

# HOUSE BILL REPORT

## HB 2393

---

---

### As Reported By House Committee On:

Commerce & Labor

**Title:** An act relating to penalties for disclosure of confidential information.

**Brief Description:** Increasing penalties for disclosure of confidential information.

**Sponsors:** Representatives Goldsmith, McMorris, Hargrove, Dyer and McMahan.

### Brief History:

#### Committee Activity:

Commerce & Labor: 1/22/96, 1/24/96 [DP].

---

### HOUSE COMMITTEE ON COMMERCE & LABOR

**Majority Report:** Do pass. Signed by 9 members: Representatives McMorris, Chairman; Hargrove, Vice Chairman; Thompson, Vice Chairman; Romero, Ranking Minority Member; Cairnes; Cody; Fuhrman; Goldsmith and Lisk.

**Staff:** Chris Cordes (786-7117).

**Background:** With certain exceptions, the Employment Security Department is obligated to keep its records of individuals and employers confidential. One exception permits disclosure of confidential information when the department contracts with private individuals and organizations to assist with the operation and management of department functions. When information is disclosed under this exception, the contracting party is bound by the same rules of privacy and confidentiality as Employment Security Department employees. Misuse or unauthorized release of private information subjects the contracting party to a civil penalty of \$500.

Another exception, enacted in 1995, allows the department to disclose confidential information to public or private entities with which the department contracts to assist in carrying out reviews of individuals receiving employment services under the claimant profiling program. If information is misused or disclosed without authority under this exception, the contracting party is subject to a civil penalty of \$5,000.

**Summary of Bill:** The penalty of \$500 is increased to \$5,000 for misuse or unauthorized release of confidential information or records that a private person or organization obtains from the Employment Security Department.

**Appropriation:** None.

**Fiscal Note:** Not requested.

**Effective Date of Bill:** The bill contains an emergency clause and takes effect immediately.

**Testimony For:** This bill will make it clear that the state takes it seriously when entities contracting with the agency misuse confidential information.

**Testimony Against:** None.

**Testified:** Jeff Jaksich, Employment Security Department.