

CALIFORNIA PRIVACY PROTECTION AGENCY

TITLE 11. LAW

DIVISION 6. CALIFORNIA PRIVACY PROTECTION AGENCY

CHAPTER 3. Data Broker Registration

ADDENDUM TO 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:

The Agency hereby incorporates this Addendum to Final Statement of Reasons as part of the rulemaking record, as well as the Request for Earlier Effective Date submitted to the Office of Administrative Law, for OAL Matter No. 2024-1112-02S as part of the rulemaking record.

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.

§ 7600. Annual Registration Fee.

The Agency has added “a 2.99%” and changed “fees” to “fee” in subsection (a). The Agency has added this information to further clarify and make specific the amount of the fee that will be charged to the data broker as part of the annual registration fee and adjust grammar accordingly. Civil Code section 1798.99.87 subdivision (b) exempts regulations adopted by the Agency to establish fees authorized by the Delete Act from the Administrative Procedure Act (APA). The fee established in this subsection establishes the fee provided for in Civil Code section 1798.99.82 subdivision (b), which is part of the Delete Act. Subsection (a) is included in this rulemaking package as the current regulatory section is

being amended to add subdivisions (b) through (d) which are not subject to the same APA exemption.

Additionally, non-substantive grammatical edits have been made to the Note of sections 7602 and 7604 to add a comma, sections 7603 and 7604 to remove an extra “s”, and section 7605 to add a comma. A period was also added to the end of the title of section 7605.

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). The Agency has repeated or rephrased information from other statutes or regulations when it is listed as authority or reference for the regulation, as well as when the regulation is difficult to understand without including the language, or requires cross reference to identify all of the requirements for data broker registration, under the Delete Act and its implementing regulations.

The Agency has included that data brokers must pay a fee and the end date for the registration period from the Delete Act provisions contained in Civil Procedure section 1798.99.82. If the Agency were to establish a fee, or include a date when registration opens, without the statutory information, the regulation would lack clarity as the data broker would have to consult the regulations and the statute to understand the time period during which they must register and there would be no context for the fee established by the Agency. Within the definition of minor contained in section 7601, subsection (b), the Agency has included language regarding minors and knowledge of age from the California Consumer Privacy Act found in Civil Code section 1798.120, subdivision (c). This imposes the same standard for data brokers that is used in the Agency’s other regulations for consistency, and stating the actual standard within the definition isolates the portion of section 1798.120, subdivision (c) that is applicable to data brokers, thereby assuring that data brokers do not mistakenly think all of subdivision (c) applies for registration. Additionally, the Agency has acknowledged the requirement contained in the statute or cross referenced to a statutory or regulatory provision to incorporate its standard for data broker registration to achieve consistency amongst its regulations, or make clear what provision is being clarified or implemented by the regulation.