relationship, commenter states proposed definition conflicts with SB 362’s definition and expands the scope of companies covered by the law. Commenter states that SB 362 did not change or expand the definition of data broker from AB 1202. Commenter states that instead, SB 362 narrowed the definition of data broker by adding a new exemption for HIPAA.</p> <p>Commenter states that Senator Becker, who authored Delete Act, stated on digiday.com that SB 362 was to empower consumers to control data from unknown third-party data brokers. Commenter states that these statements support that SB 362 was not intended to cover companies that collect and sell indirectly consumer data as part of an existing and intentional consumer-business relationship.</p> <p>Comment states Senator who authored SB 362 intended to bring out of the shadows how much information exists on consumers without their knowledge.</p> <p>There is no evidence in the legislative record that suggest the legislature intended this definition to include businesses with a direct relationship to consumers. Many businesses have multiple business lines where they collect personal information directly from consumers while utilizing other personal information obtained from third parties.</p>	<p>The Agency disagrees with this comment. Both the legislative history and wording of the statute support the Agency’s proposed definition of direct relationship. In the statute, the Legislature provided the Agency with the authority to adopt regulations to implement and administer the law. Additionally, while defining certain terms within the statute, the Legislature did not define “direct relationship,” thus leaving any necessary clarification to the Agency. In administering the data broker registry, the Agency has become aware that what types of interactions constitute a “direct relationship” has been confusing for businesses and impedes compliance; thus, it is necessary to clarify the meaning of “direct relationship” through regulation.</p> <p>The Delete Act, enacted through SB 362, sought to address concerns that the existing data broker law, previously enacted through AB 1202, was insufficient in bringing transparency to the data broker industry. SB 362 was intended to bolster the existing data broker registry law by expanding consumers’ deletion rights and providing consumers more control over their personal information.</p>

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		<p>Commenter states that the Delete Act was meant to address risks associated with data brokers as commonly understood by the FTC and drafters of AB 1202. The Assembly Committee for SB 362 focuses on the consumer having no direct relationship with a data broker and does not choose to have one. The proposed definition departs from the Agency’s goal of addressing companies that operate out of sight of consumers without direct relationship.</p> <p>Commenter states that the Legislature and the Delete Act’s author were concerned about data brokers that collect and profit without any direct relationship from whom consumers “do not directly consume any products or services”. Commenter supports the Act’s goals to bring transparency into, and convenient controls over, the practices of companies with which consumers do not intentionally interact.</p> <p>Commenter states proposed definition contradicts statutory language and requires businesses that do not meet the definition of data broker to comply.</p>	<p>The proposed definition does not purport to regulate businesses who merely obtain consumer personal information when a consumer intentionally interacts with the business (i.e. “first party” collection).</p> <p>Additionally, in circumstances where a business purchases data sets to augment the personal information they collect directly from consumers, they are not subject to the Delete Act if they do not then also sell such personal information to a third party.</p> <p>Instead, the proposed definition merely clarifies that businesses who collect and sell personal information about consumers outside of a direct relationship with the consumer are still required to comply with the law’s registration and reporting requirements. This is exactly the sort of opaque data collection and sale—which consumers would otherwise be unaware of—that SB 362 sought to illuminate, and the proposed regulations further that intent. Finally, as a reminder, a business is not required to register if it doesn’t sell personal information collected from any source to a third party.</p>

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7601 (a)	17, 18, 60	<p>For the third sentence of the definition of direct relationship, commenter suggests that the last sentence of the proposed definition of direct relationship could be open to misinterpretation and require improper registration if companies collect publicly available data combined with data collected directly from consumers.</p> <p>Commenter further states that inferences based on publicly available information may be considered personal information and thus require improper registration, raising First Amendment issues. The Attorney General Opinion No. 20-303 states that an inference based on publicly available information must be disclosed to the consumer. To avoid First Amendment issues, Colorado finalized the rules to include personal information as inferences made from publicly available information and publicly available information combined with non-publicly available personal data. The Agency should avoid creating First Amendment issues by deleting the last sentence of the proposed definition.</p> <p>Commenter states proposed definition could risk misinterpretation where a business makes inferences on data collected from consumer and discloses that data to a third-party. The California Attorney General’s enforcement action makes clear that this disclosure is a sale and thus a business could be considered a data broker because the business created those inferences instead of collecting them directly from the consumer.</p>	<p>The Agency disagrees with this comment, and aspects of the comment go beyond the scope of this rulemaking.</p> <p>The Agency believes the proposed regulations are sufficiently clear and will not be reasonably misinterpreted.</p> <p>SB 362 incorporates existing CCPA definitions by reference, and the proposed regulations do not purport to change the definition of “personal information.” Publicly available information is not “personal information” under the CCPA.</p>

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		<p>Commenter requests that the Agency clarify that a business does not become a data broker from selling internally generated inferences from consumers with whom it has a direct relationship.</p>	
7601 (a)	34, 59, 75, 94, 138	<p>For the third sentence of the definition of direct relationship, commenter states proposed definition is important to ensure the scope of DROP requests isn't overinclusive or underinclusive. For the former, first party data could be accidentally deleted since DROP requires data brokers to delete any personal information not just third-party data and could be underinclusive if the scope of entities required to register is too small causing less data to be deleted. This may cause consumers to either lose access to desired products/services or have a false sense of online privacy.</p> <p>Commenter states unintended deletions will occur since DROP will "shall allow a consumer to request the deletion of all personal information related to that consumer..." and the proposed definition would result in consumer accounts deletion which would be a bad consumer experience and not further policy goal of encouraging consumers to exercise deletion rights.</p> <p>Commenter states requiring companies with first-party relationship to register could lead to confusion and frustration because companies will spam consumers about their intent or consumers will be unable to login to</p>	<p>To the extent the comment seeks clarification about deletion obligations under SB 362 beginning in 2026, the Agency intends to address that topic as part of a future rulemaking package. This package specifically clarifies registration requirements.</p>

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		<p>their account or have disabled functionality such as email, photo storage, or deleted shopping history.</p> <p>Commenter requests clarification that DROP requests should only apply to third-party information and not all personal information held by company.</p> <p>Commenter suggests considering consequences of proposed definition and its effects on consumer expectations and exercise of consumer rights through DROP.</p>	
7601 (a)	70, 72, 108, 112	<p>For the third sentence of the definition of direct relationship, commenter states proposed definition conflicts with Agency’s goal of achieving consistency across privacy regimes.</p> <p>Commenters state the proposed definition conflicts with and is inconsistent with other state’s laws, including Vermont, Oregon, Nevada, and Texas’s. This creates consumer confusion and undercuts legislative intent because the Agency’s registry would have much more companies registered as data brokers. The other states’ laws apply only to companies that do not have direct relationships with consumers or whose primary source of revenue is monetizing personal information.</p>	<p>The Agency disagrees with this comment. Although the Agency strives for consistency with privacy laws in other jurisdictions when appropriate, it must comply with California law and use its discretion to adopt requirements appropriate for California. To the extent there are limitations in other state’s definitions that decrease the number of data brokers in their state, the California Legislature chose not to limit SB 362 in the same way. For example, Texas defines data brokers as businesses whose primary source of revenue is from data not directly collected from a consumer, but the California Legislature did not enact a similar requirement. The proposed definition is</p>

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			consistent with the statute applicable to data brokers in California.
7601 (a)	74	For the third sentence of the definition of direct relationship, commenter states that the definition of direct relationship frustrates SB 362's goals of transparency and consumer control because consumers are already aware first parties hold their data and already have the tools, they need to selectively exercise deletion rights under the CCPA and its regulations. There is no policy justification for bringing companies with direct relationships with consumers into the scope of this law “merely because certain – and often incidental – elements of personal information” they process may have been collected from a source other than the consumer.	The Agency disagrees with this comment. Under the CCPA, consumers are not able to delete “incidental” data that originate from someone other than the consumer. Consumers may only request to delete personal information they have provided directly to the business. If consumers are not allowed to take advantage of the protections afforded under SB 362, they will have no way to delete this “incidental” data and will have less control over their personal information than other consumers.
7601(a)	35	Commenter indicates an example of a business that may buy and sell data unrelated to information directly collected directly in the Initial Statement of Reason (ISOR) is useful. Commenter suggests that the direct relationship definition could be strengthened by explicitly stating that deletion requests apply specifically to brokered data and not any personal data associated with an individual. The Agency could clarify either in these regulations or in a future process, but it should be an essential consideration as the Agency develops the DROP.	To the extent the comment seeks clarification about deletion obligations under SB 362 beginning in 2026, the Agency intends to address that topic as part of a future rulemaking package. This package specifically clarifies registration requirements.

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7601 (b)	97, 98	<p>Commenter expresses support of proposed definition of “minor” to provide clarity to the data broker industry because data brokers may have adopted a narrower reading without the definition.</p> <p>Commenter expresses support of proposed definition of minor because of the proposed definition stays consistent with CCPA’s definitions in Cal. Civ. Code 1798.120 (c).</p>	The Agency agrees with this comment and notes commenter’s support.
7601 (e)	20, 25, 99, 100	<p>Commenter expresses broad support for the definition of reproductive health care data to protect consumers. Much of this information falls outside the scope of HIPAA and is inadequately protected. Information can be collected to profile consumers, infer pregnancy status and outcomes, and violate consumer’s privacy and expose them to real harms resulting from the invasive practices of data brokers.</p> <p>Commenter expresses support for the definition of reproductive health care data in its comprehensive definition that reflects SB 362’s strong emphasis on protecting sensitive reproductive health information and concerns from stakeholders dedicated to reproductive healthcare and privacy. The proposed definition helps to ensure data brokers are transparent about their collection and sale of this information which will enable</p>	The Agency agrees with this comment and notes commenter’s support.

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		<p>consumers to make informed and safe decisions about their privacy.</p> <p>Commenter expresses support of the definition of reproductive health care data to include inferences. This inclusion reflects industry practices of aggregating information from a variety of sources to create marketing segments that then create inferences that are shared and sold to other third parties. These inferences on reproductive health care can be made even without reproductive health care data.</p> <p>Commenter expresses support of the definition of reproductive health care data to protect consumers from negative economic impacts, safety, and other damaging effects. In addition, even when inferences are correct, the assumptions made, and the lack of control consumers have over data brokers results in inherently harmful inferences. Data brokers also have a poor track record of sharing reproductive health information with politically motivated actors that mortally endangers consumers. The ability to collect or make inferences on a consumers’ reproductive health will likely be material to exercising their rights under SB 362.</p>	
7601 (e)	40, 41, 42, 43, 44, 45, 133	Commenter suggests amending the definition of Reproductive Health Care Data (RHCD) to specify that RHCD is sensitive personal information under the CCPA, Civil Code 1798.140(ae). Harmonizing with the CCPA will	The comment goes beyond the scope of these proposed regulations to the extent it requests an amendment to the definition of “sensitive personal information” under the CCPA. While

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		<p>promote clarity, transparency, and consistency. It will promote the consumer’s ability to exercise their rights because the definition of RHCD will be in line with consumer expectations. Failure to do so, could lead to compliance burdens, administrability challenges, and inconsistencies in reporting data because businesses make their own decision on whether the data they possess is RHCD. Commenter states that without specifying that reproductive health care data is sensitive personal information, businesses will be determining on an individual basis whether data they collect may meet an exemption under personal information such as publicly available data. In addition, they will determine if this data that may be exempted may still be reproductive health care data under SB 362 leading to inconsistencies and compliance burdens. Consumers may also believe that a business is collecting reproductive health care data if a business process de-identified or aggregated data of reproductive health care data. This may result in not meeting consumer expectations.</p> <p>Commenter suggests changing the proposed definition of reproductive health care data to be sensitive personal information as defined under the CCPA. This change will help consumers to ensure that their reproductive health care data is covered in a request to limit the use of sensitive personal information. This provides clarity to corporate compliance and honors consumers’ request to</p>	<p>not on the proposed regulations, the Agency notes the comment.</p> <p>The proposed definition proposed by the Agency for “reproductive health care data” is appropriate in the context of data brokers as it addresses not just medical information, but information from which inferences could be drawn and includes information broader than that protected by HIPPA. The proposed definition is consistent with the Confidentiality of Medical Information Act.</p>

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		limit to align with the Agency’s goals of informed decision making.	
7601 (e)(1)	46, 47, 48, 49, 50, 51, 52, 134, 136	<p>Commenter suggests an amendment providing exceptions to reporting requirements for reproductive health care data and geolocation information, if the collection and processing of such data is used only for deleting, de-identifying, aggregating, or rendering non-sensitive that data, then the data is not directly used for any other commercial purpose. This reflects industry self-regulatory practices and mirrors several FTC enforcement actions. By allowing for minimization of RHCD and/or precise geolocation, the Agency can create an incentive for data brokers to minimize their processing of those categories while enhancing consumer transparency and understanding.</p> <p>Commenter recommends regulation providing exemption so that data brokers are not required to disclose collection of reproductive health care data or precise geolocation data unless that data is used for commercial purposes. Commenter recommends clarification is not required if the data is used to delete, de-identify, aggregate, or render the data nonsensitive. This change helps consumers understand which data brokers commercialize this data and clarify which businesses collect but do not use for commercial purposes. This helps consumers inform their decision making when exercising CCPA rights. This also</p>	The Agency disagrees with this comment. The proposed requirement is equally protective and less burdensome to businesses than what is suggested by the commenter. Additionally, the proposed regulation provides a higher level of transparency to protect consumers.

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		<p>incentivizes businesses to minimize sensitive data that they do not use. This also aligns with self-regulatory standards set by the Network Advertising Initiative and enforcement actions by the FTC for location data.</p> <p>Commenter states that this exemption applies to data brokers that minimize their processing of reproductive health care data or precise geolocation data. This includes deleting, aggregating, de-identifying, or rendering it nonsensitive. This minimization should mean that there is no direct commercial use and would not be useful to law enforcement if it’s properly rendered nonsensitive, deleted, or de-identified.</p>	
7602 (a)	26, 101	<p>Commenter supports the requirement that subsidiaries and parent companies must register in order to prevent evasion of Delete Act obligations through corporate structuring.</p> <p>Commenter supports the requirement to prevent businesses from evading disclosure of registration details that could be material to a consumer’s decision to exercise their right to delete. Subsidiaries may differ in their collection of data such as minors’ data or reproductive health care data and should be required to disclose this data.</p>	The Agency agrees with this comment and notes commenter’s support.
7602	102	Commenter suggests that businesses should not be required to register each separate legal entity in its	The Agency disagrees with this comment in part. The proposed regulation merely clarifies

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		<p>corporate structure to avoid unnecessary complication in registry. But commenter states that businesses should register (1) if they are subsidiaries that do business under unique names, or (2) do not share common branding with parent organization, or (3) consumers would not reasonably associate with each other.</p>	<p>that any business uniquely acting with as a data broker—whether or not its affiliated with another business—must register. This is consistent with the intent of the law.</p> <p>Additionally, the proposed regulation provides additional clarity for consumers regarding the relationships that businesses have with each other and help consumers identify each unique business operating as a data broker. This prevents corporate structuring to evade SB 362. Therefore, the Agency has determined that the requirement to register separately should not be limited to the situations described by the commenter.</p> <p>However, the Agency agrees that the three types of businesses mentioned in the comment should register.</p>
7602 (a)	5, 6, 7, 8, 9, 10, 11	<p>Commenter states requirement to register co-branded parents and subsidiaries would create significant customer confusion and dilute the meaning and utility of the registry. The requirement would inject operational inefficiencies resulting in consumer confusion.</p>	<p>The Agency disagrees with this comment. The proposed regulation will provide additional clarity for consumers regarding the relationships that businesses have with each other and help consumers identify each unique business operating as a data broker. This supports the Agency’s goals of transparency to provide</p>

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		<p>Commenter states this requirement fails to reflect the realities of the marketplace and results in unnecessary compliance burdens for businesses.</p> <p>Commenter further states the proposed regulation conflicts with CCPA approach to businesses, and parents/subsidiaries.</p>	<p>informed decision-making, does not create a significant burden on businesses, and prevents corporate structuring to evade SB 362. SB 362 is a separate law than the CCPA and the proposed regulation is consistent with SB 362, which the regulation implements.</p>
7602(a)	123	<p>Commenter recommends only one data broker registry listing for each unique privacy policy to help with transparency for consumers.</p>	<p>The Agency disagrees with this comment. Listing each data broker or affiliate separately, combined with the requirement for disclosing alternate names helps consumers with duplicative and contradictory privacy rights requests across businesses with different names but the same affiliations and same privacy policies.</p>
7602 (b)	103	<p>Commenter expresses support of penalty of perjury to provide consumer confidence in the integrity of data broker’s registration information. Holding an individual personally liable deters data brokers who may decide that the benefits of providing inaccurate information outweigh the punishment of potential fines.</p>	<p>The Agency agrees with this comment and notes commenter’s support.</p>
7603	104	<p>Commenter expresses support of 7603 because consumers should be aware of the extent to which their deletion requests will reach certain types of data and when the broker can rely on an exemption. Many brokers offer various business lines, products, and</p>	<p>The Agency agrees with this comment and notes commenter’s support.</p>

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		<p>services which may be involved in an exemption. It has been historically opaque for consumers, researchers, and advocates to understand who is required to comply with CCPA because of the complex interplay of exemptions and lack of required disclosure when businesses rely on an exemption. This requirement aids consumers to better anticipate the effect of their deletion request.</p>	
7603 (b)	27	<p>Commenter expresses broad support of 7603, but especially 7603(d) to enhance transparency in the data broker industry.</p>	<p>The Agency agrees with this comment and notes commenter’s support.</p>
7603(c)	124	<p>Commenter generally expresses support of the requirements for data brokers to disclose alternate names and contact information to facilitate communication but suggests that the phrase “to facilitate communication with the Agency” be removed if the objective is to also provide transparency to consumers.</p>	<p>The Agency agrees with and notes the support of the information to be provided. The Agency disagrees that the phrase “to facilitate communication with the Agency” should be removed as the purpose of the proposed provision is to ensure the Agency can effectively communicate with the data broker about registration and compliance matters. The contact for the Agency may not be the appropriate contact for the consumer.</p>
7603 (c)	21	<p>Commenter suggests requiring data brokers to provide making an individual point of contact that is publicly available in the registry, rather than just an URL and generic privacy inbox email. Commenter asserts that this would increase accountability and provide more transparency to consumers to help make informed</p>	<p>The Agency disagrees with this comment. The statute requires the data broker must provide its primary contact information. As this is unlikely to change, this is the most appropriate information to provide publicly to ensure receipt of communications as it does not rely on</p>

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		<p>decisions when exercising privacy rights. For example, consumers could reach out directly to data brokers to clarify and exercise their rights. Commenter indicates that this has been successfully implemented in other regulatory settings such as the FCC which requires all voice service providers to provide the name, department, and contact number in its Robocall Mitigation Database.</p>	<p>one person, who may cease to be available and could be overburdened.</p>
<p>7603 (d) (2)-(3)</p>	<p>12, 13, 14, 86, 87, 89</p>	<p>Commenter states that requiring data brokers to disclose products or services covered by other state or federal laws is confusing to customers because more context is needed to interpret the disclosures such as how other laws apply to data or entities and not to products.</p> <p>Commenter states that disclosing the products covered by other state or federal laws would be confusing for consumers to understand because disclosures change from time to time as products are updated. This requirement does not provide clear benefits to consumers.</p> <p>Commenter states disclosing the approximate proportion of data collected and sold that is subject to other state and federal laws is vague and has no clear standard to follow for compliance purposes. Consumers will be confused because the proportions change and thus the disclosures will change.</p>	<p>The Agency disagrees with this comment. Many data brokers offer various products and services, some of which may involve exempted information, and some may not. To effectively exercise their deletion request and fulfill the intent of the statute, consumers must understand what personal information their request applies to.</p> <p>In addition, requiring this disclosure will help businesses organize what personal information applies to an exemption, and what personal information will need to be deleted, thus, increasing compliance. The proposed regulation also clearly indicates how the proportion is calculated - the percentage of their general data broker activities for the year – and that the time frame is for the year. As data brokers are</p>

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		<p>Commenter states that this disclosure should be removed because it is so extensive it doesn't provide clear benefit to consumers or realistic expectations for what data is subject to privacy rights since there is most context needed as products and services change and laws traditionally apply to data or entities instead of products.</p> <p>Commenter requests this requirement to be removed since there is no clear reporting standards and fluid percentages can cause consumer confusion.</p> <p>Commenter states that this requirement is unnecessary to meet statutory obligations because it is vague, fails to benefit consumers, and is confusing to consumers.</p>	<p>required to register in January for the prior year, this is a clear time period.</p>
7603 (d)(2-3)	85, 88	<p>Commenter states that information about products and services covered by federal law and the approximate proportion collected and sold is exempt from the Delete Act and, therefore, not subject to the registration requirements.</p> <p>Commenter states this requirement calls for information that the Delete Act does not apply to and is unnecessary to meet statutory obligations.</p>	<p>The Agency disagrees with this comment. The statute requires data brokers to indicate whether they or any of their subsidiaries are regulated by specific laws and to what extent they are regulated by these specific laws. The proposed regulation clarifies how the data broker complies with the requirement.</p>
7605	28	<p>Commenter supports the requirement for website disclosures to comply with accessibility standards to help consumers access information. This aligns with SB 362's</p>	<p>The Agency agrees with this comment and notes commenter's support.</p>

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		goal of empowering consumers to exercise their privacy rights effectively.	
7605	29	Commenter suggests requiring the disclosure of metrics to be machine-readable to enhance transparency and accessibility of disclosures. Commenter recommends this requirement especially for metrics and reports of complex data to enable automated analysis and tools to help consumers understand disclosures. Consumers often struggle to fully grasp the scope and meaning of human-readable disclosures and complex data is even more difficult.	The Agency disagrees with this comment. The format required is consistent with similar requirements elsewhere in the Agency’s regulations, which creates less confusion and lower costs of compliance.
Data Collection by Educational Institutions	1	Commenter expresses concern about consumer privacy related to minors, in particular the collection of a minor’s data by educational institutions and their third-party vendors. Commenter requests a regulation to hold educational institution and their vendors more tightly accountable for data they manage.	The Agency agrees with this comment in part—consumer privacy related to minors is important. Like other businesses, private educational institutions and vendors are subject to the proposed regulations if they meet the definition of data broker. Public educational entities do not meet the statutory criteria to qualify as data brokers. The Agency does not have the authority to change the statute.
7301	19	Commenter suggests incorporating California Consumer Privacy Act regulation section 7301 (b) by reference into these proposed regulations for consistency.	The Agency disagrees with this comment. The statutory provision on which section 7301 specifically applies derives from the CCPA.
Enforcement Actions	30, 31, 81, 105, 137	Commenter suggests creating a private right of action be created for the Delete Act to add more incentive for data	The Agency disagrees with this comment in part. The Agency does not have the authority to

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		<p>brokers to comply with registration and other obligations. There are data brokers that have not registered as a data broker and consumers are unable to protect their rights. Commenter recommends borrowing from several statutes to create a private right of action.</p> <p>Commenter also suggests creating sanctions, in addition to a private right of action, for noncompliance when requests come from high-risk groups. There was an instance when an attorney located, attacked, and murdered a judge’s husband and son. Commenter states criminalizing posting information did not reduce the risk of danger and thus requests additional sanctions.</p> <p>Another commenter recommends sliding scale for civil penalties for administrative actions to deter violations. The commenter notes that the registration fees are low, and the maximum penalty is \$66,800 which is a small amount to some companies and therefore, not an effective deterrent.</p> <p>One commenter requests a private right of action, financial penalties, criminal penalties, and sanctions to propel companies to comply with the law. Commenter states that a "mega data broker" is not complying with the Delete Act, including failing to register as a data broker.</p>	<p>create a private right of action, criminal penalties, or other sanctions. The Agency has the authority to impose financial penalties for each violation of the data broker registration law as specified in the statute. The statute does not allow the Agency to assess a different fine amount when lack of compliance relates to high-risk groups or to impose a sliding scale for penalties. The Agency does not have the authority to change the statute.</p>

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		<p>Commenter states that for SB 362’s civil penalties, the Agency should consider how effective the penalties are as deterrents for smaller data brokers as compared to larger data brokers where the monetary penalty would be unsubstantial for larger brokers. Commenter states that the Agency should consider a sliding scale instead of a daily fee or daily penalty to effectively deter companies from circumventing their statutory compliance obligations.</p>	
Search Engines	32	<p>Commenter suggests requiring companies who hosts an unregistered data broker site to cease hosting the site within 72 hours unless the data broker provides proof of registration. Commenter suggests extending the language to be applicable to search engines and requiring them to deindex unregistered data broker sites. Giving an individual the power to request de-indexing and cease hosting is important because an individual does not have as much power to convince an Agency to bring an enforcement action.</p>	<p>The Agency disagrees with this comment. The statute does not extend data broker status to include search engines that do not otherwise meet the definition of data broker. The Agency does not have the authority to change the statute.</p>
General Comment	76, 77, 78, 79, 129	<p>Commenter expresses support for the requirement that data brokers comply with consumers’ delete requests every 45 days on an ongoing basis, Cal. Civ. Code. Section 1798.99.86(d)(1), because it shifts the balance back toward the individual and away from corporations.</p> <p>Commenter expresses support of SB 362's requirements for supplying information to consumers in 1798.88.82</p>	<p>To the extent the comment seeks clarification about deletion obligations under SB 362 beginning in 2026, the Agency intends to address that topic as part of a future rulemaking package. This package specifically clarifies registration requirements.</p>

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		<p>(b)(2)(A) to provide easy access and steps to deleting and requesting removal of data.</p> <p>Commenter expresses support of SB 362's requirement that the DROP system be accessible, Cal. Civ. Code 1798.88.84.</p> <p>Commenter expresses support of the reporting requirements found in Cal. Civ. Code Section 1798.99.85 (b) because it will provide useful data in the future on how the system is working and what improvements may be needed. In addition, it will allow the Agency from fixing problems until meaningful data is available.</p> <p>Commenter states support of SB 362's requirement for data brokers to comply with DROP requests every 45 days. The relationship between consumer data and a broker is skewed in favor of brokers and this requirement balances some of the power back to consumers.</p>	
Statute of Limitations	80, 130	<p>Commenter recommends amending the law to provide clarity to the timeline for an administrative action for whether the statute of limitations runs from the date of violation or date of first discovery. Commenter recommends focusing on the date of first discovery to shift focus from the action of corporations to instead focus on protecting consumers from harm.</p>	<p>The Agency disagrees with this comment. The statute states that an action must be commenced no later than 5 years after the conduct. The Agency does not have the authority to change the statute.</p>

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		<p>Commenter states that SB 362’s statute of limitations for administrative actions should be changed. Specifically, the beginning of the 5-year countdown should be changed from the date that the violation occurred, to the date that consumers and affected parties received notice. The current language about the statute of limitation focuses the attention on the action of the corporations which deviates from the rest of SB 362’s focus of preventing consumers from harm. Shifting the language back to protecting consumers mirrors a shift in American’s social concept of privacy and personal identity and also shifts toward a European model.</p>	
Dark Patterns	82, 131	<p>Commenter suggests citing to dark patterns and suggests a possible citation using Civ. Code 58.18 (b)(4).</p> <p>Commenter states that dark patterns have not been incorporated into SB 362 or its regulations which affects how data brokers use and respond to requests and how this affects consumers.</p>	<p>To the extent the comment seeks clarification about deletion obligations under SB 362 beginning in 2026, the Agency intends to address that topic as part of a future rulemaking package. This package specifically clarifies registration requirements.</p> <p>Otherwise, this comment goes beyond the scope of these proposed regulations, which mere clarify data broker registration requirements. While not on the proposed regulations, the Agency notes commenter’s suggestion.</p>

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General Comment	128, 132	<p>Commenter states that there is not a profound risk of removing someone’s data without properly verifying their identity first.</p> <p>Commenter states that there is little to no harm for consumers and data brokers when companies erroneously remove consumer information from their databases. This includes the identity verification context.</p>	<p>To the extent the comment seeks clarification about deletion obligations under SB 362 beginning in 2026, the Agency intends to address that topic as part of a future rulemaking package. This package specifically clarifies registration requirements. While not on the proposed regulations, the Agency notes commenter’s suggestion.</p>
General Comment	114	<p>Commenter requests the Agency, in a subsequent rulemaking, to include express exemptions for fraud prevention and identity verification purposes to prevent undermining consumer fraud protection through erroneous deletion of necessary data. These services rely on data collected from a variety of sources including third-party sources.</p>	<p>To the extent the comment seeks clarification about deletion obligations under SB 362 beginning in 2026, the Agency intends to address that topic as part of a future rulemaking package. This package specifically clarifies registration requirements.</p> <p>While not on the proposed regulations, the Agency notes commenter’s suggestion.</p>
Delete Request and Opt-out Platform	15, 95	<p>Commenter suggests adding an explanation of the scope of DROP and exemptions instead of requiring data brokers to provide non-standardized metric for information expected to be deleted. Consumers should know which exemptions apply instead of interpreting a percentage without context.</p> <p>Commenter suggests that the Agency clarify that for deletion requests, deletion should only apply to information indirectly collected and not all personal</p>	<p>To the extent the comment seeks clarification about deletion obligations under SB 362 beginning in 2026, the Agency intends to address that topic as part of a future rulemaking package. This package specifically clarifies registration requirements. While not on the proposed regulations, the Agency notes commenter’s suggestion.</p>

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		<p>information held by the company. Consumers may want to exercise more granular control over data shared directly with the business such as photos and CCPA rights are sufficient to provide this control to consumers.</p>	
General Comment	83	<p>Commenter is opposed to finalizing the proposed regulations and asserts that the majority of data brokers and businesses using their products and services state they are not obliged to comply with law. Commenter suggests that Agency should focus on enforcing existing regulations before using taxpayer funds to start pending regulations. Commenter states that the Agency has provided very little guidance to businesses or consumers on which specific business practices most likely violate the CCPA or other laws under its authority, except for the Enforcement Advisory No. 2024-01.</p>	<p>The Agency disagrees with this comment. The Agency is required by statute to implement and maintain a data broker registry. The proposed regulations are necessary to provide data brokers with critical information and the process for registration as required by statute. To provide guidance related to privacy laws under its jurisdiction, the Agency has adopted regulations and issued enforcement advisories, as well as responds to inquiries from businesses and consumers.</p>
General Comment	84	<p>Commenter suggests that data brokers exempt from registering with the Agency should not be included in the data broker registry to prevent exempted brokers from appearing to have quasi-compliance certification condoning practices. Instead, Commenter recommends a privacy assessment as part of data broker registration process.</p>	<p>The Agency agrees with this comment in part. Only data brokers that meet certain criteria are required to register and they must provide information on whether they are governed by other laws that may exempt them from the registry requirement. The registration requirements are contained in the statute and do not include a privacy assessment. The Agency does not have the authority to change the statute.</p>

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General Comment	121	Commenter suggests that the data broker registry listings should be tested daily to achieve its purpose of helping consumers. Commenter asserts that the proposed regulations disproportionately transfer responsibility to data brokers to police themselves.	The Agency disagrees with this comment. The statute requires the data broker to provide certain information. The Agency does not have the authority to change the statute. Additionally, the data broker is the holder of the information that is needed, and it is reasonable and appropriate to request the information be accurate. The Agency does have the ability to investigate whether a data broker has complied with the requirements; however, “testing” of the information daily is not operationally feasible at this time.
General Comment	122	Commenter suggests that the flat file, also known as the CSV, that can be downloaded from Data Broker Registry needs to include additional values that give information on data broker metadata. Additionally, commenter asserts that the informational registry may be unnecessary for consumers who exercise their delete and opt-out rights.	The Agency disagrees with this comment. The available information includes that required by statute and the Agency determined that metadata is not necessary to effectively implement the statute. Although the registry may not be used by all consumers, it may be helpful to some consumers and is required by the statute. The Agency does not have the authority to change the statute.
Enforcement	125	Commenter asserts that the Agency should protect its enforcement authority from being impeded by litigation of disproportionate and unfair regulation of registered versus non-registered brokers through greater transparency about enforcement activities. Because the CCPA’s enforcement authority was delayed by the	While not on the proposed regulations, the Agency notes commenter’s suggestion. The Agency has authority to take appropriate enforcement action for violations of privacy and data broker laws.

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		<p>California Chamber of Commerce lawsuit, consumers and businesses were harmed. High-risk data processors imply they are compliant, make misleading claims about exemption status, or otherwise have misleading business practices of conflicts of interests.</p>	
Assessments	126, 127	<p>Commenter suggests that every data broker, service provider, contractor, and third party submit a mandatory cybersecurity assessment and risk assessment on automated decision-making technology and to move quickly because of the pace of AI technology.</p> <p>Commenter also submitted sample privacy threshold assessments, cybersecurity assessments, and risk assessments.</p>	<p>While not on the proposed regulations, the Agency notes commenter’s suggestion. The Agency has conducted preliminary rulemaking activities with stakeholders related to cybersecurity and risk assessment regulations and looks forward to receiving comments from stakeholders during the formal rulemaking process.</p>
General Comment	135	<p>Commenter disagrees with the idea of a new regulation exempting data brokers from disclosing collection of reproductive health care data and precise geolocation data if only used for noncommercial purposes. Commenter states that this data is shared with law enforcement and that after the Dobbs decision criminalizing abortion, law enforcement has been working with tech companies to obtain information. This creates troubling safety concerns for consumers since consumers have no protection from data brokers sharing/selling information to law enforcement. Commenter hopes that this is taken into consideration to</p>	<p>While not on the proposed regulations, the Agency notes the comment.</p>

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		provide consumers the strongest protections and ability to control their sensitive data.	