H-1810.1			
$H - I \wedge I \cup I$			

SUBSTITUTE HOUSE BILL 1445

State of Washington 60th Legislature 2007 Regular Session

By House Committee on State Government & Tribal Affairs (originally sponsored by Representatives Kessler, Rodne, Chandler, Hunt, Upthegrove and Miloscia; by request of Attorney General)

READ FIRST TIME 02/08/07.

- AN ACT Relating to making adjustments to the recodification of the public records act; amending RCW 42.56.010, 42.56.030, 42.56.330, and 42.56.590; reenacting and amending RCW 42.56.270, 42.56.270, 42.56.400, and 42.56.570; adding a new section to chapter 42.56 RCW; providing an effective date; and providing an expiration date.
- 6 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:
- 7 **Sec. 1.** RCW 42.56.010 and 2005 c 274 s 101 are each amended to 8 read as follows:
- 9 The definitions in ((RCW 42.17.020)) this section apply throughout 10 this chapter unless the context clearly requires otherwise.
- 11 (1) "Agency" includes all state agencies and all local agencies.
- 12 "State agency" includes every state office, department, division,
- 13 bureau, board, commission, or other state agency. "Local agency"
- 14 includes every county, city, town, municipal corporation, quasi-
- 15 municipal corporation, or special purpose district, or any office,
- 16 department, division, bureau, board, commission, or agency thereof, or
- 17 other local public agency.
- 18 (2) "Public record" includes any writing containing information
- 19 relating to the conduct of government or the performance of any

p. 1 SHB 1445

- governmental or proprietary function prepared, owned, used, or retained 1 by any state or local agency regardless of physical form or 2 characteristics. For the office of the secretary of the senate and the 3 office of the chief clerk of the house of representatives, public 4 records means legislative records as defined in RCW 40.14.100 and also 5 means the following: All budget and financial records; personnel 6 7 leave, travel, and payroll records; records of legislative sessions; reports submitted to the legislature; and any other record designated 8 a public record by any official action of the senate or the house of 9 10 representatives.
- (3) "Writing" means handwriting, typewriting, printing, 11 12 photostating, photographing, and every other means of recording any 13 form of communication or representation including, but not limited to, 14 letters, words, pictures, sounds, or symbols, or combination thereof, and all papers, maps, magnetic or paper tapes, photographic films and 15 prints, motion picture, film and video recordings, magnetic or punched 16 cards, discs, drums, diskettes, sound recordings, and other documents 17 including existing data compilations from which information may be 18 obtained or translated. 19
- 20 **Sec. 2.** RCW 42.56.030 and 2005 c 274 s 283 are each amended to 21 read as follows:

The people of this state do not yield their sovereignty to the agencies that serve them. The people, in delegating authority, do not give their public servants the right to decide what is good for the people to know and what is not good for them to know. The people insist on remaining informed so that they may maintain control over the instruments that they have created. This chapter shall be liberally construed and its exemptions narrowly construed to promote this public policy and to assure that the public interest will be fully protected. In the event of conflict between the provisions of this chapter and any other act, the provisions of this chapter shall govern.

- 32 **Sec. 3.** RCW 42.56.270 and 2006 c 369 s 2, 2006 c 341 s 6, 2006 c 338 s 5, 2006 c 302 s 12, 2006 c 209 s 7, 2006 c 183 s 37, and 2006 c 341 s 8 are each reenacted and amended to read as follows:
- The following financial, commercial, and proprietary information is exempt from disclosure under this chapter:

SHB 1445 p. 2

2223

24

2526

27

28

29

30

31

(1) Valuable formulae, designs, drawings, computer source code or object code, and research data obtained by any agency within five years of the request for disclosure when disclosure would produce private gain and public loss;

- (2) Financial information supplied by or on behalf of a person, firm, or corporation for the purpose of qualifying to submit a bid or proposal for (a) a ferry system construction or repair contract as required by RCW 47.60.680 through 47.60.750 or (b) highway construction or improvement as required by RCW 47.28.070;
- 10 (3) Financial and commercial information and records supplied by 11 private persons pertaining to export services provided under chapters 12 43.163 and 53.31 RCW, and by persons pertaining to export projects 13 under RCW 43.23.035;
 - (4) Financial and commercial information and records supplied by businesses or individuals during application for loans or program services provided by chapters 15.110, 43.163, 43.160, 43.330, and 43.168 RCW, or during application for economic development loans or program services provided by any local agency;
 - (5) Financial information, business plans, examination reports, and any information produced or obtained in evaluating or examining a business and industrial development corporation organized or seeking certification under chapter 31.24 RCW;
 - (6) Financial and commercial information supplied to the state investment board by any person when the information relates to the investment of public trust or retirement funds and when disclosure would result in loss to such funds or in private loss to the providers of this information;
 - (7) Financial and valuable trade information under RCW 51.36.120;
 - (8) Financial, commercial, operations, and technical and research information and data submitted to or obtained by the clean Washington center in applications for, or delivery of, program services under chapter 70.95H RCW;
 - (9) Financial and commercial information requested by the public stadium authority from any person or organization that leases or uses the stadium and exhibition center as defined in RCW 36.102.010;
 - (10)(a) Financial information, including but not limited to account numbers and values, and other identification numbers supplied by or on behalf of a person, firm, corporation, limited liability company,

p. 3 SHB 1445

partnership, or other entity related to an application for a horse racing license submitted pursuant to RCW 67.16.260(1)(b), liquor license, gambling license, or lottery retail license;

- (b) Financial or proprietary information supplied to the liquor control board including the amount of beer or wine sold by a domestic winery, brewery, microbrewery, or certificate of approval holder under RCW 66.24.206(1) or 66.24.270(2)(a) and including the amount of beer or wine purchased by a retail licensee in connection with a retail licensee's obligation under RCW 66.24.210 or 66.24.290, for receipt of shipments of beer or wine.
- (11) Proprietary data, trade secrets, or other information that relates to: (a) A vendor's unique methods of conducting business; (b) data unique to the product or services of the vendor; or (c) determining prices or rates to be charged for services, submitted by any vendor to the department of social and health services for purposes of the development, acquisition, or implementation of state purchased health care as defined in RCW 41.05.011;
- (12)(a) When supplied to and in the records of the department of community, trade, and economic development:
- (i) Financial and proprietary information collected from any person and provided to the department of community, trade, and economic development pursuant to RCW 43.330.050(8) and 43.330.080(4); and
- (ii) Financial or proprietary information collected from any person and provided to the department of community, trade, and economic development or the office of the governor in connection with the siting, recruitment, expansion, retention, or relocation of that person's business and until a siting decision is made, identifying information of any person supplying information under this subsection and the locations being considered for siting, relocation, or expansion of a business;
- (b) When developed by the department of community, trade, and economic development based on information as described in (a)(i) of this subsection, any work product is not exempt from disclosure;
- (c) For the purposes of this subsection, "siting decision" means the decision to acquire or not to acquire a site;
- 36 (d) If there is no written contact for a period of sixty days to
 37 the department of community, trade, and economic development from a

person connected with siting, recruitment, expansion, retention, or relocation of that person's business, information described in (a)(ii) of this subsection will be available to the public under this chapter;

4 5

6 7

8

10

11

12

18

19

2021

22

2324

- (13) Financial and proprietary information submitted to or obtained by the department of ecology or the authority created under chapter 70.95N RCW;
- (14) Financial, commercial, operations, and technical and research information and data submitted to or obtained by the life sciences discovery fund authority in applications for, or delivery of, grants under chapter 43.350 RCW, to the extent that such information, if revealed, would reasonably be expected to result in private loss to the providers of this information;
- 13 (15) Financial and commercial information provided as evidence to 14 the department of licensing as required by RCW 19.112.110 or 15 19.112.120, except information disclosed in aggregate form that does 16 not permit the identification of information related to individual fuel 17 licensees;
 - (16) Any production records, mineral assessments, and trade secrets submitted by a permit holder, mine operator, or landowner to the department of natural resources under RCW 78.44.085; ((and))
 - (17)(a) Farm plans developed by conservation districts, unless permission to release the farm plan is granted by the landowner or operator who requested the plan, or the farm plan is used for the application or issuance of a permit((\cdot)):
- (b) Farm plans developed under chapter 90.48 RCW and not under the federal clean water act, 33 U.S.C. Sec. 1251 are subject to RCW 42.56.610 and 90.64.190; and
- 28 (18) Information gathered under chapter 19.85 RCW or RCW 34.05.328 29 that can be identified to a particular business.
- 30 **Sec. 4.** RCW 42.56.270 and 2006 c 369 s 2, 2006 c 341 s 6, 2006 c 31 338 s 5, 2006 c 209 s 7, 2006 c 183 s 37, and 2006 c 171 s 8 are each 32 reenacted and amended to read as follows:
- 33 The following financial, commercial, and proprietary information is 34 exempt from disclosure under this chapter:
- 35 (1) Valuable formulae, designs, drawings, computer source code or 36 object code, and research data obtained by any agency within five years

p. 5 SHB 1445

of the request for disclosure when disclosure would produce private qain and public loss;

- (2) Financial information supplied by or on behalf of a person, firm, or corporation for the purpose of qualifying to submit a bid or proposal for (a) a ferry system construction or repair contract as required by RCW 47.60.680 through 47.60.750 or (b) highway construction or improvement as required by RCW 47.28.070;
- (3) Financial and commercial information and records supplied by private persons pertaining to export services provided under chapters 43.163 and 53.31 RCW, and by persons pertaining to export projects under RCW 43.23.035;
- (4) Financial and commercial information and records supplied by businesses or individuals during application for loans or program services provided by chapters 15.110, 43.163, 43.160, 43.330, and 43.168 RCW, or during application for economic development loans or program services provided by any local agency;
- (5) Financial information, business plans, examination reports, and any information produced or obtained in evaluating or examining a business and industrial development corporation organized or seeking certification under chapter 31.24 RCW;
- (6) Financial and commercial information supplied to the state investment board by any person when the information relates to the investment of public trust or retirement funds and when disclosure would result in loss to such funds or in private loss to the providers of this information;
 - (7) Financial and valuable trade information under RCW 51.36.120;
- (8) Financial, commercial, operations, and technical and research information and data submitted to or obtained by the clean Washington center in applications for, or delivery of, program services under chapter 70.95H RCW;
- (9) Financial and commercial information requested by the public stadium authority from any person or organization that leases or uses the stadium and exhibition center as defined in RCW 36.102.010;
- 34 (10) Financial information, including but not limited to account 35 numbers and values, and other identification numbers supplied by or on 36 behalf of a person, firm, corporation, limited liability company, 37 partnership, or other entity related to an application for a horse

racing license submitted pursuant to RCW 67.16.260(1)(b), liquor license, gambling license, or lottery retail license;

1 2

- (11) Proprietary data, trade secrets, or other information that relates to: (a) A vendor's unique methods of conducting business; (b) data unique to the product or services of the vendor; or (c) determining prices or rates to be charged for services, submitted by any vendor to the department of social and health services for purposes of the development, acquisition, or implementation of state purchased health care as defined in RCW 41.05.011;
- (12)(a) When supplied to and in the records of the department of community, trade, and economic development:
- (i) Financial and proprietary information collected from any person and provided to the department of community, trade, and economic development pursuant to RCW 43.330.050(8) and 43.330.080(4); and
- (ii) Financial or proprietary information collected from any person and provided to the department of community, trade, and economic development or the office of the governor in connection with the siting, recruitment, expansion, retention, or relocation of that person's business and until a siting decision is made, identifying information of any person supplying information under this subsection and the locations being considered for siting, relocation, or expansion of a business;
- (b) When developed by the department of community, trade, and economic development based on information as described in (a)(i) of this subsection, any work product is not exempt from disclosure;
- (c) For the purposes of this subsection, "siting decision" means the decision to acquire or not to acquire a site;
- (d) If there is no written contact for a period of sixty days to the department of community, trade, and economic development from a person connected with siting, recruitment, expansion, retention, or relocation of that person's business, information described in (a)(ii) of this subsection will be available to the public under this chapter;
- (13) Financial and proprietary information submitted to or obtained by the department of ecology or the authority created under chapter 70.95N RCW to implement chapter 70.95N RCW;
- (14) Financial, commercial, operations, and technical and research information and data submitted to or obtained by the life sciences discovery fund authority in applications for, or delivery of, grants

p. 7 SHB 1445

under chapter 43.350 RCW, to the extent that such information, if revealed, would reasonably be expected to result in private loss to the providers of this information;

- 4 (15) Financial and commercial information provided as evidence to 5 the department of licensing as required by RCW 19.112.110 or 6 19.112.120, except information disclosed in aggregate form that does 7 not permit the identification of information related to individual fuel 8 licensees;
- 9 (16) Any production records, mineral assessments, and trade secrets 10 submitted by a permit holder, mine operator, or landowner to the 11 department of natural resources under RCW 78.44.085; ((and))
 - (17)(a) Farm plans developed by conservation districts, unless permission to release the farm plan is granted by the landowner or operator who requested the plan, or the farm plan is used for the application or issuance of a permit((\cdot)):
- 16 (b) Farm plans developed under chapter 90.48 RCW and not under the 17 federal clean water act, 33 U.S.C. Sec. 1251 et seq., are subject to 18 RCW 42.56.610 and 90.64.190; and
- 19 (18) Information gathered under chapter 19.85 RCW or RCW 34.05.328 20 that can be identified to a particular business.
- 21 **Sec. 5.** RCW 42.56.330 and 2006 c 209 s 8 are each amended to read 22 as follows:
- 23 The following information relating to public utilities and 24 transportation is exempt from disclosure under this chapter:
 - (1) Records filed with the utilities and transportation commission or attorney general under RCW 80.04.095 that a court has determined are confidential under RCW 80.04.095;
 - (2) The residential addresses and residential telephone numbers of the customers of a public utility contained in the records or lists held by the public utility of which they are customers, except that this information may be released to the division of child support or the agency or firm providing child support enforcement for another state under Title IV-D of the federal social security act, for the establishment, enforcement, or modification of a support order;
- 35 (3) The names, residential addresses, residential telephone 36 numbers, and other individually identifiable records held by an agency 37 in relation to a vanpool, carpool, or other ride-sharing program or

SHB 1445 p. 8

12

13

14

15

2526

27

28

2930

31

32

33

34

service; however, these records may be disclosed to other persons who apply for ride-matching services and who need that information in order to identify potential riders or drivers with whom to share rides;

- (4) The personally identifying information of current or former participants or applicants in a paratransit or other transit service operated for the benefit of persons with disabilities or elderly persons;
- (5) The personally identifying information of persons who acquire and use transit passes and other fare payment media including, but not limited to, stored value smart cards and magnetic strip cards, except that an agency may disclose this information to a person, employer, educational institution, or other entity that is responsible, in whole or in part, for payment of the cost of acquiring or using a transit pass or other fare payment media, or to the news media when reporting on public transportation or public safety. This information may also be disclosed at the agency's discretion to governmental agencies or groups concerned with public transportation or public safety;
- (6) ((Records of any person that belong to a public utility district or a municipally owned electrical utility, unless the law enforcement authority provides the public utility district or municipally owned electrical utility with a written statement in which the authority states that it suspects that the particular person to whom the records pertain has committed a crime and the authority has a reasonable belief that the records could determine or help determine whether the suspicion might be true. Information obtained in violation of this subsection is inadmissible in any criminal proceeding;
- (7)) Any information obtained by governmental agencies that is collected by the use of a motor carrier intelligent transportation system or any comparable information equipment attached to a truck, tractor, or trailer; however, the information may be given to other governmental agencies or the owners of the truck, tractor, or trailer from which the information is obtained. As used in this subsection, "motor carrier" has the same definition as provided in RCW 81.80.010; and
- ((+8))) (7) The personally identifying information of persons who acquire and use transponders or other technology to facilitate payment of tolls. This information may be disclosed in aggregate form as long as the data does not contain any personally identifying information.

p. 9 SHB 1445

- 1 For these purposes aggregate data may include the census tract of the
- 2 account holder as long as any individual personally identifying
- 3 information is not released. Personally identifying information may be
- 4 released to law enforcement agencies only for toll enforcement
- 5 purposes. Personally identifying information may be released to law
- 6 enforcement agencies for other purposes only if the request is
- 7 accompanied by a court order.
- 8 <u>NEW SECTION.</u> **Sec. 6.** A new section is added to chapter 42.56 RCW 9 to read as follows:
- 10 A law enforcement authority may not request inspection or copying 11 of records of any person who belongs to a public utility district or a
- 12 municipally owned electrical utility unless the authority provides the
- 13 public utility district or municipally owned electrical utility with a
- 14 written statement in which the authority states that it suspects that
- 15 the particular person to whom the records pertain has committed a crime
- 16 and the authority has a reasonable belief that the records could
- 17 determine or help determine whether the suspicion might be true.
- 18 Information obtained in violation of this section is inadmissible in
- 19 any criminal proceeding.

26

27

2829

30

3132

33

36

- 20 **Sec. 7.** RCW 42.56.400 and 2006 c 284 s 17 and 2006 c 8 s 210 are 21 each reenacted and amended to read as follows:
- 22 The following information relating to insurance and financial 23 institutions is exempt from disclosure under this chapter:
 - (1) Records maintained by the board of industrial insurance appeals that are related to appeals of crime victims' compensation claims filed with the board under RCW 7.68.110;
 - (2) Information obtained and exempted or withheld from public inspection by the health care authority under RCW 41.05.026, whether retained by the authority, transferred to another state purchased health care program by the authority, or transferred by the authority to a technical review committee created to facilitate the development, acquisition, or implementation of state purchased health care under chapter 41.05 RCW;
- 34 (3) The names and individual identification data of all viators 35 regulated by the insurance commissioner under chapter 48.102 RCW;
 - (4) Information provided under RCW 48.30A.045 through 48.30A.060;

1 (5) Information provided under RCW 48.05.510 through 48.05.535, 2 48.43.200 through 48.43.225, 48.44.530 through 48.44.555, and 48.46.600 3 through 48.46.625;

4 5

6 7

8

9

10

11

12

32

- (6) ((Information gathered under chapter 19.85 RCW or RCW 34.05.328 that can be identified to a particular business;
- (7)) Examination reports and information obtained by the department of financial institutions from banks under RCW 30.04.075, from savings banks under RCW 32.04.220, from savings and loan associations under RCW 33.04.110, from credit unions under RCW 31.12.565, from check cashers and sellers under RCW 31.45.030(3), and from securities brokers and investment advisers under RCW 21.20.100, all of which is confidential and privileged information;
- 13 $((\frac{(8)}{(8)}))$ <u>(7)</u> Information provided to the insurance commissioner under RCW 48.110.040(3);
- 15 $((\frac{(9)}{(9)}))$ (8) Documents, materials, or information obtained by the 16 insurance commissioner under RCW 48.02.065, all of which are 17 confidential and privileged;
- $((\frac{(10)}{(10)}))$ (9) Confidential proprietary and trade secret information provided to the commissioner under RCW 48.31C.020 through 48.31C.050 and 48.31C.070;
- ((\(\frac{(11)}{11}\))) (10) Data filed under RCW 48.140.020, 48.140.030, 48.140.050, and 7.70.140 that, alone or in combination with any other data, may reveal the identity of a claimant, health care provider, health care facility, insuring entity, or self-insurer involved in a particular claim or a collection of claims. For the purposes of this subsection:
- 27 (a) "Claimant" has the same meaning as in RCW 48.140.010(2).
- 28 (b) "Health care facility" has the same meaning as in RCW 29 48.140.010(6).
- 30 (c) "Health care provider" has the same meaning as in RCW 48.140.010(7).
 - (d) "Insuring entity" has the same meaning as in RCW 48.140.010(8).
- 33 (e) "Self-insurer" has the same meaning as in RCW 48.140.010(11); and
- $((\frac{(12)}{(11)}))$ Ocuments, materials, or information obtained by the insurance commissioner under RCW 48.135.060.

p. 11 SHB 1445

- - (1) The attorney general's office shall publish, and update when appropriate, a pamphlet, written in plain language, explaining this chapter.
 - (2) The attorney general, by February 1, 2006, shall adopt by rule an advisory model rule for state and local agencies, as defined in RCW ((42.17.020)) 42.56.010, addressing the following subjects:
 - (a) Providing fullest assistance to requestors;
 - (b) Fulfilling large requests in the most efficient manner;
- 11 (c) Fulfilling requests for electronic records; and

- 12 (d) Any other issues pertaining to public disclosure as determined 13 by the attorney general.
- 14 (3) The attorney general, in his or her discretion, may from time 15 to time revise the model rule.
- **Sec. 9.** RCW 42.56.590 and 2005 c 368 s 1 are each amended to read 17 as follows:
 - (1)(a) Any agency that owns or licenses computerized data that includes personal information shall disclose any breach of the security of the system following discovery or notification of the breach in the security of the data to any resident of this state whose unencrypted personal information was, or is reasonably believed to have been, acquired by an unauthorized person. The disclosure shall be made in the most expedient time possible and without unreasonable delay, consistent with the legitimate needs of law enforcement, as provided in subsection (3) of this section, or any measures necessary to determine the scope of the breach and restore the reasonable integrity of the data system.
- 29 (b) For purposes of this section, "agency" means the same as in RCW ((42.17.020)) 42.56.010.
 - (2) Any agency that maintains computerized data that includes personal information that the agency does not own shall notify the owner or licensee of the information of any breach of the security of the data immediately following discovery, if the personal information was, or is reasonably believed to have been, acquired by an unauthorized person.

- (3) The notification required by this section may be delayed if a law enforcement agency determines that the notification will impede a criminal investigation. The notification required by this section shall be made after the law enforcement agency determines that it will not compromise the investigation.
- (4) For purposes of this section, "breach of the security of the system" means unauthorized acquisition of computerized data that compromises the security, confidentiality, or integrity of personal information maintained by the agency. Good faith acquisition of personal information by an employee or agent of the agency for the purposes of the agency is not a breach of the security of the system when the personal information is not used or subject to further unauthorized disclosure.
- (5) For purposes of this section, "personal information" means an individual's first name or first initial and last name in combination with any one or more of the following data elements, when either the name or the data elements are not encrypted:
 - (a) Social security number;

- (b) Driver's license number or Washington identification card number; or
- (c) Account number or credit or debit card number, in combination with any required security code, access code, or password that would permit access to an individual's financial account.
- (6) For purposes of this section, "personal information" does not include publicly available information that is lawfully made available to the general public from federal, state, or local government records.
- (7) For purposes of this section and except under subsection (8) of this section, notice may be provided by one of the following methods:
 - (a) Written notice;
- (b) Electronic notice, if the notice provided is consistent with the provisions regarding electronic records and signatures set forth in 15 U.S.C. Sec. 7001; or
- (c) Substitute notice, if the agency demonstrates that the cost of providing notice would exceed two hundred fifty thousand dollars, or that the affected class of subject persons to be notified exceeds five hundred thousand, or the agency does not have sufficient contact information. Substitute notice shall consist of all of the following:

p. 13 SHB 1445

- 1 (i) E-mail notice when the agency has an e-mail address for the 2 subject persons;
- 3 (ii) Conspicuous posting of the notice on the agency's web site 4 page, if the agency maintains one; and
 - (iii) Notification to major statewide media.

6 7

8

10

11

- (8) An agency that maintains its own notification procedures as part of an information security policy for the treatment of personal information and is otherwise consistent with the timing requirements of this section is in compliance with the notification requirements of this section if it notifies subject persons in accordance with its policies in the event of a breach of security of the system.
- 12 (9) Any waiver of the provisions of this section is contrary to 13 public policy, and is void and unenforceable.
- 14 (10)(a) Any customer injured by a violation of this section may 15 institute a civil action to recover damages.
- 16 (b) Any business that violates, proposes to violate, or has violated this section may be enjoined.
- 18 (c) The rights and remedies available under this section are 19 cumulative to each other and to any other rights and remedies available 20 under law.
- 21 (d) An agency shall not be required to disclose a technical breach 22 of the security system that does not seem reasonably likely to subject 23 customers to a risk of criminal activity.
- NEW SECTION. Sec. 10. Section 3 of this act expires June 30, 25 2008.
- NEW SECTION. Sec. 11. Section 4 of this act takes effect June 30, 27 2008.

--- END ---