



EYE ON WASHINGTON

Timely, topical insights on a variety of payroll and reporting issues.

Detailed Look at State, Local and Federal Updates



★ State/Territory/District

Delayed CCPA Regulations: Slight Reprieve But Time is Ticking

The Superior Court of California has delayed enforcement of the new California Consumer Privacy Act (CCPA) Regulations for one year. This means that the California Privacy Protection Agency (CPPA) cannot begin enforcement of the new regulations until March 29, 2024. The delay offers employers a slight reprieve, but time is ticking.

The Details:

Proposition 24 (California Privacy Rights Act) significantly amended the CCPA. Not only did it mandate the creation of the CPPA as the regulator under the Act, it also charged the Agency with creating and finalizing regulations for the Act by July 1, 2022. A rulemaking package on a few topics was approved by the Office of Administrative Law (OAL) on March 29, 2023, and the Agency announced that it would start enforcement on July 1, 2023. One day later, the California Chamber of Commerce (Cal Chamber) filed a lawsuit against the agency, asking the court to order the CPPA to finalize regulations on all topics and to delay enforcement of the regulations for one year after all the regulations have been finalized.

On June 30, 2023, a Superior Court of California judge partially granted the Cal Chamber's petition to delay enforcement of the final regulations published by the Agency for 12 months from the date that the regulations became final. The Agency cannot enforce the new regulations until March 29, 2024. The court declined Cal Chamber's request to mandate that the Agency finalize all its regulations and granted a one-year delay in enforcement upon the finalization of the regulations.

Next Steps:

Although the delay offers a bit of a reprieve, employers should stay the course on compliance. While enforcement of the regulations is delayed, enforcement of CCPA itself is not. Employers that have not fully implemented compliance programs for CCPA should do so as soon as possible. For those that have implemented their compliance programs, they should use this time to review and refine their programs to ensure that they align with the CCPA Regulations. Finally, employers should start to prepare for the next round of regulations. According to the CPPA, the next round of regulations will cover cybersecurity audits, risk assessments and automated decision-making.



ADP Compliance Resources

ADP maintains a staff of dedicated professionals who carefully monitor federal and state legislative and regulatory measures affecting employment-related human resource, payroll, tax and benefits administration, and help ensure that ADP systems are updated as relevant laws evolve. For the latest on how federal and state tax law changes may impact your business, visit the ADP *Eye on Washington* Web page located at www.adp.com/regulatorynews.

ADP is committed to assisting businesses with increased compliance requirements resulting from rapidly evolving legislation. Our goal is to help minimize your administrative burden across the entire spectrum of employment-related payroll, tax, HR and benefits, so that you can focus on running your business. This information is provided as a courtesy to assist in your understanding of the impact of certain regulatory requirements and should not be construed as tax or legal advice. Such information is by nature subject to revision and may not be the most current information available. ADP encourages readers to consult with appropriate legal and/or tax advisors. Please be advised that calls to and from ADP may be monitored or recorded.

If you have any questions regarding our services, please call 855-466-0790.