

Alerts & Publications



California Legislature Passes Bill Extending CCPA Exemptions

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KEY CONTACTS

Scott W. Pink

Silicon Valley
D: +1-650-473-2629

Aleksander (Sasha) Danielyan

Silicon Valley
D: +1-650-473-2653

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On August 30, 2020, the California Legislature passed [AB-1281](#), a bill that amends the California Consumer Privacy Act (CCPA) to extend two important CCPA exemptions beyond their current January 1, 2021 expiration date. California Governor Gavin Newsom is expected to sign AB-1281 into law later this month.

The two CCPA exemptions apply to certain employment-related information and personal information collected in the context of business-to-business transactions. The employment-related exemption applies to (a) personal information that is collected from a natural person by a business in the course of the natural person's role as a job applicant, employee, or contractor of that business; (b) emergency contact information for that person; and (c) personal information necessary to administer benefits for that person. This exemption applies to all of the provisions of the CCPA, except for the requirement to provide a notice at collection.

The business-to-business exemption applies to personal information that reflects a communication between a business and any employee or contractor of another company, if the communication occurs solely within the context of the business and company conducting business together. This exemption applies to all of the provisions of the CCPA.

AB-1281 extends the expiration of these exemptions for one or two years, depending on the outcome of another proposed law. This November, California voters will be voting on the California Privacy Rights Act (CPRA), a new ballot initiative by the same nonprofit group behind the CCPA. The CPRA is intended to revamp and strengthen the CCPA. Among CPRA's most prominent provisions is the creation of a new enforcement authority, the California Privacy Protection Agency. If passed, the CPRA would not become effective until January 1, 2023.

If the CPRA fails at the ballot box, AB-1281 will extend the expiration of the exemptions to January 1, 2022. However, if the CPRA passes in November, the exemption will be extended by an additional year to January 1, 2023.

For more information on the regulations, and CCPA compliance, please see our [prior alerts](#) and our [CCPA toolkit](#).

This memorandum is a summary for general information and discussion only and may be considered an advertisement for certain purposes. It is not a full analysis of the matters presented, may not be relied upon as legal advice, and does not purport to represent the views of our clients or the Firm. Scott Pink, an O'Melveny special counsel licensed to practice law in California, and Aleksander Danielyan, an O'Melveny staff attorney licensed to practice law in California, contributed to the content of this newsletter. The views expressed in this newsletter are the views of the authors except as otherwise noted.

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