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Meeting of August 6-7, 2026

To: California Privacy Protection Agency Board

From: Marissa Rosemblat
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Subject: Agenda Item 9 - Discussion and Possible Action to Amend Regulations, Sections 7600 and 7611 to Adjust CPPA's Data Broker Registration and Access Fees.

This memorandum provides staff's recommendation for the Board to amend 11 CCR 7600 and 11 CCR 7611 to adjust the data broker registration and access fees to fund Delete Act implementation, including the continued maintenance and operations of the Delete Request and Opt-out Platform (DROP).

Background

Senate Bill 362 (Chapter 709, Statutes of 2023) transferred responsibility to host and administer the Data Broker Registry from the Office of the Attorney General (OAG) to the California Privacy Protection Agency (Agency) beginning on January 1, 2024. The bill also introduced a new requirement for the Agency to implement, by January 1, 2026, an accessible deletion mechanism (i.e. DROP) through which Californians can make a one-time request for data brokers to delete non-exempt personal information maintained about them.

The Data Brokers' Registry Fund, administered by the Agency, is used for the deposit of all moneys collected or received by the Agency under SB 362, and offsets the costs of administering the law. The Agency has the authority to set and adjust the data broker registration fee to cover the costs of administering the registry, as well as the costs of "establishing, maintaining, and providing access to the accessible deletion mechanism." [Civil Code § 1798.99.82(b)(1)]. Additionally, the Agency may separately assess an access fee to cover the reasonable costs of providing data brokers with access to the DROP. [Civil Code § 1798.99.86(f)]. This means that the Agency is expected to fund costs associated with the registry and DROP system through registration and access fees.

DROP launched to consumers on January 1st, 2026 and the obligation for data brokers to begin accessing DROP to process deletion requests began on August 1st, 2026. DROP now has over 345,000 active consumer requests and over 600 data brokers are required to access DROP at least once every 45 days to process consumer requests. Given the resources required to operate and maintain a platform of this scale, it is fiscally prudent to evaluate the state of the fund and consider modifications to appropriately match expenditures and revenues.

DROP Development, Maintenance and Operations

Agency staff continue to operate and maintain the platform to enable sustained access by consumers who submit requests and data brokers who must process them. The high volume of requests submitted, a reflection of consumer demand for the system, requires significant operational, development, staffing and infrastructure resources to keep the platform accessible, as required by law. The Agency continues to refine estimates for the technical infrastructure required to support the system on an ongoing basis—such as cloud storage capacity and transaction volume—which directly impact ongoing operational costs.

Ongoing Support Costs, DROP Estimates, and Registration/Access Fee Adjustment

Based on expenditures to date, development status and projected ongoing support workload, the Agency reasonably estimates the costs to implement and maintain the requirements set forth in law to total $6 million in fiscal year 2026-27 and $5.5 million in fiscal year 2027-2028 (the fiscal year runs July 1 to June 30th). This estimate includes costs borne from CPPA staffing, maintenance and operations for DROP, and the ongoing costs for administering and enforcing the Data Broker Registry. These estimates align with the Agency's expenditure authority for 2026-27 and planned expenditures in 2027-28. These costs are highly volatile given the uncertainty around the utilization of the system by Californians.

In calendar year 2026, over 580 data brokers registered. The registration period runs January 1-31st each year. To ensure the Agency has sufficient revenues to fulfill its statutory mandate to develop and maintain the DROP system, the Agency recommends adjusting the registration fee from $6,000 to $9,500 for calendar year 2027. Additionally, the Agency recommends continuing alignment between the currently proposed access fee and the registration fee. The access fee will only be paid once by new data brokers who are not required to register in calendar year 2027 and is prorated depending on the month that they begin accessing the DROP system. These amounts will provide the necessary resources to implement the Delete Act.

Data Broker's Registry Fund (in thousands)		
	2026-27	**2027-28**
Salaries and Benefits	$ 1,724	$ 1,775
Infrastructure	$ 579	$ 549
Development and Maintenance	$ 1,792	$ 1,096
Residency Verification	$ 1,200	$ 1,417
Operating Expenses	$ 767	$ 666
Total CPPA Expenditures	$ 6,062	$ 5,503

Future Fees

In accordance with Civil Code § 1798.99.82(b)(1), Agency staff intends to continue monitoring the fund balance and expenditure rate in the Data Brokers' Registry Fund to adjust fees in the coming years to appropriately match the reasonable costs to implement and administer the Delete Act.

Recommendation

Staff recommends that the Board adopt the proposed adjustment to the registration fee by amending 11 CCR § 7600 to revise the fee amount to $9,500 in time for the 2027 registration period, which will run from January 1-31, 2027. In addition, staff recommends the Board adjust the currently proposed access fee to $9,500 for the month of January and prorate each following month by $792. This will maintain sufficient funding in the Data Brokers' Registry Fund to continue operations of the DROP system and comply with the mandates of the Delete Act.