

CITY OF MERCED

June 10, 2025

The Honorable Christopher M. Ward California State Assembly 1021 O Street, Room 6350 Sacramento, CA 95814

Re: Assembly Bill 1337 – Information Practices Act of 1977 – Notice of Opposition

(As Amended May 23, 2025)

Dear Assemblymember Ward,

On behalf of the City of Merced, I am writing to express our respectful opposition to Assembly Bill (AB) 1337, which would remove the exemption for local agencies in the Information Practices Act and expand the definition of "personal information" in the Act.

AB 1337 makes any negligent maintenance, disclosure, or collection of personal information by a local agency employee a cause for discipline, including termination. A local agency would not be able to disclose personal information without the individual's consent. For example, local agencies would be required to obtain permission by a criminal suspect before they could report them to law enforcement. The bill applies the Act's provisions to any contracted private entities as well.

The bill would require that whenever a local agency collects any personal identifying information, it will have to request permission from that individual, as well as inform them that they are sharing the information and the reason for sharing it. While the bill does not explicitly create a private right of action, compliance failures may form the basis for tort or contract claims, especially in cases of data breaches, wrongful disclosures, or mishandling of public records.

Under the bill, individuals are allowed to be informed of what personal information a local government is managing on them, to access and inspect that data, and to request corrections to it. Given the very extensive definition of "personal information" (including almost every piece of data about someone), opportunities to violate the Act's provisions are rampant. A local agency's record keeper is specifically the person at risk here of violation, since the Act specifies a violation by an employee, not the entire agency.

Additionally, a local government cannot share someone's data with the federal government unless expressly authorized by state law. This creates a conflict between state and federal law, which opens local agencies to lawsuits at both the state and federal levels. It also jeopardizes federal funding, which requires the transfer of information to the federal government.



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The data governance overhead associated with AB 1337 would be substantial for local agencies. Implementing the bill's requirements would necessitate significant investments in technology and system upgrades, policy revisions, and extensive staff training to ensure compliance. Local agencies would need to implement robust access controls and logging mechanisms to safeguard personal information. This would involve upgrading existing IT infrastructure, deploying advanced data protection tools, and ensuring that all systems are compliant with the new regulations. Furthermore, agencies would need to establish comprehensive data governance frameworks, including policies for data classification, retention, and disposal, to manage the lifecycle of personal information effectively. The integration of these technical requirements would require significant financial and human resources, further adding to the overall data governance overhead.

Moreover, AB 1337 represents an unfunded mandate, placing the financial burden of compliance squarely on local agencies without providing any additional funding or resources. This unfunded mandate would exacerbate the challenges faced by local governments, forcing them to reallocate limited resources from other critical areas to meet the bill's stringent requirements. The lack of financial support from the state would make it even more difficult for local agencies to implement the necessary technical and operational changes, further straining their budgets and impacting their ability to deliver essential services to the community.

For these reasons, we must respectfully oppose AB 1337. Should you have any questions, please contact our legislative advocate Sharon Gonsalves with California Public Policy Group at 916-974-9270.

Sincerely,

Matthew Serratto

Mayor

City of Merced

CC: Members and Staff of the COMMITTEE NAME

The Honorable Anna M. Caballero, Senate District 14

The Honorable Esmeralda Soria, Assembly District 27

Jith Meganathan, Deputy Legislative Secretary, Office of Governor Gavin Newsom