

**Subcommittee No. 5, Issue 19:
California Consumer Privacy Act of 2018 BCP (SUPPORT)**



May 14, 2019

TO: The Honorable Nancy Skinner, Senate Budget Subcommittee No. 5

SUBJECT: Subcommittee No. 5, Issue 19: California Consumer Privacy Act of 2018 BCP (SUPPORT)

The California Chamber of Commerce and the undersigned coalition of business interests strongly support the California Department of Justice's request for a permanent augmentation of 23 positions to implement and enforce the California Consumer Privacy Act of 2018 (CCPA), which is being considered by Subcommittee No. 5, in Issue No. 19.

The CCPA was signed into law June of 2018 and goes into effect January 1, 2020. The law impacts businesses of all sizes, across every industry. The CCPA is a complicated, 33-page, 10,000+ word law that is complex and, often, confusing. The International Association of Privacy Professionals states that over 500,000 businesses will be required to comply with the CCPA. Despite a business' best efforts of interpreting the CCPA, hiring lawyers, changing businesses practices, and creating new processes, many will have problems complying. Compliance is the goal of all stakeholders, and a well-funded uniform expert regulator is the best way to accomplish that goal.

The European equivalent of the CCPA, the General Data Protection Regulation, is being implemented and enforced by robust regulatory bodies. These regulators offer guidance, issue warnings, and impose fines. The Legislature selected the California Attorney General to fill that role for the CCPA. In fact, the role of a regulator was foundational to the CCPA and the most crucial aspects of the law, from offering guidance to bringing consistent enforcement actions, hinge on having a single entity in this role.

The Attorney General's office was a natural fit because it has an existing Privacy Enforcement and Protection Unit that has expertise in the area and has the infrastructure to provide for uniform statewide interpretation and enforcement of the CCPA. The Attorney General's Office is deep into the CCPA regulatory process and recently received over 1,300 pages of comments as part of the Preliminary Rulemaking Process.

The current budget request being considered as Issue No. 19 would help supplement the Attorney General's current staff working on the CCPA by adding a permanent augmentation of 23 positions. These positions would help the Attorney General develop the regulations, provide guidance to businesses, and pursue civil actions against noncompliant businesses. The CCPA was constructed with the understanding that the Attorney General would fill the role of sole regulator. This request is reasonable and is critical to assure that the Attorney General can succeed as regulator.

The CCPA also has a funding mechanism in which penalty settlement proceeds from Attorney General enforcement actions are used to offset the state costs. However, the quantity and timing of recovered funds are speculative, so we support a permanent augmentation to ensure the Attorney General is properly resourced for this important role.

For these reasons, we support the Department of Justice's request as reflected in the Governor's budget and as being considered as Issue No 19.

Sincerely,



Sarah Boot
Policy Advocate
California Chamber of Commerce

Advanced Medical Technology Association
Alliance of Automobile Manufacturers
American Council of Life Insurers
Association of California Life & Health Insurance Companies
CALASIAN Chamber of Commerce
California Association of Collectors
California Association of Licensed Investigators
California Association of Realtors
California Bankers Association
California Business Properties Association
California Cable & Telecommunications Association
California Communications Association
California Community Banking Network
California Credit Union League

California Fuels & Convenience Alliance
California Grocers Association
California Hospital Association
California Life Sciences Association
California Land Title Association
California Manufacturers & Technology Association
California Mortgage Bankers Association
California New Car Dealers Association
California News Publishers Association
California Restaurant Association
California Retailers Association
Card Coalition
Cemetery and Mortuary Association of California
CompTIA
Connected Commerce Council
Consumer Data Industry Association
CTIA
Email Sender & Provider Coalition
Engine Advocacy
Entertainment Software Association
Insights Association
Interactive Advertising Bureau
International Franchise Association
Internet Association
Internet Coalition
Investment Company Institute
Motion Picture Association of America
National Business Coalition on E-Commerce & Privacy
National Federation of Independent Business
National Payroll Reporting Consortium
NetChoice
Network Advertising Initiative
Plumbing Manufacturers International
San Diego Gas & Electric
Satellite Broadcasting and Communications Association
Securities Industry and Financial Markets Association
Southern California Gas Company
State Privacy & Security Coalition
Software & Information Industry Association
TechNet
The Toy Association

cc: The Honorable Holly Mitchell, Chair Senate Committee on Budget
Members, Senate Budget Subcommittee No. 5
Melissa Immel, Office of the Governor

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