

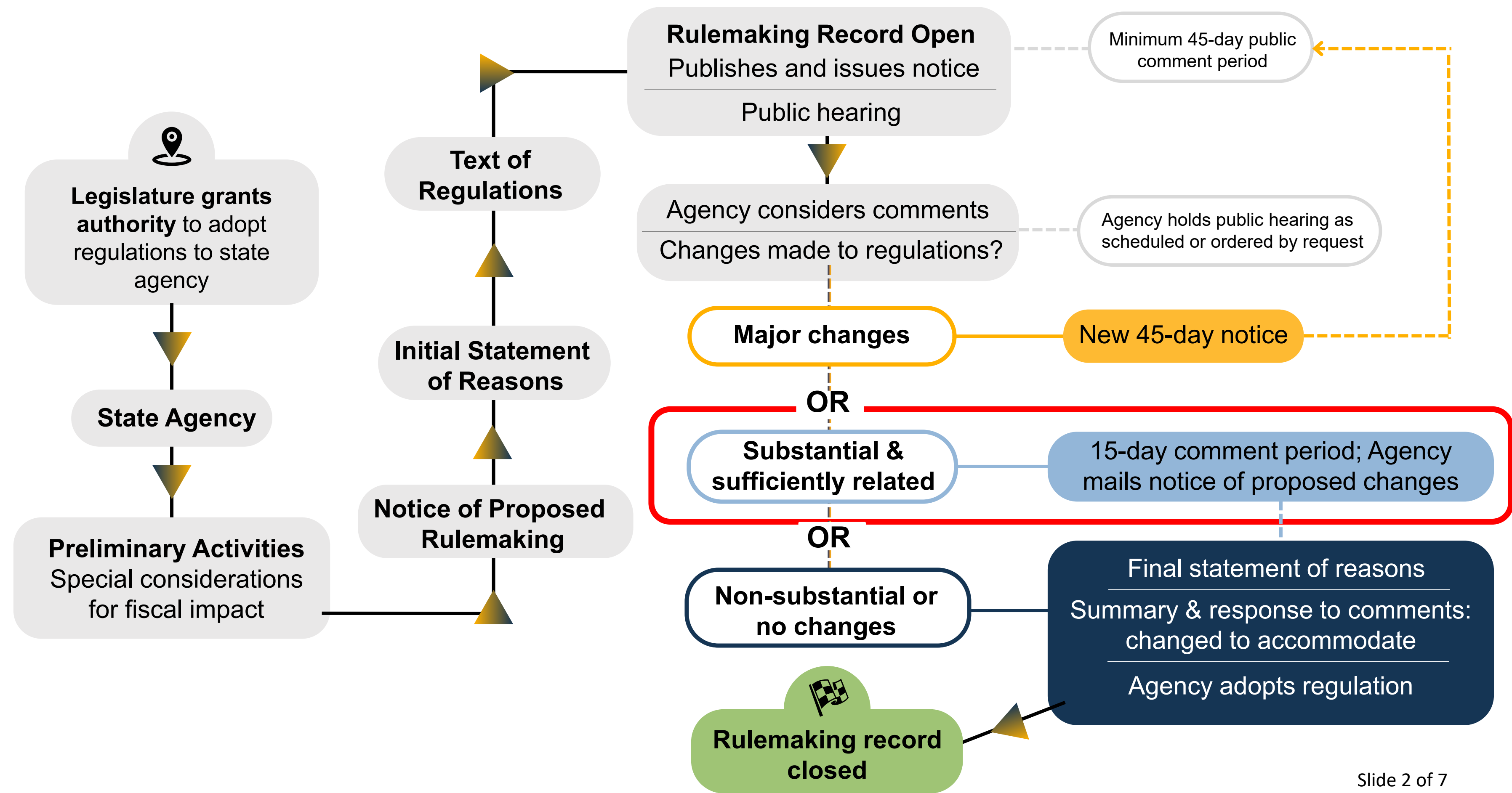


# **Potential Modifications to Proposed Regulations**

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**May 1, 2025 Board Meeting**

# CALIFORNIA RULEMAKING PROCESS



# Cybersecurity Audits – Phase In

Phase in by Annual Revenue*	Option 1 (in revised text)	Option 2 (additional option)
> \$1B	April 1, 2028	April 1, 2028
>\$100M-\$1B**		April 1, 2029
\$50M-\$100M	April 1, 2029	April 1, 2030
< \$50M	April 1, 2030	April 1, 2031

\*Note: Business must meet criteria in 7120(b)

# Cybersecurity Audits

1. Consolidating cybersecurity audit report requirements
2. Removing requirements to involve business's board of directors
3. Clarifying certification-of-completion requirements
4. Removing certain explanatory requirements

# Risk Assessments

1. Revising thresholds for risk assessments
2. Streamlining requirements for conducting and documenting a risk assessment
3. Adding example of how a business would supplement an assessment completed for another state, to meet the requirements of 7152
4. Simplifying risk-assessment-submission requirements

# ADMT

1. Revising definitions of ADMT and “significant decision”
2. Providing flexibility and clarity regarding timing
3. Streamlining Pre-use Notice requirements (e.g., clarifying that it can be combined with Notice at Collection)
4. Streamlining opt-out exceptions for human appeal and certain decisions
5. Clarifying what must be included in response to a request to access ADMT

# Preliminary Economic Updates

REGULATION TOPIC	NEW 1Y DIRECT COSTS	PREVIOUS 1Y DIRECT COSTS	% COST SAVINGS
<b>ADMT</b>	\$143,069,749	\$834,573,537	83%
<b>Cybersecurity Audits</b>	\$595,002,188 (with phase-in Option 1)	\$2,051,410,438	71%
<b>Risk Assessments</b>	\$182,195,480	\$206,570,839	12%
<b>Update Regulations</b>	\$317,011,733	\$368,617,335	14%
<b>TOTAL:</b>	<b>\$1,237,279,150</b>	\$3,461,172,149	<b>64%</b>