

CERTIFICATION OF ENROLLMENT

**SUBSTITUTE HOUSE BILL 2931**

Chapter 33, Laws of 1998

55th Legislature  
1998 Regular Session

ELECTRONIC SIGNATURES

EFFECTIVE DATE: 6/11/98

Passed by the House February 10, 1998  
Yeas 96 Nays 0

CLYDE BALLARD  
**Speaker of the  
House of Representatives**

Passed by the Senate March 2, 1998  
Yeas 45 Nays 1

IRV NEWHOUSE  
**President of the Senate**

Approved March 12, 1998

GARY LOCKE  
**Governor of the State of Washington**

CERTIFICATE

I, Timothy A. Martin, Chief Clerk of the House of Representatives of the State of Washington, do hereby certify that the attached is **SUBSTITUTE HOUSE BILL 2931** as passed by the House of Representatives and the Senate on the dates hereon set forth.

TIMOTHY A. MARTIN  
**Chief Clerk**

FILED

March 12, 1998 - 4:10 p.m.

**Secretary of State  
State of Washington**

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**SUBSTITUTE HOUSE BILL 2931**

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Passed Legislature - 1998 Regular Session

**State of Washington**

**55th Legislature**

**1998 Regular Session**

**By** House Committee on Commerce & Labor (originally sponsored by Representatives McMorris, Conway and B. Thomas; by request of Secretary of State)

Read first time 02/05/98. Referred to Committee on .

1       AN ACT Relating to electronic signatures; amending RCW 19.34.100;  
2 and adding a new section to chapter 19.34 RCW.

3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

4       **Sec. 1.** RCW 19.34.100 and 1997 c 27 s 3 are each amended to read  
5 as follows:

6       (1) To obtain or retain a license, a certification authority must:

7       (a) Be the subscriber of a certificate published in a recognized  
8 repository, which may include any repository maintained by the  
9 secretary;

10       (b) Knowingly employ as operative personnel only persons who have  
11 not been convicted within the past ((fifteen)) seven years of a felony  
12 ((or)) and have ((ever—[never])) never been convicted of a crime  
13 involving fraud, false statement, or deception. The secretary may  
14 provide by rule for the manner in which criminal background information  
15 is provided as part of the licensing process. For purposes of this  
16 provision, a certification authority knowingly employs such a person if  
17 the certification authority knew of a conviction, or should have known  
18 based upon the background information required by rule of the  
19 secretary;

1 (c) Employ as operative personnel only persons who have  
2 demonstrated knowledge and proficiency in following the requirements of  
3 this chapter;

4 (d) File with the secretary a suitable guaranty, unless the  
5 certification authority is a city or county that is self-insured or the  
6 department of information services;

7 (e) Use a trustworthy system, including a secure means for limiting  
8 access to its private key;

9 (~~(f) ((Present proof to the secretary of having working capital  
10 reasonably sufficient, according to rules adopted by the secretary, to  
11 enable the applicant to conduct business as a certification authority;~~

12 ~~(g))~~) Maintain an office in this state or have established a  
13 registered agent for service of process in this state; and

14 ~~((h))~~) (g) Comply with all further licensing requirements  
15 established by rule by the secretary.

16 (2) The secretary must issue a license to a certification authority  
17 that:

18 (a) Is qualified under subsection (1) of this section;

19 (b) Applies in writing to the secretary for a license; and

20 (c) Pays a filing fee adopted by rule by the secretary.

21 (3) The secretary may by rule classify licenses according to  
22 specified limitations, such as a maximum number of outstanding  
23 certificates, cumulative maximum of recommended reliance limits in  
24 certificates issued by the certification authority, or issuance only  
25 within a single firm or organization, and the secretary may issue  
26 licenses restricted according to the limits of each classification.  
27 The liability limits of RCW 19.34.280 do not apply to a certificate  
28 issued by a certification authority that exceeds the restrictions of  
29 the certification authority's license.

30 (4) The secretary may revoke or suspend a certification authority's  
31 license, in accordance with the administrative procedure act, chapter  
32 34.05 RCW, for failure to comply with this chapter or for failure to  
33 remain qualified under subsection (1) of this section. The secretary  
34 may order the summary suspension of a license pending proceedings for  
35 revocation or other action, which must be promptly instituted and  
36 determined, if the secretary includes within a written order a finding  
37 that the certification authority has either:

38 (a) Utilized its license in the commission of a violation of a  
39 state or federal criminal statute or of chapter 19.86 RCW; or

1 (b) Engaged in conduct giving rise to a serious risk of loss to  
2 public or private parties if the license is not immediately suspended.

3 (5) The secretary may recognize by rule the licensing or  
4 authorization of certification authorities by other governmental  
5 entities, provided that those licensing or authorization requirements  
6 are substantially similar to those of this state. If licensing by  
7 another government is so recognized:

8 (a) RCW 19.34.300 through 19.34.350 apply to certificates issued by  
9 the certification authorities licensed or authorized by that government  
10 in the same manner as it applies to licensed certification authorities  
11 of this state; and

12 (b) The liability limits of RCW 19.34.280 apply to the  
13 certification authorities licensed or authorized by that government in  
14 the same manner as they apply to licensed certification authorities of  
15 this state.

16 (6) Unless the parties provide otherwise by contract between  
17 themselves, the licensing requirements in this section do not affect  
18 the effectiveness, enforceability, or validity of any digital  
19 signature, except that RCW 19.34.300 through 19.34.350 do not apply to  
20 a certificate, and associated digital signature, issued by an  
21 unlicensed certification authority.

22 (7) A certification authority that has not obtained a license is  
23 not subject to the provisions of this chapter, except as specifically  
24 provided.

25 NEW SECTION. **Sec. 2.** A new section is added to chapter 19.34 RCW  
26 to read as follows:

27 (1) The following information, when in the possession of the  
28 secretary, the department of information services, or the state auditor  
29 for purposes of this chapter, shall not be made available for public  
30 disclosure, inspection, or copying, unless the request is made under an  
31 order of a court of competent jurisdiction based upon an express  
32 written finding that the need for the information outweighs any reason  
33 for maintaining the privacy and confidentiality of the information or  
34 records:

35 (a) A trade secret, as defined by RCW 19.108.010; and

36 (b) Information regarding design, security, or programming of a  
37 computer system used for purposes of licensing or operating a  
38 certification authority or repository under this chapter.

1       (2) The state auditor, or an authorized agent, must be given access  
2 to all information referred to in subsection (1) of this section for  
3 the purpose of conducting audits under this chapter or under other law,  
4 but shall not make that information available for public inspection or  
5 copying except as provided in subsection (1) of this section.

Passed the House February 10, 1998.

Passed the Senate March 2, 1998.

Approved by the Governor March 12, 1998.

Filed in Office of Secretary of State March 12, 1998.