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Proponents Withdraw Initiative to Establish New Consumer Privacy Rights; Expand Liability for Consumer Data Breaches

SACRAMENTO – Secretary of State Alex Padilla today announced that an initiative eligible for the November 6, 2018, General Election ballot has been withdrawn by the proponents.

The Attorney General's official title and summary of the initiative is as follows:

ESTABLISHES NEW CONSUMER PRIVACY RIGHTS; EXPANDS LIABILITY FOR

CONSUMER DATA BREACHES. INIATIVE STATUTE. Gives consumers right to learn categories of personal information that businesses collect, sell, or disclose about them, and to whom information is sold or disclosed. Gives consumers right to prevent businesses from selling or disclosing their personal information. Prohibits businesses from discriminating against consumers who exercise these rights. Allows consumers to sue businesses for security breaches of consumers' data, even if consumers cannot prove injury. Allows for enforcement by consumers, whistleblowers, or public agencies. Imposes civil penalties. Applies to online and brick-and-mortar businesses that meet specific criteria. Summary of estimate by Legislative Analyst and Director of Finance of fiscal impact on state and local government: Increased costs, potentially reaching the low tens of millions of dollars annually, to state and local governments from implementing and enforcing the measure, some or all of which would be offset by increased penalty revenue or settlement proceeds authorized by the measure. Unknown impact on state and local tax revenues due to economic effects resulting from new requirements on businesses to protect consumer information.

The measure previously became eligible for the ballot on June 25, 2018, through a random sample verification of signatures.

Pursuant to Elections Code 9604(b), proponents may withdraw an initiative any time before the Secretary of State certifies it as qualified. The 131-day qualification deadline for the November 6, 2018, General Election is June 28.

The proponents of this initiative, Mary Ross and Alastair Mactaggart can be reached c/o James C. Harrison (510) 346-6200.

For more information about how an initiative qualifies for the ballot in California, go to <u>http://www.sos.ca.gov/elections/ballot-measures/how-qualify-initiative/</u>

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