

HOUSE BILL REPORT

ESHB 2604

As Passed House:
February 15, 2016

Title: An act relating to disclosure of financial, commercial, and proprietary criminal background check information of employees of private employers.

Brief Description: Concerning disclosure of financial, commercial, and proprietary information of employees of private cloud service providers.

Sponsors: House Committee on State Government (originally sponsored by Representatives Kuderer, Goodman, Johnson, Wilcox, Morris, Hudgins, MacEwen and Wilson).

Brief History:

Committee Activity:

State Government: 1/28/16, 2/3/16 [DPS].

Floor Activity:

Passed House: 2/15/16, 97-0.

Brief Summary of Engrossed Substitute Bill

- Exempts from public disclosure court case file numbers contained in criminal background checks of private employees of private cloud service providers, as well as the employee's personally identifiable information associated with criminal background checks.

HOUSE COMMITTEE ON STATE GOVERNMENT

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 7 members: Representatives S. Hunt, Chair; Bergquist, Vice Chair; Holy, Ranking Minority Member; Van Werven, Assistant Ranking Minority Member; Frame, Hawkins and Moscoso.

Staff: Sean Flynn (786-7124).

Background:

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

The Public Records Act (PRA) requires state and local agencies to make their written records available to the public for inspection and copying upon request, unless the information fits into one of the various specific exemptions in the PRA, or otherwise provided in law. The stated policy of the PRA favors disclosure and requires narrow application of the listed exemptions.

The PRA exempts certain sensitive information relating to financial, proprietary, and commercial interests provided by a business or other private interest. The exemption includes a business's unique proprietary data and trade secrets related to methods of conducting business or product and services data. The exemption also applies to proprietary information related to rates of service charged for the development of state purchased health care.

Summary of Engrossed Substitute Bill:

A public records exemption is created for specific court case file numbers contained in criminal background checks, and personally identifiable information associated with requests for criminal background checks, of employees of private cloud service providers who have entered into a Criminal Justice Information Services information agreement.

Appropriation: None.

Fiscal Note: Not requested.

Effective Date: The bill takes effect 90 days after adjournment of the session in which the bill is passed.

Staff Summary of Public Testimony:

(In support) This bill strikes a balance between the interest in disclosure and the need for protection from security threats for companies providing cloud services for government agencies. Cloud services provided to governments requires very high security protections. Federal law requires criminal background checks for employees of cloud service providers that hold information for law enforcement agencies. The identification of the employees involved with government cloud services can be targeted by hackers, foreign agents, and organized crime.

(Opposed) This bill would single out one group from all other employees who have to undergo criminal background checks. Other private employees who provide a variety of services are also subject to criminal background checks, which are not exempt from disclosure. Disclosure of these background checks is important to ensure that employees are vetted when performing important and sensitive duties.

Persons Testifying: (In support) Representative Kuderer, prime sponsor; and Ryan Harkins, Microsoft.

(Opposed) Rowland Thompson, Allied Daily Newspapers of Washington.

Persons Signed In To Testify But Not Testifying: None.