

## Expected Government Cost to Implement California SB 362

**California is grossly under forecasting cost estimates to establish and maintain California SB 362’s deletion mechanism by entire orders of magnitude.** The California Privacy Protection Agency (“CPPA”) assumes the cost of standing up this mechanism will be less than \$1 million in its first year with ongoing maintenance costs estimated to be roughly \$330,000 per year.<sup>1</sup> However, costs to implement and sustain much simpler consumer tools—designed to help consumers submit opt-out requests that require less information about the consumer or to verify the consumer in the manner required under the CCPA, and that have a more limited scope than that of SB 362’s deletion requests—dwarf these costs.

**The Federal Trade Commission spent \$14.6 million in 2003 dollars to implement its Do-Not-Call Registry, and it is estimated that ongoing maintenance costs the Commission \$12 to \$20 million per year.**<sup>2</sup> Common sense says the greater complexity of the SB 362 deletion mechanism means its costs will be greater. Adding millions of dollars in state expenses would impose a heavy burden on all Californians, especially when the state is budgeting to respond to a more than \$30 billion deficit.

The Social Security Administration recently developed an API for financial services companies to verify whether an SSN matched an individual with an automatic “yes/no”. **The forecast to build the SSN system in 2021 was \$45 million and the actual cost was over \$53 million.**<sup>3</sup>

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<sup>1</sup> See California Senate Committee on Appropriations, *SB 362 Fiscal Summary* (Apr. 27, 2023), available [here](#) as “05/05/23 – Senate Appropriations.”

<sup>2</sup> See United States Government Accountability Office, *Implementation of the National Do-Not-Call Registry*, 17 (Jan. 2005), available [here](#); Federal Trade Commission (“FTC”), *Congressional Budget Justification Fiscal Year 2024*, 8, 76 (Mar. 13, 2023), available [here](#); FTC, *Biennial Report to Congress Under the Do-Not-Call Registry Fee Extension Act of 2007*, 2 (Dec. 2019), available [here](#).

<sup>3</sup> See <https://federalnewsnetwork.com/management/2023/06/ssa-built-a-system-to-help-combat-identity-fraud-backers-say-its-at-risk-of-collapse/>