

## [Banking and Finance Law Daily Wrap Up, PRIVACY—California makes clarifying amendments to newly enacted privacy law, \(Sept. 25, 2018\)](#)

Banking and Finance Law Daily Wrap Up

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California Governor Jerry Brown signed legislation making a number of changes to the recently enacted California Consumer Privacy Act of 2018 aimed at clarifying a number of the Act's provisions to ensure its proper implementation, including the effective date, enforcement procedures, and applicability. The Act established comprehensive privacy protections giving California residents, including minors, significantly more control over their personal information and an enforcement mechanism to protect their rights (see [Banking and Finance Law Daily](#), June 29, 2018). The amending legislation ([S.B. 1121](#)) was designated as the vehicle for making clarifications to the Act that were needed immediately, and reflects agreements reached between the legislative authors and stakeholders on a variety of issues, according to the bill's author, State Sen. Bill Dodd.

The amending legislation:

- makes various technical and clarifying amendments, including the removal of provisions that were inadvertently included in the Act, and the clarification that relevant "verifiable requests" are "verifiable consumer requests";
- provides that the rights afforded to consumers and the obligations imposed on businesses under the Act do not apply to the extent that they infringe on the noncommercial activities of persons or entities in the news information business as defined in the state's constitution;
- provides that the cause of action established by the Act only applies in cases where a consumer's nonencrypted or nonredacted personal information is subject to unauthorized access and exfiltration, theft, or disclosure as a result of a business's violation of the duty to implement and maintain reasonable security procedures and practices appropriate to protect the personal information;
- revises provisions governing medical information and other information collected by covered entities;
- makes changes to provisions regarding the Gramm-Leach-Bliley Act and the Driver's Privacy Protection Act of 1994, and additionally exempts information that is collected, processed, sold, or disclosed pursuant to the California Financial Information Privacy Act;
- removes the requirement that a consumer bringing an action under the Act must first notify the California Attorney General, and also removes the attendant duties placed upon the Attorney General in connection with a consumer action;
- recasts and revises provisions regarding civil penalties;
- extends the date by which the California Attorney General must adopt regulations implementing the Act, and delays the ability of the Attorney General to bring an enforcement action; and
- removes the delayed operative date of the Act's preemption provision.

The law ([Ch. 735](#)) took effect Sept. 23, 2018.

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