TEXT OF REGULATIONS

TITLE 11. LAW
DIVISION 6. CALIFORNIA PRIVACY PROTECTION AGENCY
CHAPTER 3. DATA BROKER REGISTRATION AND ACCESSIBLE DELETION MECHANISM

ARTICLE 1. ANNUAL REGISTRATION FEES

§ 7600. Annual Registration Fee.

(a) The annual fee to register as a data broker is $6,000 plus an associated third-party fee for processing electronic payments not to exceed 2.99%.

(b) Data brokers are required to pay the registration fee by credit card during the registration period via the Agency's website at https://cppa.ca.gov/ except as provided for in subsection (c).

(c) The Agency may authorize a data broker to pay its registration fee by debit card, check, or wire transfer on a case-by-case basis if the data broker demonstrates, in an electronic written correspondence submitted to the Agency, that it cannot pay by credit card. The Agency will notify the data broker electronically in writing when it is authorized to pay by an alternative method. Payments submitted through alternative methods without prior authorization by the Agency will not be accepted or processed.

(d) The annual registration fee cannot be prorated and is nonrefundable.

Note: Authority cited: Section 1798.99.87, Civil Code. Reference: Sections 1798.99.81, 1798.99.82 and 1798.99.87, Civil Code.

ARTICLE 2. DEFINITIONS AND REGISTRATION REQUIREMENTS

§ 7601. Definitions.

In addition to the definitions set forth in Civil Code sections 1798.99.80 and 1798.140, the following definitions apply to this Chapter:

(a) "Access the Delete Request and Opt-out Platform ('DROP')" means a data broker retrieves a consumer deletion list in compliance with Civil Code section 1798.99.86 and section 7612 of this Chapter, and does not include signing into a data broker's DROP account without retrieving a consumer deletion list.

(b) “Access session” means the time period during which a data broker retrieves a consumer deletion list or reports ~~communicates~~ a status for a previously received DROP ~~deletion~~ request, and begins when the data broker accesses the DROP and ends when the data broker ~~logs out of its DROP account or~~ completes the data transfer.

(c) “Auditor” means the third-party conducting the audit of the data broker who meets the requirements of Section 7631(a).

(d) “Audit period” means the period of time which is assessed for purpose of the audit required by Civil Code section 1798.99.86.

(e) “Batch” means the consumer deletion list(s) that a data broker downloads during a single access session.

(~~c~~f) “Consumer deletion list” means a list containing one or more type of ~~consumer~~ identifier~~s (e.g., email address, phone number, or combination of name, date of birth, and zip code)~~ for every consumer that has submitted a deletion request through the DROP. When made available to a data broker through the DROP, the consumer deletion list includes the applicable identifier ~~consumer identifying information~~ in a hashed format and the~~,~~ work item ID~~a transaction identifier, and the hashing algorithm used to hash the identifying information~~.

(g) “Data broker ID” means the identification number provided to a data broker after it has successfully created its DROP account.

(~~d~~h) “Direct relationship” means that a consumer has intentionally interacted with a business for the purpose of accessing, purchasing, using, ~~or~~ requesting, or obtaining information about the business’s products or services. A consumer does not have a “direct relationship” with a business if the purpose of their engagement is to exercise any right described under Civil Code section 1798, or for the business to verify the consumer’s identity. A business does not have a “direct relationship” with a consumer simply because it collects personal information directly from the consumer; the consumer must intend to interact with the business. A business is still a data broker and does not have a direct relationship with a consumer as to personal information it sells about the consumer that it collected outside of a “first party” interaction with the consumer, as that term is defined in California Code of Regulations, title 11, section 7001.

(~~e~~i) “Delete Request and Opt-out Platform” or “DROP” means the accessible deletion mechanism required by Civil Code section 1798.99.86.

(~~f~~j) “DROP account” means an account created within the DROP~~ system~~.

(k) “DROP audit” means an audit of the data broker’s deletion request processing pursuant to Civil Code section 1798.99.86. A DROP audit begins on the first day of the audit period and concludes on the day that the DROP audit report is completed.

(l) “DROP audit report” means a written document that describes the DROP audit and contains all of the components required by Section 7633.

(m) “DROP request” means a consumer deletion request submitted through the DROP that has not been cancelled by the consumer.

(~~g~~n) “Extraneous or special characters” means non-alphabetic or non-numeric characters, such as punctuation, math symbols, emojis, spaces, and non-English language characters.

(o) “Identifier” means either of the following:

(1) A single piece of personal information provided by the consumer, such as phone number or email address.

(2) An identifier created with multiple pieces of an individual consumer’s personal information pursuant to Section 7613(a), such as a combination of name, date of birth, and zip code.

(~~h~~p) “Minor” means a consumer the data broker has actual knowledge is less than 16 years of age. A business that willfully disregards the consumer’s age shall be deemed to have had actual knowledge of the consumer’s age.

(~~i~~q) “Personal information associated with a matched identifier” means any personal information maintained in a data broker’s records collected from a source other than directly from the consumer through a “first party” interaction. This does not include personal information that is subject to applicable exemptions, but includes inferences made from the personal information.

(~~j~~r) “Register” means when a data broker or its agent submits all the information required by section 7603 and pays the annual registration fee required by section 7600.

(s) “Registration confirmation number” means the ~~identification~~ confirmation number provided to a data broker after it has successfully completed its DROP registration.

(~~k~~t) “Registration period” means January 1–31 of each calendar year.

(~~l~~u) “Reproductive health care data” means any of the following:

(1) Information about a consumer searching for, accessing, procuring, using, or otherwise interacting with goods or services associated with the human reproductive system, which includes goods such as contraception (e.g., condoms, birth-control pills), pre-natal and fertility vitamins and supplements, menstrual-tracking apps, and hormone-replacement therapy. It also includes, but is not limited to, services such as sperm- and egg-freezing, In Vitro Fertilization, abortion care, vasectomies, sexual health counseling; treatment or counseling for sexually transmitted infections, erectile dysfunction, and reproductive tract infections; and precise geolocation information about such treatments.

(2) Information about the consumer's sexual history and family planning, which includes information a consumer inputs into a dating app about their history of sexually transmitted infections or desire to have children is considered sexual history and family planning information.

(3) Inferences about the consumer with respect to (1) or (2).

(v) "Suppression list" means the information for all consumers who have submitted a DROP request that a data broker maintains in accordance with Section 7613(b)(1)(B). A suppression list may be comprised of multiple lists if together the lists include information for all consumers who have submitted a DROP request for the data broker.

(w) "Work item identifier" or "work item ID" means the alphanumeric character string that represents a single consumer identifier assigned by the DROP.

Note: Authority cited: Section 1798.99.87, Civil Code. Reference: Sections 1798.99.80, 1798.99.82, 1798.99.84, and 1798.99.86, Civil Code.

§ 7602. Registration Submission Requirements.

(a) A business, regardless of its status as a parent company or subsidiary of another business, which independently meets the definition of "data broker" as set forth in Civil Code section 1798.99.80 for any period of time during the previous calendar year must register during the registration period through the Agency's website and create a DROP account in accordance with section 7610.

(b) Registration must be completed by an employee or agent of the data broker who is authorized to register the data broker and has sufficient knowledge of the data broker's practices to provide accurate information and otherwise comply with the requirements in section 7603. The employee or agent who registers the data broker must certify under penalty of perjury that to the best of their knowledge the information they submit is true and correct.

Note: Authority cited: Section 1798.99.87, Civil Code. Reference: Sections 1798.99.80, 1798.99.82 and 1798.99.86, Civil Code.

§ 7603. Registration Information Requirements.

(a) A data broker must provide only true and ~~correct~~accurate responses when submitting the registration information required by Civil Code section 1798.99.82 and this Chapter. A data broker shall only be deemed registered in compliance with Civil Code section 1798.99.82 if the data broker has provided complete and accurate information.

(b) All website links and email addresses provided in the registration must be accurate and functioning.

(c) In addition to the information required by Civil Code section 1798.99.82, a data broker must confirm at the time of registration that the information provided pursuant to section 7610(a)(2) in its DROP account is correct or update the entries with correct information.

(d) When providing to the Agency ~~reporting~~ the extent to which the data broker is regulated by the other laws described in Civil Code section 1798.99.82(b)(2)(~~H~~W), a data broker must describe:

(1) The types of personal information the data broker collects and sells that are subject to the enumerated laws;

(2) The specific product(s) or services covered by the enumerated state or federal law;

(3) The approximate proportion(s) of data collected and sold that is subject to the enumerated laws in comparison with its total annual data collection and sales (i.e., percentage of its general data broker activities).

Note: Authority cited: Section 1798.99.87, Civil Code. Reference: Sections 1798.99.80, 1798.99.82, 1798.99.85 and 1798.99.86, Civil Code.

§ 7604. Removal from the Registry and Changes to Registration Information After Registration Period Closes.

(a) After the registration period closes, a data broker cannot be removed from the publicly posted registry, except in cases where a data broker was erroneously registered (e.g., fraudulent submission). In cases of an erroneous registration, the business must submit to the Agency a written request for removal from the registry that explains why the business should not be included on the registry and any supporting evidence.

(b) If after the registration period closes a data broker determines that its registration contains inaccurate or incomplete information, the data broker must withdraw its inaccurate or incomplete registration submission and submit an accurate and complete registration. To withdraw a registration submission, the data broker must submit to the agency a written request explaining what information is inaccurate or incomplete and provide the accurate and complete information through its DROP account. The data broker's registration date shall be the date the data broker submitted the registration with the accurate and complete information. ~~Notwithstanding subsection (a), any data broker may update the following at any time through its DROP account:~~

~~(1) A change in the name, email, or phone number of the point of contact;~~

~~(2) A change in the data broker's public-facing contact information, provided pursuant to Civil Code section 1798.99.82(b)(2)(A); or~~

~~(3) A change in the data broker's public-facing website addresses, provided pursuant to Civil Code section 1798.99.82(b)(2)(A) and (b)(2)(G).~~

Note: Authority cited: Sections 1798.99.87, Civil Code. Reference: Sections 1798.99.80, 1798.99.82 and 1798.99.86, Civil Code.

ARTICLE 3. DELETE REQUEST AND OPT-OUT PLATFORM REQUIREMENTS

§ 7610. Delete Request and Opt-out Platform Account Creation.

(a) Prior to accessing the DROP for the first time, a data broker shall utilize the Agency's website found at www.~~cppa.ca.gov~~privacy.ca.gov to create a DROP account. To create an account, a data broker must:

(1) Establish a secure username and password ("credentials") and maintain its account security using reasonable security procedures and practices. At minimum, a data broker must:

(A) Maintain confidentiality of account credentials, and restrict access to its credentials to only persons authorized to act on the data broker's behalf;

(B) Restrict access to the DROP, and information derived from the DROP, to persons authorized to act on behalf of the data broker;

(C) Inform the Agency immediately in writing through its DROP account or by emailing databrokers@cppa.ca.gov if any of the following occur:

(i) Unauthorized use of the data broker's credentials or account; or

(ii) A breach of security related to the data broker's account, the DROP, or information derived from the DROP.

(D) Assume responsibility for all actions taken through its DROP account.

(2) Provide the following accurate and complete information:

(A) The data broker's business name and, if applicable, trade name(s) (i.e., "DBA");

(B) A point of contact for the data broker, including name, email, and phone number;

(C) The data broker's public-facing contact information, including email and phone number;

(D) The data broker's public-facing website address(es), including any website address through which it offers or provides data broker services; and

(E) The data broker's Employer Identification Number ("EIN") or Taxpayer Identification Number ("TIN"), as applicable, for its business.

(F) The link to the page on the data broker's internet website that complies with the requirements described in Civil Code section 1798.99.82(b)(2)(V).

(3) Select at least one consumer deletion list that the data broker will retrieve through the DROP to process deletion requests in accordance with Civil Code section 1798.99.86 and this Chapter.

(A) A data broker must select all consumer deletion lists that contain an ~~consumer~~ identifier ~~or identifiers~~ that matches the type of identifier ~~personal information~~ about the consumer within the data broker's records.

(B) Notwithstanding subparagraph (A), a data broker may select fewer lists if the consumer identifiers used across multiple lists will result in matches to a completely duplicative list of consumers within the data broker's records. For example, if a data broker collects both email addresses and telephone numbers for every consumer in its records, then the data broker may select only the email address or telephone number consumer deletion list. If, however, a data broker collects email addresses for some consumers and telephone numbers for other consumers, then the data broker must select both lists.

(C) A data broker may change its consumer deletion list selection by adding or subtracting a list or lists through its DROP account. A data broker is only able to retrieve a consumer deletion list it has currently selected in its DROP account when it accesses the DROP pursuant to section 7612. A data broker must maintain compliance with subparagraph (A) of this section at all times by selecting additional consumer deletion lists before next accessing the DROP if the data broker begins collecting additional categories of personal information about consumers that match to identifiers under previously unselected consumer deletion lists. ~~A data broker may only change its consumer deletion list selection once every 45 calendar days.~~

(b) If the information provided pursuant to subsection (a)(2) changes at any time after a data broker creates its DROP account, the data broker must update its DROP account with the accurate and complete information within 10 business days.

Note: Authority cited: Section 1798.99.87, Civil Code. Reference: Sections 1798.99.82 and 1798.99.86, Civil Code.

§ 7611. Data Brokers Who Begin Operating After Registration Period.

(a) Prior to operating as a data broker, a business must do the following:

(1) Create a DROP account in accordance with section 7610;

(2) Begin accessing the DROP in accordance with Civil Code section 1798.99.86 and this Chapter within 45 calendar days of commencing operation as a data broker; and

(3) Pay a first-time access fee as follows, unless the data broker has already paid a registration fee that calendar year:

(A) If the data broker accesses the DROP for the first time in January, the access fee is $6,000.00 plus an associated third-party fee for processing electronic payments not to exceed 2.99%.

(B) If the data broker accesses the DROP for the first time in February, the access fee is $5,500.00 plus an associated third-party fee for processing electronic payments not to exceed 2.99%.

(C) If the data broker accesses the DROP for the first time in March, the access fee is $5,000.00 plus an associated third-party fee for processing electronic payments not to exceed 2.99%.

(D) If the data broker accesses the DROP for the first time in April, the access fee is $4,500.00 plus an associated third-party fee for processing electronic payments not to exceed 2.99%.

(E) If the data broker accesses the DROP for the first time in May, the access fee is $4,000.00 plus an associated third-party fee for processing electronic payments not to exceed 2.99%.

(F) If the data broker accesses the DROP for the first time in June, the access fee is $3,500.00 plus an associated third-party fee for processing electronic payments not to exceed 2.99%.

(G) If the data broker accesses the DROP for the first time in July, the access fee is $3,000.00 plus an associated third-party fee for processing electronic payments not to exceed 2.99%.

(H) If the data broker accesses the DROP for the first time in August, the access fee is $2,500.00 plus an associated third-party fee for processing electronic payments not to exceed 2.99%.

(I) If the data broker accesses the DROP for the first time in September, the access fee is $2,000.00 plus an associated third-party fees for processing electronic payments not to exceed 2.99%.

(J) If the data broker accesses the DROP for the first time in October, the access fee is $1,500.00 plus an associated third-party fee for processing electronic payments not to exceed 2.99%.

(K) If the data broker accesses the DROP for the first time in November, the access fee is $1,000.00 plus an associated third-party fee for processing electronic payments not to exceed 2.99%.

(L) If the data broker accesses the DROP for the first time in December, the access fee is $500.00 plus an associated third-party fee for processing electronic payments not to exceed 2.99%.

(4) A data broker must pay the access fee in the method provided for in section 7600, subsections (b) and (c).

(b) A data broker described in subsection (a) must comply with all registration requirements in this Chapter during the registration period following the year it begins operating as a data broker.

Note: Authority cited: Section 1798.99.87, Civil Code. Reference: Sections 1798.99.81, 1798.99.82 and 1798.99.86, Civil Code.

§ 7612. Delete Request and Opt-out Platform Access.

(a) A data broker must access the DROP and ~~to~~retrieve DROP requests by downloading a batch ~~its selected consumer deletion list(s)~~at least once every 45 calendar days.

(b) A data broker may access the DROP manually or through automated means in formats supported by the DROP. If a data broker is unable to timely retrieve ~~download~~ a batch ~~its selected consumer deletions list(s)~~ in compliance with subsection (a) through automated means for any reason, the data broker must manually retrieve ~~its consumer deletions list(s)~~ the batch through its DROP account.

(1) If the data broker cannot access the DROP manually or through automated means and it is not the result of the data broker's error, the data broker must notify the Agency of its inability to access the DROP immediately in writing through its DROP account.

(2) If a data broker's automated connection with the DROP fails and it is not the result of the data broker's error, the data broker must notify the Agency of the connection failure in writing through its DROP account if the automated connection ~~was~~is not restored within 3 business days. ~~45 calendar days of its last access to the DROP.~~

(c) After a data broker downloads each consumer deletion list for the first time, all subsequent downloads of each list will only contain ~~new or amended~~ DROP ~~consumer deletion~~ requests received or altered ~~by amending~~ after the data broker's most recent retrieval ~~download~~.

(1) Upon request, the Agency will allow a data broker to re-retrieve by downloading a complete or partial consumer deletion list with all ~~current~~consumer deletion requests for purposes of ensuring compliance with this Chapter, reconciling internal records, or completing the audit required by Civil Code section 1798.99.86. Such requests must be made in writing through the data broker's DROP account and specify the reason for the request.

Note: Authority cited: Section 1798.99.87, Civil Code. Reference: Section 1798.99.86, Civil Code.

§ 7613. Processing Deletion Requests.

(a) Upon accessing the DROP in accordance with section 7612, a data broker must do the following to process deletion requests in compliance with Civil Code section 1798.99.86:

(1) Compare the ~~consumer~~ identifier ~~information~~type contained in each consumer deletion list with the same type of ~~applicable consumer~~ identifier ~~personal information~~ maintained in the data broker's ~~own~~ records. For example, a data broker would compare the consumer email address in the consumer deletion list with the email addresses in the data broker's records.

(A) Prior to comparing ~~consumer~~ identifier information in ~~between~~ a consumer deletion list and the ~~a~~ data broker's records, the~~a~~ data broker must standardize the same type of ~~applicable~~identifier ~~personal information~~ in ~~from~~ the data broker's records as follows:

(i) Use all lowercase letters, including changing names to lowercase;

(ii) Remove extraneous or special characters; except for:

1. non-English language characters, which shall instead be converted to its closest matching English language character. For example, Björn O'Connor-López shall be formatted as bjornoconnorlopez; and

2. email addresses.

(iii) Format date of birth, when applicable, as a string of 8 numbers in order of year, month, and date. For example, January 12, 1990 shall be formatted as 19900112.

(iv) Format zip code, when applicable, only maintain the first five (5) characters and then remove any leading zeros (0). ~~as a string of the first 5 characters of the zip code. the number of leading .~~For example, the zip code is 95811-6213 shall be formatted as 95811 and the zip code 00321-1234 shall be formatted as 321.

(v) Format phone number, when applicable, as a string of the last 10 numbers without any dashes or country code. For example, the phone number +1(987) 765-4321 shall be formatted as 9877654321.

(vi) Implement any other standardization that the data broker knows will increase the likelihood of a match between its records and the applicable consumer deletion list.

(B) After completing the standardization described in subparagraph (A), a data broker must use the same hashing algorithm provided in the consumer deletion list to hash the same type of ~~consumer~~ identifier(s) ~~personal information with~~in the data broker's records. ~~that is the same category of identifier as in the consumer deletion list.~~

(C) If the consumer deletion list that the data broker is comparing to its records includes multiple identifiers, the data broker must hash each type of identifier in its records, then combine the multiple hashed identifiers for each consumer into a single identifier, and then hash the combined identifier before comparing the hashed combined identifier to the consumer deletion list. For example, if a consumer deletion list includes first name, last name, data of birth, and zip code, the data broker shall separately hash each of the following: first name, last name, date of birth, and zip code. After hashing each of the identifiers separately, the data broker shall combine the hashed identifiers for each consumer into a single new identifier, without adding spaces or other characters. The data broker shall then apply the hashing algorithm to the combined identifier.

(D) A data broker is only required to standardize its ~~consumer~~ identifier ~~personal information~~ for purposes of complying with this section. A data broker is not required to maintain consumer personal information in a standardized format for any other purpose.

(2) After the data broker has standardized and hashed the identifier in its records, the data broker shall compare it to the identifier in the consumer deletion list. The data broker must compare its records with all data containing the identifier, irrespective of where or how it is maintained.

~~(A) If the consumer deletion list that the data broker is comparing to its own records includes multiple identifiers, the data broker must hash each applicable identifier from its records, then combine the multiple hashed identifiers for each consumer into a single identifier, and then hash the combined identifier before comparing to the consumer deletion list. For example, if a consumer deletion list includes first name, last name, data of birth, and zip code, the data broker shall separately hash each of the following: first name, last name, date of birth, and zip code. After hashing each of the identifiers separately, the data broker shall combine the~~

~~hashed identifiers for each consumer into a single new identifier, without adding spaces or other characters, before applying the hashing algorithm pursuant to (a)(1)(B) of this section to the combined identifier.~~

(A) If the identifier in its records matches the ~~For every match between the~~ identifier in the consumer deletion list~~and the data broker's own records~~, the data broker must delete all personal information associated with the~~a~~ matched identifier as described in subsection (b).

(B) If the identifier in the consumer deletion list matches the identifier for ~~data broker associates~~ multiple consumers in the data broker's records ~~with a matched identifier from the consumer deletion list~~, the data broker must opt each ~~associated~~ consumer with whom the identifier matches out of the sale or sharing of their ~~its~~ personal information in accordance with Civil Code section 1798.99.86(c)(1)(B) and (D). The data broker must also ~~and~~ comply with subparagraph (b)(1)(B) of this section for all consumers with whom the identifier matches.

(b) When deleting the personal information associated with a matched identifier, the data broker must:

(1) Delete all consumer personal information, including inferences based in whole or in part on personal information collected from third parties or from a consumer in a non-"first party" capacity, that is associated with a matched identifier in the data broker's records.

(A) Notwithstanding paragraph (1), a data broker is not required to delete personal information that is exempt under Civil Code section 1798.99.86, or that the data broker collected directly from the consumer as a "first party," as that term is defined in California Code of Regulations, title 11, section 7001.

(B) Notwithstanding paragraph (1), a data broker must continue to maintain a suppression list containing the minimum ~~personal~~ information necessary to comply ~~facilitate compliance~~ with Civil Code section 1798.99.86(c) and (d) for each consumer that has previously submitted ~~submits a deletion~~ DROP request, unless the consumer ~~later~~ alters ~~amends~~ or cancels their ~~deletion~~ DROP request. A data broker may only maintain the information on the suppression list for the sole purpose of complying with Civil Code section 1798.99.86 and this Chapter.

(i) For consumers for whom the data broker found a matching identifier, ~~T~~the ~~personal~~ information maintained by the data broker in the suppression list ~~for this purpose~~ is not required to ~~does not need to~~ be personal information provided by the Agency through the DROP.~~, except when necessary to comply with subsection (c) of this section.~~

(ii) For consumers for whom the data broker has not found a matching identifier, the data broker must maintain their personal information provided by the Agency through the DROP on its suppression list.

~~A data broker must not use personal information maintained pursuant to this subparagraph for any other purpose unless a statutory exemption applies.~~

(C) For purposes of this section, "delete" means permanently and completely erasing the personal information from existing systems, including archived or backup systems, deidentifying the personal information, or aggregating consumer information, except as provided in subparagraph (b)(1)(B) of this section.

(i) Notwithstanding subparagraph (C), a data broker may delay deletion of personal information contained in archived or backup systems until the archived or backup system is restored to an active system, or accessed for a sale, disclosure, or other commercial purposes.

(c) For deletion requests that do not match to any consumer personal information within the data broker's records at the time of comparison, the data broker ~~must save and maintain the consumer deletion list for the sole purpose of complying with Civil Code section 1798.99.86(d) by comparing~~must compare all ~~any~~ newly collected records with the ~~deletion lists~~ suppression list required by subsection (b)(1)(B) before new personal information is sold or shared, unless the consumer ~~later~~ cancels their deletion request.

(d) A data broker must direct all service providers and contractors to delete all personal information in its possession related to a consumer associated with a matched identifier in accordance with Civil Code section 1798.99.86(c) and (d).

(e) A data broker must ~~may~~share with service providers and contractors the ~~minimum personal~~ information necessary to facilitate compliance with ~~subsection (c) of~~ this section and keep a record of all service providers and contractors with whom the data broker shared this information for at least six years.

Note: Authority cited: Section 1798.99.87, Civil Code. Reference: Section 1798.99.86, Civil Code.

§ 7614. Reporting Status of Deletion Requests.

(a) Within 45 days of the ~~After a~~data broker ~~accesses the DROP for the first time~~ retrieving a batch for the first time, the data broker must ~~, at each subsequent access session,~~ report by uploading the status of every ~~deletion request~~ identifier received in ~~during~~the previous ~~access session~~ batch. ~~If a data broker re-downloaded a complete consumer deletion list, the data broker is only required to report status changes for the most recent new or amended deletion requests.~~

(1) Notwithstanding paragraph (a), if the data broker finds a matched~~matches a consumer~~ identifier when comparing ~~found in~~ newly collected personal information as required by ~~after previously not matching the consumer identifier, as described in s~~Section 7613(c), the data broker must ~~report the new status~~ alter the status for ~~of~~the ~~deletion request~~identifier during its ~~with respect to the consumer in the~~ next access session following the match. For example, if a data broker subsequently identifies a match with an ~~consumer~~ identifier in a new set of personal information it collects and deletes that consumer's personal information, it shall report to the Agency during ~~at~~its next access session that the status for the ~~consumer~~identifier has changed from "record not found" to "record deleted."

(i) If a data broker finds a matched identifier before accepting and taking control of the personal information into its data system or otherwise collecting it, the data broker is not required to report any change of status for the consumer with the matched identifier.

(2) If the data broker retrieves a batch with cancellation requests, the data broker does not need to provide a status for the cancelled DROP requests.

(b) To report the status of ~~deletion requests~~ an identifier, a data broker must report ~~upload~~the following information either manually or by automated means, if supported by the Agency, through its DROP account:

(1) The ~~transaction identifier~~ work item ID associated with each ~~consumer deletion request~~ identifier; and

(2) The status ~~response code~~ for each ~~transaction identifier~~ work item ID that accurately describes the action taken by the data broker.~~with respect to the individual deletion request.~~ A data broker must indicate one of the following statuses ~~response codes~~ for each ~~deletion request~~ work item ID:

(A) “Record deleted” when the data broker matched the identifier in the consumer deletion list to the same identifier in the data broker’s records and deleted the consumer’s personal information associated with a matched identifier as required in S~~s~~ection 7613(b). Data brokers shall report an identifier as “deleted” when any personal information associated with a matched identifier is deleted, even if some of the personal information is exempt from deletion.

(B) “Record opted out of sale” when the data broker cannot verify the request because multiple consumers are matched to the identifier, and the data broker opted out from sale or sharing all the personal information associated with all matched consumers as required in Section 7613(b)(2)(B).

(C) “Record exempted” when the data broker matched the identifier in the consumer deletion list to the same identifier in the data broker’s records but all of the personal information related to the matched consumer is exempt pursuant to Civil Code Section 1798.99.86 and therefore no personal information is deleted.

(D) “Record not found” when the data broker did not find a matching~~ed~~ identifier in the data broker’s records after complying with the requirements contained in ~~s~~Section 7613.

(c) If a data broker uploads the status of ~~consumer deletion requests~~ their batch into the DROP manually, it must:

(1) Report the status of ~~deletion requests~~ identifiers received in its previous ~~access session~~ batch before downloading a new ~~consumer deletion list or lists~~ batch; and

(2) ~~Upload ther~~Report statuses of a batch in a machine-readable comma separated value (CSV) file reporting the correct status code and work item ID.

Note: Authority cited: Section 1798.99.87, Civil Code. Reference: Section 1798.99.86, Civil Code.

§ 7615. Requirements to Stop Accessing Deletion Requests from the DROP.

(a) Within 45 days of ~~If a business~~ a business no longer operating as ~~meets the definition of~~ a data broker, the business ~~it~~ must:

(1) ~~Within 45 calendar days, n~~Notify the Agency through its DROP account that it no longer meets the definition of data broker and explain why. On a case-by-case

basis, the Agency may request additional information to confirm that the business is no longer operating as a data broker.

(2) Delete the personal information provided by the Agency through the DROP, including all DROP requests received up to the effective date on which the business notifies the Agency that it no longer meets the definition of a data broker.~~no more than 30 calendar days after completing registration for the last calendar year during which it operated as a data broker, or after it has concluded its final audit in compliance with Civil Code section 1798.99.86, whichever is later.~~

(3) Deactivate its DROP account after complying with paragraphs (1) and (2) of this subsection.

(b) A business that has deactivated its DROP account must request that the Agency ~~create a new DROP account~~ reactivate a previously deactivated account or to create a new account prior to subsequently operating as a data broker. The Agency will determine whether the new account can be reactivated or a new account is needed, and may request the data broker's most recent audit pursuant to Civil Code section 1798.99.86 prior to reactivating the account or allowing the creation of a new account.

Note: Authority cited: Section 1798.99.87, Civil Code. Reference: Sections 1798.99.80 and 1798.99.86, Civil Code.

§ 7616. Additional Data Broker Requirements.

(a) A data broker must only use consumer personal information provided by the Agency, through a consumer deletion list or otherwise, and information contained in its suppression list for purposes of complying with Civil Code section 1798.99.86 and this Chapter, unless a statutory exemption applies to the information. Selling or sharing consumer personal information provided by the Agency is prohibited.

(b) A data broker must implement and maintain reasonable security procedures and practices appropriate to the nature of the personal information provided by the Agency, to protect such personal information from unauthorized access, destruction, use, modification, or disclosure.

(c) A data broker shall not contact a consumer to verify their deletion requests submitted through the DROP.

Note: Authority cited: Section 1798.99.87, Civil Code. Reference: Section 1798.99.86, Civil Code.

ARTICLE 4. CONSUMER AND AUTHORIZED AGENT DELETE REQUESTS

§ 7620. Consumer Deletion Requests.

(a) A consumer must submit their deletion request through the DROP. A consumer will have their California residency verified by the Agency prior to submitting a deletion request. If the Agency cannot verify the consumer's residency, the consumer cannot submit a deletion request through the DROP. A consumer may request review of their residency classification pursuant to section 7622.

(b) A consumer may add personal information to their deletion requests, including date of birth, email address, phone number, and pseudonymous identifiers, such as a Mobile Ad Identifier ("MAID"). The Agency may verify such personal information at any time.

(c) By submitting a deletion request, a consumer consents to disclosure of their personal information to a data broker for purposes of processing their deletion request pursuant to Civil Code section 1798 and this Chapter unless or until the consumer cancels their deletion request.

(d) A consumer may alter ~~amend~~ or cancel a ~~deletion~~ DROP request ~~made through the DROP~~ no sooner than 45 calendar days after submission of the request.

Note: Authority cited: Section 1798.99.87, Civil Code. Reference: Section 1798.99.86, Civil Code.

§ 7621. Authorized Agents.

(a) An authorized agent may aid in a consumer's ~~deletion~~DROP request after the consumer has their residency verified in accordance with section 7620(a).

(b) If an authorized agent aids a consumer with their ~~deletion~~DROP request, the consumer or their authorized agent must disclose the authorized agent's full name, email address, and trade name if the authorized agent is a business, through the consumer's DROP account prior to submitting a deletion request.

(c) An authorized agent may not cancel a consumer's ~~deletion~~ DROP request unless expressly directed by the consumer.

Note: Authority cited: Section 1798.99.87, Civil Code. Reference: Section 1798.99.86, Civil Code.

§ 7622. Consumer Requirements to Request a Review of Residency Classification.

(a) A consumer may request a review of their residency classification by submitting the following through the DROP within 10 calendar days of the classification:

(1) An explanation of how they are a resident of California as defined in the California Code of Regulations, title 18, section 17014, as that section read on September 1, 2017; and

(2) An email address or phone number by which the Agency can contact the consumer regarding the review request.

(b) On a case-by-case basis, the Agency may request substantiating documentation that demonstrates the consumer is a California resident.

(c) If the information provided by the consumer demonstrates they meet the definition of “resident” pursuant to the California Code of Regulations, title 18, section 17014, as that section read on September 1, 2017, the Agency will notify the consumer in writing at the email address or phone number provided by the consumer that the Agency has verified the consumer’s residency.

Note: Authority cited: Section 1798.99.87, Civil Code. Reference: Section 1798.99.86, Civil Code.

ARTICLE 5. DELETION REQUEST AND OPT-OUT PROCESSING AUDITS

§ 7630. Timing Requirements for DROP Audits, Audit Reports, and Certifications.

(a) A data broker that meets the definition of “data broker” as set forth in Civil Code section 1798.99.80(c) for any period of time between August 1, 2026 and December 31, 2027 must complete its first DROP audit report no later than November 1, 2028. The data broker’s DROP audit period shall be August 1, 2026 through August 1, 2028.

(b) After December 31, 2027, the audit period for any data broker that is not required to complete its first DROP audit pursuant to subsection (a) shall be twelve (12) months and begin on the first day it met the definition of “data broker.” The data broker must complete its DROP audit report no later than 90 days following the last day of the audit period. For example, if the business meets the definition of “data broker” on March 1, 2028, it must perform an audit of its deletion request processing with the audit period spanning from March 1, 2028 to March 1, 2029, and complete its first audit report by May 30, 2029.

(c) After completing its first DROP audit pursuant to subsection (a) or (b), a data broker must complete a DROP audit at least every three (3) years.

(1) The audit period shall include the three years immediately following the data broker's most recent audit period.

(2) All DROP audit reports must be completed no later than 90 days after the last day of the audit period.

(3) If a business does not meet the definition of "data broker" at the time their DROP audit report is due pursuant to this subsection, the business must complete a DROP audit pursuant to subsection (b) upon meeting the definition of "data broker."

Note: Authority cited: Section 1798.99.87, Civil Code. Reference: Section 1798.99.86, Civil Code.

§ 7631. Auditor Qualifications and Independence.

(a) To complete its DROP audit, a data broker must engage a qualified, objective, and independent auditor to complete the audit using procedures and standards generally accepted in the auditing profession, such as standards issued by the American Institute of Certified Public Accountants (AICPA), the International Organization for Standardization (ISO), the Information Systems Audit and Control Association (ISACA), or equivalent standard-setting bodies.

(1) At least one auditor conducting the audit must have knowledge of data deletion practices, and how to audit a business's data retention and deletion practices, including knowledge of the requirements of the Delete Act (Civil Code § 1798.99.80 et seq.) and applicable provisions of the California Consumer Privacy Act (Civil Code § 1798.100 et seq.); and

(2) At least one auditor conducting the audit shall have demonstrated competence in the data systems and technical practices relevant to deletion request processing.

(b) The auditor must exercise objective and impartial judgment on all issues within the scope of the DROP audit, must be free to make decisions, assessments, and findings without influence by the data broker being audited, including the data broker's owners, managers, or employees; and must not participate in activities that may compromise the auditor's independence.

(1) The auditor must not:

(A) Be employed by or an independent contractor of the data broker for any other purpose than conducting the DROP audit;

(B) Be an officer or director of the data broker;

(C) Have or be affiliated with an entity that has a financial interest in the data broker or any of its affiliates; or

(D) Have participated in business activities that the auditor will assess in the audit, including developing procedures, preparing the business's documents, making recommendations regarding the business's data broker processing operations (separate from articulating audit findings), or designing, implementing, operating or maintaining the data broker's deletion processing systems, controls, or procedures.

(c) Nothing prohibits a data broker from using the same auditor for other audits required by law or voluntarily conducted related to the data broker's deletion request processing operations.

Note: Authority cited: Section 1798.99.87, Civil Code. Reference: Section 1798.99.86, Civil Code.

§ 7632. Scope and Thoroughness of the DROP Audit.

(a) When conducting the DROP audit, the auditor must:

(1) Assess compliance with the deletion request processing requirements of Civil Code section 1798.99.86 and applicable regulations during the audit period. The assessment must include review of compliance by the data broker's contractors and service providers to the extent they process personal information on behalf of the data broker.

(2) Review the data broker's policies and procedures related to record keeping, data governance, data mapping, technical controls and monitoring, and use of technical tools including software and artificial intelligence that are noncompliant or contributed to noncompliance with Civil Code section 1798.99.86 and applicable regulations.

(3) Test and evaluate the data broker's deletion processing system and review the processing steps for all consumer deletion requests ~~lists~~ from download through reporting of status and use of the suppression list. At a minimum, the auditor must test the data broker's standardization, hashing, matching, deletion, application of exemptions, and suppression processes to verify that they execute correctly and produce accurate outcomes. The auditor may utilize sampling to conduct their review.

(4) Interview, at least, the persons directly responsible for DROP compliance; development and maintenance of the data systems; and the data processing programs.

(b) The data broker must make available to the auditor all information in its possession, custody, or control that the auditor requests as relevant to the DROP audit. For example, the auditor may request information about the data broker's system architecture, data mapping, use of service providers or contractors, or other information necessary to determine the scope of the DROP audit and the criteria the audit will use.

(c) The data broker must make good-faith efforts to disclose to the auditor all facts relevant to the DROP audit and must not misrepresent any fact relevant to the auditor.

(d) No finding of any DROP audit may rely primarily on assertions or attestations by the data broker's management or the mere existence of a policy or procedure.

(1) DROP audit findings must rely primarily upon specific evidence that the auditor deems appropriate or related to the audit. This may include, but is not limited to, documents reviewed, data maps and labels, sampling and testing performed, interviews conducted, logs, and DROP records, such as confirmation responses and rejection messages.

(e) At minimum, the DROP audit must assess the following:

(1) Accuracy of consumer deletion list selection, including whether the data broker:

(A) Selected every consumer deletion list containing the type of identifiers corresponding to personal information in the data broker's records as required by Section 7610(a)(3); and

(B) Accurately and timely updated consumer deletion list selection upon changes to its data practices, as required by Section 7610(a)(3)(C).

(2) Timeliness of DROP access, including whether the data broker:

(A) Downloaded consumer deletion lists at least every 45 calendar days throughout the audit period.

(3) Accuracy of standardization, including whether the data broker:

(A) Standardized its own consumer identifiers as required by Section 7613(a)(1); and

(B) Consistently applied standardization across all applicable systems and data.

(4) Accuracy of hashing, including whether the data broker:

(A) Consistently applied hashing across all applicable systems and data.

(5) Accuracy of consumer identifier matching, including whether the data broker:

(A) Compared the hashed consumer identifiers in each batch against its own hashed consumer identifiers as required by 7613(a)(1); and

(B) Accurately determined when the identifiers in its records matched with the identifiers in the batch downloaded from DROP.

(6) Completion of the appropriate action for matched identifiers (i.e. deletion, opted-out, or exempted), including whether the data broker:

(A) Correctly processed each consumer deletion request as required by Section 7613;

(B) Properly identified and processed consumer "personal information" as defined by Civil Code section 1798.140;

(C) Applied exemptions correctly pursuant to Section 7613(b)(1)(A) and Civil Code section 1798.99.86(c)(2), if applicable;

(D) Deleted consumer information and applied opt-out completely and permanently across all applicable systems, including systems holding derived data such as inferences or profiles generated from a consumer's personal information as required by Section 7613; and

(E) Correctly applied opt-out requirements to all applicable consumers as required by Section 7613(a)(2)(B).

(7) Accuracy and timeliness of statuses reported, including whether the data broker:

(A) Assigned and reported the correct status for each work item ID; and

(B) Complied with all of the requirements in Section 7614 for status reporting.

(8) Proper maintenance and use of the suppression list, including whether the data broker:

(A) Maintained a suppression list that included all consumers for whom the data broker has received a DROP request at any time, unless the consumer canceled their DROP request;

(B) Only included the personal information allowed by Section 7613(b)(1)(B) in its suppression list;

(C) Updated the suppression list to include consumers from whom the data broker received new DROP requests during the audit period;

(D) Compared newly collected personal information with the suppression list as required by Section 7613(c);

(E) Correctly identified and took the appropriate action for newly collected personal information that matched identifiers from the suppression list in accordance with Section 7613 and Civil Code Section 1798.99.86(c)and(d); and

(F) Correctly and timely updated the status in DROP for any consumer whose status changed in accordance with section 7614(a)(1).

(9) Appropriate direction to service providers and contractors, including whether the data broker provided requisite direction to its service providers and contractors as required by Civil Code section 1798.99.86(c)(1)(C) and (D), and maintained records of all service providers and contractors with whom the data broker shared this information for at least six years pursuant to Section 7613(e).

(f) Nothing in this section prohibits an auditor from assessing or testing other components of a data broker's deletion request processing and related record keeping.

Note: Authority cited: Section 1798.99.87, Civil Code. Reference: Section 1798.99.80, 1798.99.82, 1798.99.86, Civil Code.

§ 7633. Audit Report.

(a) The DROP audit report must be prepared by the auditor and:

(1) Identify the data broker's business name and any trade names, if applicable.

(2) Include the title of up to three individuals responsible for the business's deletion request processing for DROP.

(3) Include the data broker's ID and registration confirmation number(s), if applicable.

(4) State the audit period.

(5) Include the date of completion of last DROP audit, if applicable.

(6) Include the auditor's name, business affiliation, and relevant qualifications demonstrating that the auditor meets the qualification and independence requirements of Section 7631.

(7) Describe the data broker's processing of DROP requests; and identify:

(A) the policies, procedures, and practices that the audit assessed;

(B) the criteria used for the audit; and

(C) the specific evidence examined, such as documents reviewed, sampling and testing performed, and interviews conducted.

(8) Include findings by the auditor for all of the assessments required in Section 7632 and any additional assessments made by the auditor. The audit report must also explain why assessing those policies, procedures, and practices; using those criteria; and examining that specific evidence justifies the auditor's findings.

(9) Describe in detail any noncompliance with Civil Code section 1798.99.86 and applicable regulations, and for each instance document and describe:

(A) The type of personal information affected;

(B) The duration of the noncompliance;

(C) Any policies, procedures, system architecture, data maps, technical tools and controls, and records that are noncompliant or contributed to noncompliance by the data broker; and

(D) The actions taken or that the data broker plans to take to remedy the lack of compliance and the timeframe for completing each action.

(10) Identify and explain any necessary corrections or amendments to prior DROP audit reports.

(11) Include a statement that is signed and dated by the highest-ranking auditor that certifies that they completed an independent review of the data broker's deletion request processing, complied with all requirements of Section 7632,

exercised objective and impartial judgment on all issues within the scope of the audit, and did not rely primarily on assertions or attestations by the data broker's management.

(12) Include a certification by a member of the data broker's executive management team who is directly responsible for the data broker's DROP audit compliance:

(A) A signed certification including the following statement: "I attest that I am directly responsible for DROP audit compliance, and have the authority to make this certification on behalf of the business. Under penalty of perjury under the laws of the state of California, I hereby declare that to the best of my knowledge the auditor met requirements of Section 7631; the auditor was provided true and correct information and access to all systems and information requested; and that the business has not made any attempt to influence the auditor's decisions or assessments regarding the DROP audit"; and

(B) The name and business title of the person completing the certification, and the date of the certification.

(b) A data broker may utilize an audit, assessment, or evaluation that it has prepared for another purpose, provided that it meets all of the requirements of this Article, either on its own or through supplementation.

Note: Authority cited: Section 1798.99.87, Civil Code. Reference: Section 1798.99.86, Civil Code.