Date of Hearing: April 2, 2024

### ASSEMBLY COMMITTEE ON PRIVACY AND CONSUMER PROTECTION Rebecca Bauer-Kahan, Chair AB 1949 (Wicks) – As Introduced January 29, 2024

#### AS PROPOSED TO BE AMENDED

**SUBJECT**: California Consumer Privacy Act of 2020: collection of personal information of a consumer less than 18 years of age

#### **SYNOPSIS**

The California Consumer Privacy Act (CCPA) gives consumers certain rights regarding their personal information, such as: (1) the right to know what personal information is collected and sold about them; (2) the right to request the categories and specific pieces of personal information that a business collects about them; and (3) the right to opt-out of the sale of their personal information, or opt-in, in the case of minors under 16 years of age.

Under current law, large businesses covered by the CCPA are prohibited from selling or sharing a child's personal information if the business has actual knowledge of the child's age. Attorney General, Rob Bonta, the sponsor of this bill argues that the actual knowledge standard "allows businesses to skirt the CCPA's specific prohibition on selling young users' data or using it for certain behavioral advertising by arguing that they did not have actual knowledge that the user was under the threshold age, which is currently age 16. This gives businesses an incentive to ignore signs that children are using their sites, and puts businesses that try to identify and protect young users at a competitive disadvantage."

Opponents of the bill, including the California Chamber of Commerce, Technet, Chamber of Progress, and the Electronic Frontier Foundation assert that removing the actual knowledge standard actually puts consumers' privacy at greater risk because businesses will now be required to collect more personal information to verify their consumers' ages. However, as discussed in detail in this analysis, nothing in the bill requires the collection of more information in order to conduct age verification in order to allow people to freely access websites and internet applications.

The focus of this bill is to eliminate potential loopholes in the CCPA by prohibiting the collection, sharing and selling of children's personal information unless the child, or their parents if under 13, consent. There are many ways that businesses could comply with the requirements of this bill without resorting to gathering more personal information from consumers. For example, businesses could certainly opt for a privacy protective approach by erring on the side of asking all consumers whether or not they want their personal information shared.

This bill is sponsored by California's Attorney General, Rob Bonta, and has a number of supporters, including Common Sense Media and Consumer Watchdog. This bill also has a number of opponents consisting of members of the business community and various privacy advocacy groups.

**SUMMARY**: Amends the CCPA to prohibit a business from collecting the personal information of a consumer under 18 years of age unless the consumer, or the consumer's parent or guardian if under 13, affirmatively authorizes the collection. Specifically, **this bill**:

- 1) Prohibits a business subject to the CCPA from collecting, using, or disclosing the personal information of a consumer under 18 years of age unless the consumer, or in the case of a consumer less than 13 years old, the consumer's parent or guardian, affirmatively authorizes its collection.
- 2) Removes the "actual knowledge" standard in the CCPA and instead prohibits a business from selling or sharing the personal information of consumers less than 18 years of age, unless the business receives prior authorization from the individual or their parent or guardian.
- 3) Requires that on or before July 1, 2025 the California Privacy Protection Agency (Privacy Agency) solicit broad public participation in the adoptions of regulations that:
  - a) Establish technical specification for an opt-out preference signal that allows the consumer, or the consumer's parents or guardian, to specify that the consumer is under 18 years of age.
  - **b**) Establish an age verification system capable of determining when a business must treat a consumer as being less than 13 or under 18 years old.

### **EXISTING LAW:**

- 1) Provides, pursuant to the California Constitution, that all people are by nature free and independent and have inalienable rights. Among these the fundamental right to privacy. (Cal. Const. art. I, § 1.)
- 2) States that the "right to privacy is a personal and fundamental right protected by Section 1 of Article I of the Constitution of California and by the United States Constitution and that all individuals have a right of privacy in information pertaining to them." Further states these findings of the Legislature:
  - a) The right to privacy is being threatened by the indiscriminate collection, maintenance, and dissemination of personal information and the lack of effective laws and legal remedies.
  - b) The increasing use of computers and other sophisticated information technology has greatly magnified the potential risk to individual privacy that can occur from the maintenance of personal information.
  - c) In order to protect the privacy of individuals, it is necessary that the maintenance and dissemination of personal information be subject to strict limits. (Civ. Code § 1798.1.)
- 3) Establishes the California Consumer Privacy Act. (Civ. Code §§ 1798.100-1798.199.100.)
- 4) Limits a business' collection, use, retention, and sharing of a consumer's personal information to that which is reasonably necessary and proportionate to achieve the purposes for which the personal information was collected or processed, or for another disclosed purpose that is compatible with the context in which the personal information was collected,

and not further processed in a manner that is incompatible with those purposes. (Civ. Code § 1798.100(c).)

- 5) Prohibits a business from selling or sharing the personal information of a child that is 16 years of age or younger, if the business has actual knowledge of the child's age, unless the child, or the child's parent or guardian in the case of children less than 13 years old has affirmatively authorized the sharing of selling of the personal information. (Civ. Code § 1798.120(c).)
- 6) Provides that consumers have the right, at any time, to direct a business that collects sensitive personal information about the consumer to restrict the use of that information to only that use which is necessary to perform the services or provide the goods reasonably expected by an average consumer who requests those goods or services. (Civ. Code § 1798.121(a).)
- 7) Establishes the Privacy Agency, vested with full administrative power, authority, and jurisdiction to implement and enforce the CCPA. The Privacy Agency is governed by a five-member board, with the chairperson and one member appointed by the Governor, and the three remaining members are appointed by the Attorney General, the Senate Rules Committee, and the Speaker of the Assembly. (Civ. Code § 1798.199.10.)
- 8) Requires the Privacy Agency adopt regulations to further the purposes of this title, among them:
  - a) Regulations to define the requirements and technical specifications for an opt-out preference signal sent by a platform, technology, or mechanism, to indicate a consumer's intent to opt out of the sale or sharing of personal information and to limit the use disclosure of sensitive personal information.
  - b) Regulations establishing technical specifications for an opt-out preference signal that allows the consumer or the consumer's parent or guardian, to specify that the consumer is less than 13 years of age or at least 13 years of age but less than 16 years of age. (Civ. Code § 1798.185(a)(19).)
- 9) Defines the following terms under the CCPA:
  - a) "Business" means a for-profit entity that collects consumers' personal information, does business in California, and meets one or more of the following criteria:
    - i) It had gross annual revenue of over \$25 million in the previous calendar year.
    - ii) It buys, receives, or sells the personal information of 100,000 or more California residents, households, or devices annually.
    - i) It derives 50% or more of its annual revenue from selling California residents' personal information. (Civ. Code § 1798.140(d).)
  - b) "Collects" and "collection" mean buying, renting, gathering, obtaining, receiving, or accessing any personal information pertaining to a consumer by any means. The term includes receiving information from the consumer, either actively or passively, or by observing the consumer's behavior. (Civ. Code § 1798.140(f).)

- c) "Personal information" means information that identifies, relates to, describes, is reasonably capable of being associated with, or could reasonably be linked, directly or indirectly, with a particular consumer or household. Personal information includes such information as:
  - i) Name, alias, postal address, unique personal identifier, online identifier, IP address, email address, account name, social security number, driver's license number, passport number, or other identifier.
  - ii) Commercial information, including records of personal property, products or services purchased, obtained, or considered, or other purchasing or consuming histories or tendencies.
  - iii) Biometric information.
  - iv) Internet activity information, including browsing history and search history.
  - v) Geolocation data.
  - vi) Audio, electronic, visual, thermal, olfactory, or similar information.
  - vii)Professional or employment-related information. (Civ. Code § 1798.140(v).)
- d) "Sell" means, with certain exceptions, selling, renting, releasing, disclosing, disseminating, making available, transferring, or otherwise communicating orally, in writing, or by electronic or other means, a consumer's personal information by the business to a third party for monetary or other valuable consideration. (Civ. Code § 1798.140(ad).)
- e) "Sensitive personal information" means personal information that reveals a person's:
  - i) Social security, driver's license, state identification card, or passport number.
  - ii) Account log-in, financial account, debit card, or credit card number in combination with any required security or access code, password, or credentials.
  - iii) Precise geolocation.
  - iv) Racial or ethnic origin, citizenship or immigration status, religious or philosophical beliefs, or union membership.
  - v) Email, mail and text messages.
  - vi) Genetic data.
  - vii)Information collected and analyzed relating to health.
  - viii) Information concerning sex life or sexual orientation. (Civ. Code § 1798.140(ae).)
- f) "Share," "Shared," or "Sharing" to mean sharing, renting, releasing, disclosing, disseminating, making available, transferring, or otherwise communicating a person's

personal information by a business to a third party for cross-context behavioral advertising. (Civ. Code § 1798.140(ah).)

- g) "Third party" means a person who is not any of the following:
  - i) The business with whom the consumer intentionally interacts and that collects personal information from the consumer as part of the consumer's current interaction with the business under the CCPA.
  - ii) A service provider to the business.
  - iii) A contractor. (Civ. Code § 1798.140(ai).)

### FISCAL EFFECT: As currently in print, this bill is keyed fiscal.

### **COMMENTS**:

1) **Purpose of this bill.** In California, the CCPA secures increased privacy rights for consumers, including the right to know what personal information businesses collect and sell and the right to stop those sales to third parties. With respect to young users, the CCPA prohibits businesses from selling the personal information of a child that they know to be under the age of 16 unless they get affirmative authorization ("opt-in") for the sale of the child's personal information.

The author argues that the current CCPA protections fail to protect 17-year-old users, and do not adequately limit businesses from collecting and exploiting the data of children so long as they do not sell it. These gaps in the law have, among other things, allowed companies like Google and Meta to collect, exploit, and monetize young users' data on a massive scale.

In addition, the "actual knowledge" standard in existing law could allow businesses to skirt the CCPA's specific prohibition on selling young users' data or using it for certain behavioral advertising by arguing that they did not have actual knowledge that the user was under the threshold age, which is currently age 16. This loophole may incentivize some businesses to ignore signs that children are using their sites and puts businesses that try to identify and protect young users at a competitive disadvantage.

Because social media platform operators primarily earn revenue through digital advertising to their users and by keeping people attached to their platforms, these companies have a strong financial incentive to design their products to maximize the time users, including children, spend on their social media. The collection and exploitation of children's personal information is, in large part, what enables businesses to harness the algorithmic delivery of content designed to keep children and young people on platforms and drive up company profits in the process.

The purpose of this bill is to tighten the restrictions on the collection, sharing, and sale of children's data in order to stop businesses from placing profits over protecting the privacy rights of young people.

2) Author's statement. According to the author:

According to research from UNICEF, approximately one in three internet users is a child who will generate tens of thousands of data points by the time the individual turns 18. This data, if used responsibly, can provide important information. However, without appropriate safeguards, it can also have a chilling effect on children at crucial development stages and potentially negatively impact their futures.

In a 2018 report, the London School of Economics noted that privacy is vital for child development. The report suggested that key privacy-related media literacy skills are closely associated with a number of child developmental areas, including autonomy, identity, responsibility, trust, pro-social behavior, resilience, and critical thinking. While online platforms can provide opportunities for such development, they also introduce and amplify risks that children may not have the capacity to navigate.

While existing federal and state privacy laws offer important protections that guard children's privacy, California's groundbreaking privacy protections – the CCPA and the CPRA - do not expressly include children. AB 1949 seeks to hold businesses accountable for unauthorized collection of children's data, in addition to updating safeguards and enforcements within the CCPA and the CPRA.

3) **How this bill would work.** This bill makes two key changes to the CCPA as it pertains to the collection, sharing, and sale of the personal information of children and young people under the age of 18:

1. It removes the "actual knowledge" standard in the law, leaving a strict prohibition against collecting, sharing, or selling the personal information of children under the age of 17 unless the child, or the child's parent or guardian if the child is under 13, provides prior authorization for the business to do so.

2. It increases the current prohibition against selling the personal information of children from 16 years old to include all youth under 18 years old, unless the business receives explicit permission to do so.

4) **The California Consumer Privacy Act and the California Privacy Rights Act (CPRA).** In 2018, the Legislature enacted the CCPA (AB 375 (Chau, Chap. 55, Stats. 2018)), which gives consumers certain rights regarding their personal information, such as the right to: (1) know what personal information about them is collected and sold; (2) request the categories and specific pieces of personal information the business collects about them; and (3) opt out of the sale of their personal information, or opt in, in the case of minors under 16 years of age.

Subsequently, in 2020, California voters passed Proposition 24, the California Privacy Rights Act (CPRA), which established additional privacy rights for Californians. With the passage of the CCPA and the CPRA, California now has the most comprehensive laws in the country when it comes to protecting consumers' rights to privacy.

In addition, Proposition 24 created the California Privacy Protection Agency (Privacy Agency) in California, vested with full administrative power, authority, and jurisdiction to implement and enforce the CCPA and the CPRA. The Agency's responsibilities include updating existing regulations, and adopting new regulations.

To protect Californians from any future legislative efforts to weaken statutory protections in the CPRA, Proposition 24 provided that the CPRA's contents may be amended by a majority vote of the Legislature only if the amendments are consistent with and further the purpose and intent of

the CPRA, which is to further protect consumers' rights, including the constitutional right of privacy.<sup>1</sup>

5) **Proposed committee amendments.** The proposed amendments are intended to be technical and clarifying in nature. Specifically:

Amendment #1 clarifies the term "use" in section three of the bill -

1798.121(e) Notwithstanding any other provision of this section, a business shall not use or disclose the personal information of a consumer less than 18 years of age, unless the consumer, in the case of a consumer at least 13 years of age and less than 18 years of age, or the consumer's parent or guardian, in the case of a consumer less than 13 years of age, has affirmatively authorized the use or disclosure of the consumer's personal information. *This subdivision does not prohibit short-term, transient use of personal information that is necessary and proportional to the purpose for which it is used, and is not used, disclosed, or retained for any other purpose, including to build a profile regarding the consumer.* 

Amendment #2 amends section four in the bill to reflect the change to age 18 in keeping with the purpose of the bill -

1798.185(a)(19)(B) Issuing regulations to establish technical specifications for an opt-out preference signal that allows the consumer, or the consumer's parent or guardian, to specify that the consumer is less than 13 years of age, or at least 13 years of age and less than 16 18 years of age.

6) **Analysis.** The primary questions before this Committee are whether the proposed changes further goals of the CPRA by increasing protections related to children's private information or reduces privacy protections for all consumers. If the Committee determines that it may impact consumers' privacy, the question then becomes does the need to protect children on the internet outweigh the potential privacy risks?

While the proposed language changes to the CCPA are simple and straightforward, the policy changes are significant. Primarily, removing the "actual knowledge" standard in the bill has the potential to dramatically change the way businesses behave when it comes to collecting, sharing, and selling the data of California's young people. Nothing in the proposed bill makes any change to the way the personal information of adults is handled. Depending on whether one finds the arguments of the author and sponsor or the opposition more compelling, the move away from requiring that businesses have actual knowledge of a consumer's age either increases privacy protections or reduces them.

On one hand, the author and sponsor argue that the actual knowledge standard "allows businesses to skirt the CCPA's specific prohibition on selling young users' data or using it for certain behavioral advertising by arguing that they did not have actual knowledge that the user was under the threshold age, which is currently age 16. This gives businesses an incentive to ignore signs that children are using their sites, and puts businesses that try to identify and protect young users at a competitive disadvantage."

<sup>&</sup>lt;sup>1</sup> Ballot Pamphlet. Primary Elec. (Nov. 3, 2020) text of Prop. 24, p. 74

On the other hand, opponents, including several privacy organizations, argue that removing that standard effectively weakens all consumers' privacy protections by requiring businesses to collect more personal information in order to verify the consumer's age. On this point, the Electronic Frontier Foundation (EFF) argues:

Changing this standard in the CCPA would spur companies to collect more data on everyone because it asks them to consider more than just what users have reported about their own age. Companies are likely to collect this personal information out of fear of being held strictly liable for violating the law. In the past, we have seen companies overcensor content or prevent broad public access to information to comply with standards that are less stringent than "actual knowledge." This is because online services have no practical way to, at scale, verify their users are adults—short of an age-gate that asks everyone for their information for the purpose of identifying children.

This argument of censorship or restricting access to information shows up throughout the opposition letters. In fact, EFF as well as a coalition of opponents that includes the California Chamber of Commerce, Chamber of Progress, and Technet suggest that requiring businesses to obtain consent for the collection, use, and sharing of children's data violates the First Amendment rights of children to both receive information and express themselves. Their letters, respectively, cite cases that invalidated prohibitions on selling minors video games with specific content. (*Brown v. Ent. Merchants Ass'n* (2011) 564 U.S. 786, 794 [violent video games]; *Entertainment Software Ass'n v. Blagojevich* (7th Cir. 2006) 469 F.3d 641, 646-47 [sexually explicit video games].) While these cases do not appear to directly implicate this bill—which is neither content-specific nor a prohibition on receiving information—such concerns arguably counsel in favor of continuing to work with stakeholders to ensure the bill is drawn as narrowly as possible without undermining its purpose.

The coalition further argues that:

By requiring businesses to seek the consent of a minor's parent or guardian if the minor is under the age of 13, to collect or use any of the minor's PI, this bill will prove problematic if not dangerous to some children who are seeking out information or services that their parent would not approve of. Imagine a 12-year-old wanting to browse books or find resources online to help them grapple with questions around their identity or to obtain necessary mental health services in a household where doing so would put them at risk. The business is placed in the position of having to either obtain parental consent or deny them the important resources that they are seeking out.

Nothing in this bill appears to *require* companies to either censor access to information on the internet or collect more personal information to verify age for the following reasons:

1. In the context of the CCPA, particularly as it relates to section 3 of the bill where the term "use" currently appears in subdivision (a) of that section, the paragraph clearly states that "use" does not include *that use which is necessary to perform the services or provide the goods reasonably expected by an average consumer who requests those goods or services, to perform the services, as defined*, making it clear that the use of the term is not intended to

restrict access to websites in any way.<sup>2</sup> Furthermore, these restrictions are already in place for consumers who have requested that their sensitive data be limited to only those necessary uses. Presumably, consumers making that request are not restricted from using the internet or expressing themselves. What it does mean is that their sensitive information cannot be *used* by the business for targeted advertising or any other activity that is not strictly necessary. Out of an abundance of caution, however, the Committee amendment discussed previously clarifies what is meant by the term "use."

- 2. When it comes to determining the age of a consumer, the large companies bound by the CCPA likely already have constructive knowledge of the age of their regular consumers based on the products being used. For example, if a consumer is accessing a tutoring application targeted at middle school students the owner of that application should know that the majority of their consumers are under 18 and should refrain from collecting, sharing, or selling the consumers' personal information. Similarly, while games designed for children may also have adult consumers, given the product and its targeted age group, a business should be able to reasonably determine that the majority of their consumers are under 18 and ask for consent prior to collecting any information.
- 3. Finally, out of an abundance of caution, businesses could choose to seek the prior authorization of all consumers prior to collecting, selling, or sharing their data. To the extent the personal information is used to target advertising or steer consumers to specific content or products, businesses could let consumers decide what is of interest to them and seek it out as they do when going into physical stores and entertainment venues.

Prior to the advent of the internet and social media, businesses determined who their targeted audiences were and then developed advertising strategies that involved placing ads in specific magazines and newspapers that were read by their targeted audience or running commercials during television shows that their target audience watched. For example, if an advertiser wanted to sell toys, they would generally run commercials during shows traditionally watched by children. It was not necessary for Lego and Mattel's success to know that Suzy Smith loved Legos and Skipper Barbie Dolls, along with Suzy's exact habits and interests, in order to specifically target advertising for those items directly at Suzy and her parents.

Given these considerations, one could reasonably argue that this bill, which restricts the collection, selling, and sharing of children's personal information is consistent with and furthers the purpose and intent of the CPRA, which is to protect consumers' rights, including the constitutional right to privacy.

Opponents of the bill make additional arguments, some of which are included in a later section. However, the gist of the arguments relate to eroding privacy protections and requiring the collection of additional personal information in order to verify the ages of their consumers.

The intent of this bill is to prevent businesses from profiting by collecting detailed personal information of children in order to manipulate those children and drive them toward particular content or products. Social media companies have known for some time that social media use

<sup>&</sup>lt;sup>2</sup> Civil Code § 1798.121(a)

can be harmful to young users, and despite that knowledge, have continued to use algorithms and other design features to capture and hold their attention. In the fall of 2021, much of the country was enthralled by Frances Haugen's testimony regarding Facebook's internal research regarding the impact of social media on users, particularly young users. (Note: Facebook's parent company renamed itself "Meta" shortly after Haugen's testimony, an apparently unrelated event.) Haugen's testimony claimed that social media companies are part of the reason for the child and teen mental health crisis—and that Facebook was aware of the correlation. Haugen, a former Facebook employee, testified, "Facebook chooses to mislead and misdirect. Facebook has not earned our blind faith." According to a Facebook study leaked by Haugen, more than 13% of teen girls in the U.K. reported their suicidal thoughts became more frequent after beginning to use Instagram; another leaked study found 17% of teen girls reported their eating disorders worsened after using the platform.<sup>3</sup>

Given some businesses' seeming disinterest in self-regulating to protect children online, deciding to take a stronger approach in order to compel them to comply with California's privacy laws, by removing the actual knowledge standard, appears to be a reasonable next step. In addition, on a larger scale, consumers and policymakers should not necessarily accept as fact that the complete erosion of privacy, particularly children's privacy, is necessary in order for businesses and the internet to exist. This bill likely would further the protection of young Californians' personal information and is worthy of serious consideration.

7) **Related legislation.** Over the last 5 years numerous bills have attempted to modify the CCPA and many have been successful in furthering its goals. In this hearing, alone, three bills, including this one, propose modifications to the CCPA. Specifically:

AB 1824 (Valencia) requires, under the CCPA, that businesses that are acquiring the personal data of consumers through the acquisition of another business, honor the previous decisions of consumers who have not given permission for the business to sell or share their personal information.

AB 3048 (Lowenthal) proposes prohibiting a business from developing or maintaining an internet browser through which a consumer interacts with a business that does not include a setting that enables the consumer to send an opt-out preference signal to that business.

# **ARGUMENTS IN SUPPORT:**

Attorney General Bonta argues in support of the bill:

Because operators of social media platforms primarily earn their revenue through digital advertising to their users and by keeping people attached to their platforms, these companies have a strong financial incentive to design their products to maximize the time users—including children—spend on their social media. The collection and exploitation of children's personal information is in large part what enables businesses to harness the

<sup>&</sup>lt;sup>3</sup> Allyn, *Here are 4 key points from the Facebook whistleblower's testimony on Capitol Hill*, National Public Radio (Oct. 5, 2021), *available at* <u>https://www.npr.org/2021/10/05/1043377310/facebook-whistleblower-frances-haugen-congress</u>

algorithmic delivery of content designed to lead to social media addiction in children, and drive up company profits in the process. The proposed legislation seeks to protect children from these types of business practices.

Also in support, the Consumer Attorneys of California note:

In October 2023, Attorney General Bonta and a bipartisan coalition of 33 attorneys general filed a federal complaint against Meta, alleging that the company (which owns Facebook and Instagram) is violating various federal and state privacy and consumer protection laws. The complaint revealed that Meta knows that its social media platforms are used by millions of children under 13, including, at one point, around 30% of all 10 to 12-year-olds, and unlawfully collects their personal information.

The CCPA currently does not provide protections for 17 year old users, and the CCPA doesn't limit the collection of data for children if the data is not sold. Additionally, the actual knowledge standards allows companies to skirt the law by arguing they did not have actual knowledge the user was under 16. "Actual knowledge" incentivizes a blind eye instead of trying to identify and protect young users.

AB 1949 seeks to combat these loopholes by (1) prohibiting the collection, use or disclosure of personal information for Californians under 18 without affirmative consent (consent by a parent if under 13) [and] (2) establishes that existing protections apply whether or not the business had actual knowledge that the person is under age 18....

# **ARGUMENTS IN OPPOSITION:**

Taking an "oppose unless amended" position, Oakland Privacy writes:

One of the three primary things proposed in AB 1949 is to change the age bracket for enhanced standards to include 16 and 17 year olds. It is important to remember that the standards in the CA Privacy Rights Act apply to the entire Internet, not just social media. This includes news sites, educational websites, shopping websites, and college application materials. The typical older adolescent uses online resources for many things including school assignments, and also may assist family members with online tasks (this is especially prevalent in newcomer families). While an affirmative opt-in is never a bad thing, we are not sure that treating a young adult applying for college as if they are a fourteen year old trying to get on Instagram as exactly the same problem is quite right. An affirmative opt-in, when paired with the other provisions in the bill regarding actual knowledge of a minor's age, would likely create significant burdens on online access for young people just a few months shy of voting or being able to join the military.

[...]

AB 1949 adds a date of July 2025 for the California Privacy Protection Agency to issue regulations regarding technical specifications for an opt-out/opt-in preference signal, along with age verification procedures. We agree with the author that a global preference signal is the desired long-term solution for operationalizing the CPRA, including the restrictions on selling and sharing children's data without consent.

[I]f AB 1949 were to be adopted as written, it would be demanding these regulations and technical specifications be issued less than 7 months after the bill takes effect, which would be a demanding schedule for the CA Privacy Agency to meet. In addition, this timing would encourage businesses to implement age verification procedures for the period from January to July of 2025 (at least) that would then be subject to change after the CPPA issues its regulations.

To be clear, we are privacy advocates and not advocates for business interests, so the problems that the AB 1949 timeline would cause to businesses is not the primary focus of our advocacy. But we do believe that public policy should be enforceable and should be structured so that regulated entities can comply with reasonable, not extraordinary, efforts. The proposed timeline in AB 1949 doesn't make sense, from our point of view.

# **REGISTERED SUPPORT / OPPOSITION:**

# Support

Attorney General, Rob Bonta (sponsor) Children's Advocacy Institute Childrens Advocacy Institute Common Sense Media Consumer Attorneys of California Consumer Watchdog

# **Support If Amended**

ACLU California Action

# Opposition

American Property Casualty Insurance Association California Chamber of Commerce Chamber of Progress Civil Justice Association of California Computer & Communications Industry Association Electronic Frontier Foundation Privacy Rights Clearinghouse Software & Information Industry Association Technet

# **Oppose Unless Amended**

Oakland Privacy

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