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**Consumer Protection & Business  
Committee**

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**HB 2277**

**Brief Description:** Licensing of business entities engaged in the act of brokering data.

**Sponsors:** Representatives Kloba, Pollet, Slatter, Duerr, Ramel, Ryu, Fosse, Cortes, Morgan and Nance.

**Brief Summary of Bill**

- Requires data brokers to register annually with the Department of Licensing before brokering personal data.
- Requires the Department of Licensing to make data broker registration information publicly available on its website.

**Hearing Date:** 1/19/24

**Staff:** Megan Mulvihill (786-7304).

**Background:**

The Department of Licensing (Department) regulates a number of businesses and professions, including home inspectors, real estate brokers, collection agencies, and notaries. For regulated professions, the Department issues licenses and ensures compliance with professional standards and laws. The Department has disciplinary authority under the Uniform Regulation of Business and Professions Act, which governs unlicensed practice, the issuance and denial of licenses, unprofessional conduct, and disciplinary action for businesses and professions regulated by the Department.

**Summary of Bill:**

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

A data broker is any business entity that engages in data brokering, which is the act of collecting, aggregating, analyzing, buying, selling, and sharing brokered personal data, irrespective of the business entity's relationship with the individual whose data is being brokered. Consumer reporting agencies, financial institutions, state agencies, local governments, or businesses acting solely on behalf of the state or a local government are not data brokers. Brokered personal data includes an individual's name, maiden name, address, date or place of birth, biometric information, social security number or other government-issued identification, or other information that can reasonably be associated with the individual.

A data broker who engages in data brokering must register annually with the Department. On or before January 31 of each year, a data broker must submit to the Department their name, address, telephone number, primary website, and email address; pay a fee as determined by the Department; and include a declaration which:

- states whether an individual's precise geolocation information is a part of their data brokering activity;
- states whether individuals' consumer health data is a part of their brokering activity;
- states whether individuals may opt out of all or a portion of the data broker's use of their brokered personal data;
- identifies which data broker's activities or brokered personal data an individual may opt out of providing or permitting use of;
- describes the method by which an individual may opt out; and
- states whether an individual may authorize another individual to exercise the choice to opt out on their behalf and, if so, the appropriate process for the authorization.

A data broker is not required to register with the Department if the brokered personal data involves:

- providing publicly available information that is related to an individual's business or profession;
- providing publicly available information as part of a service that provides alerts for health or safety purposes;
- providing directory assistance or directory information services as, or on behalf of, a telecommunications carrier; or
- selling all or part of the assets of a business entity once or only occasionally, as part of a transfer of control.

The Department must approve the registration for any data broker in compliance with the registration requirements. The Department must make the information that business entities submit for registration publicly available on its website. Data brokers are governed under the Uniform Regulation of Business and Professions Act. The Department has authority to adopt necessary rules, and the Department must report to the Governor and Legislature annually, beginning December 31, 2026, on:

- how many business entities registered with the Department as data brokers that year;
- the fee charged for registration per data broker and the total revenue collected;
- how many business entities were fined for noncompliance; and

- any other information the Department deems relevant.

**Appropriation:** None.

**Fiscal Note:** Requested on January 12, 2024.

**Effective Date:** The bill takes effect on January 1, 2026.