

GENERAL APPLICABILITY AND REQUIREMENTS OF THE CALIFORNIA CONSUMER PRIVACY ACT

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1. **Introduction.** The CCPA intended to protect the data privacy rights of citizens living in California. The law forces companies to provide more information to consumers about what's being done with their data and gives them more control over the sharing of their data.

2. **Applicability.** The CCPA covers any business— a for-profit legal entity — that collects and sells consumer “personal information”, with a few exemptions discussed below. The law sets a floor in terms of revenue and the number of consumer records being processed for the CCPA to kick in. A company has to meet one of the following for the CCPA to apply:

- Have \$25 million or more in annual revenue; or
- Annually buy, receive, sell or share personal information of 50,000 or more California consumers, households or devices; or
- Earn more than half of its annual revenue selling consumers' personal data.

The following types of businesses are exempt:

- Health providers and insurers already under HIPAA
- Banks and financial companies covered by Gramm-Leach-Bliley
- Credit reporting agencies (Equifax, TransUnion, etc.) that are under the Fair Credit Reporting Act

3. **Consumers' Rights.** The new rights under the CCPA are similar to many contained in the EU's General Data Protection Regulation. The CCPA gives California residents the right to request that a business:

- Disclose the categories and specific pieces of personal information it has collected.

- Disclose the categories of sources from which the personal information is collected.
- Disclose the business or commercial purpose for collecting or selling the personal information.
- Disclose the categories of third parties with which the business shares the personal information.
- Delete any personal information about the consumer that the business has collected from a consumer, subject to certain exceptions.
- Not “sell” (broadly defined) the consumer’s personal information if the consumer opts-out (the “do not sell” opt-out).

4. **Privacy Policies / Disclosures.** The CCPA has added several new substantive elements to the required disclosures that must be included in a privacy notice or policy. In addition to the information that must be included under the existing California laws or provided pursuant to California’s “Shine the Light” law, online privacy policies must include:

- A description of consumers’ rights under the CCPA.
- A description of the categories of personal information collected by the business in the preceding 12 months.
- The commercial and business purposes for which the personal information is collected.
- The categories of personal information sold or disclosed for a business purpose in the preceding 12 months.
- The categories of third parties with which personal information is shared.
- If the Company sell personal information, a link to a “Do Not Sell My Personal Information” web-based opt-out tool.
- A description of any financial incentives for providing data or not exercising rights (e.g., if the company offers a 15% discount to individuals who provide their email address for marketing purposes, this incentive must be disclosed in the privacy policy).