

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.¹ 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.² 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.**³

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

² 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](#).

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