
HOUSE BILL 1887

State of Washington

69th Legislature

2025 Regular Session

By Representatives Kloba, Parshley, Simmons, and Pollet

Read first time 02/07/25. Referred to Committee on Consumer Protection & Business.

1 AN ACT Relating to creating a data broker registry for the
2 purpose of imposing a data broker severance tax; amending RCW
3 18.235.020; adding a new chapter to Title 19 RCW; adding a new
4 chapter to Title 82 RCW; creating new sections; and providing an
5 effective date.

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

7 NEW SECTION. **Sec. 1.** (1) The legislature intends to update and
8 adapt state tax policy to reflect the economic activity that has
9 emerged with the advent of new technologies. The legislature
10 recognizes that consumers are increasingly conducting their
11 professional and personal affairs online and on devices such as
12 laptop computers, smartphones, or tablets. These activities include
13 accessing the marketplace, the workplace, health care, information,
14 and entertainment. Through these daily activities, consumers generate
15 enormous and unprecedented amounts of data about themselves,
16 including their locations, behaviors, and preferences.

17 (2) The legislature further recognizes that technological
18 advances have made it possible to more easily and quickly collect
19 vast amounts of personal information and connect it to an individual,
20 whether such information is obtained through electronic or other
21 means.

1 (3) The legislature finds that there are many businesses engaged
2 in collecting the personal data of Washingtonians, and aggregating,
3 analyzing, sharing, compiling that information, and selling it
4 without Washingtonians' knowledge or consent. This is a new business
5 model that has flourished and is anticipated to grow as more people
6 and more devices are connected with ever-increasing frequency for an
7 ever-greater number of innovative applications. As such, the
8 legislature intends to provide transparency into the number of
9 businesses, volume, and type of activity in this unique and growing
10 industry, and fairly generate revenue from this business activity to
11 be used for the benefit of the state of Washington and its people.

12 NEW SECTION. **Sec. 2.** The definitions in this section apply
13 throughout this chapter unless the context clearly requires
14 otherwise.

15 (1) (a) "Biometric information" means a record of one or more
16 measurable biological or behavioral characteristics that can be used
17 alone or in combination with each other or with other information for
18 automated recognition of a known or unknown individual. Examples
19 include, but are not limited to: Fingerprints, retina and iris
20 patterns, voiceprints, DNA sequence, facial characteristics, gait,
21 handwriting, key stroke dynamics, and mouse movements.

22 (b) "Biometric information" does not include writing samples,
23 written signatures, human biological samples used for valid
24 scientific testing or screening, demographic data, tattoo
25 descriptions, or physical descriptions, such as height, weight, hair
26 color, or eye color. "Biometric information" does not include donated
27 organs, tissues, or parts, or blood or serum stored on behalf of
28 recipients or potential recipients of living or cadaveric transplants
29 and obtained or stored by a federally designated organ procurement
30 agency.

31 (2) "Brokered personal data" means any of the following
32 computerized data elements about a resident individual, if
33 categorized or organized for sale or licensing to another entity:

34 (a) The resident individual's name or the name of a member of the
35 resident individual's immediate family or household;

36 (b) The resident individual's address or an address of a member
37 of the resident individual's immediate family or household;

38 (c) The resident individual's date or place of birth;

39 (d) The maiden name of the resident individual's mother;

1 (e) Biometric information about the resident individual;

2 (f) The resident individual's social security number or the
3 number of any other government-issued identification for the resident
4 individual; or

5 (g) Other information that, alone or in combination with other
6 information that is sold or licensed, can reasonably be associated
7 with the resident individual.

8 (3) (a) "Business entity" means:

9 (i) A resident individual who regularly engages in commercial
10 activity for the purpose of generating income;

11 (ii) A corporation or nonprofit corporation, limited liability
12 company, partnership or limited liability partnership, business
13 trust, joint venture, or other form of business organization the
14 constituent parts of which share a common economic interest;

15 (iii) A financial institution, as defined in RCW 9A.56.280; or

16 (iv) An individual that controls, is controlled by, or is under
17 common control with a person described in (a) (ii) or (iii) of this
18 subsection (3).

19 (b) "Business entity" does not include the state or a state
20 agency, a local government, or a business entity or other person
21 during a period in which the business entity or person is acting
22 solely on behalf of and at the direction of the state, a state
23 agency, or a local government.

24 (4) "Data broker" means any business entity that engages in data
25 brokering and does not include:

26 (a) A consumer reporting agency, as defined in 15 U.S.C. Sec.
27 1681a, a person that furnishes information to a consumer reporting
28 agency, as provided in 15 U.S.C. Sec. 1681s-2, or a user of a
29 consumer report, as defined in 15 U.S.C. Sec. 1681a, to the extent
30 that the consumer reporting agency, the person that furnishes
31 information to a consumer reporting agency, or the user of a consumer
32 report engages in activities that are subject to regulation under the
33 federal fair credit reporting act, 15 U.S.C. Sec. 1681 et seq.; and

34 (b) A financial institution, an affiliate, or a nonaffiliated
35 third party, as those terms are defined in 15 U.S.C. Sec. 6809, to
36 the extent that the financial institution, affiliate, or
37 nonaffiliated third party is subject to regulation under Title V of
38 the Gramm-Leach-Bliley act, 15 U.S.C. Secs. 6801 to 6809, and
39 regulations adopted under Title V of the Gramm-Leach-Bliley act.

1 (5) "Data brokering" means the act of collecting, aggregating,
2 analyzing, buying, selling, and sharing brokered personal data,
3 irrespective of the business entity's relationship with the resident
4 individual whose data is being brokered.

5 (6) "Department" means the department of licensing.

6 (7) "Resident individual" means a person who resides in
7 Washington.

8 NEW SECTION. **Sec. 3.** (1) Except as provided in subsection (2)
9 of this section, beginning January 1, 2026, a data broker who engages
10 in data brokering must register with the department as provided in
11 section 4 of this act.

12 (2) A data broker is not required to register with the department
13 if the brokered personal data involves any of the following:

14 (a) Providing publicly available information that is related to a
15 resident individual's business or profession;

16 (b) Providing publicly available information as part of a service
17 that provides alerts for health or safety purposes;

18 (c) Providing directory assistance or directory information
19 services as, or on behalf of, a telecommunications carrier; or

20 (d) Selling the assets of a business entity or a part of a
21 business entity a single time, or only occasionally, as part of a
22 transfer of control over the assets that is not part of the ordinary
23 conduct of the business entity or a part of the business entity.

24 NEW SECTION. **Sec. 4.** (1) Annually, on or before January 1st
25 following a year in which a business entity meets the definition of
26 data broker as provided in section 3 of this act, a data broker must:

27 (a) Submit on a form and in a format the department specifies:

28 (i) The name of the data broker;

29 (ii) The street address and telephone number of the data broker;

30 and

31 (iii) The data broker's primary website and email address;

32 (b) Pay a fee in an amount the department specifies by rule. The
33 department shall set the fee in an amount that is sufficient to pay
34 the costs of administering the registration program as provided in
35 RCW 43.24.086. Any fees or fines collected under the authority of
36 this chapter must be deposited into the business and professions
37 account created in RCW 43.24.150; and

1 (c) Include with the application form a declaration in which the
2 data broker:

3 (i) Indicates the type of data the data broker collects, how the
4 data is processed, who the data is sold to, and for what purposes the
5 data is sold;

6 (ii) Specifies how many resident individuals the data broker
7 collected data on each month of the previous year;

8 (iii) Explains what types of security measures the data broker
9 has in place to protect their data;

10 (iv) States whether a resident individual's precise geolocation
11 information is a part of their data brokering activity;

12 (v) States whether resident individuals' consumer health data, as
13 defined in RCW 19.373.010, is a part of their data brokering
14 activity;

15 (vi) States whether resident individuals may opt out of all or a
16 portion of the data broker's use of their brokered personal data;

17 (vii) (A) Identifies which of the data broker's activities a
18 resident individual may opt out of; and

19 (B) Identifies which portion of the resident individual's
20 brokered personal data the resident individual may opt out of
21 providing or permitting the data broker to use;

22 (viii) Describes the method by which a resident individual may
23 exercise the choices described in (vi) and (vii) of this subsection
24 (1)(c); and

25 (ix) States whether a resident individual may authorize an
26 individual to exercise the choice described in (vi) of this
27 subsection (1)(c) on the resident individual's behalf and, if so, the
28 appropriate process for the authorization.

29 (2) If a data broker complies with the requirements set forth in
30 this section, the department must approve the registration. A
31 registration under this section is valid until January 1st of the
32 year after the department approves the registration.

33 NEW SECTION. **Sec. 5.** The department shall make the information
34 that business entities submit for registration under this chapter
35 publicly available on the department's website.

36 NEW SECTION. **Sec. 6.** (1) The uniform regulation of business and
37 professions act, chapter 18.235 RCW governs unregistered practice,

1 the issuance and denial of registration, and the discipline of
2 registrants under this chapter.

3 (2) If the registrant is an individual, the department shall
4 immediately suspend the registration of a person who has been
5 certified pursuant to RCW 74.20A.320 by the department of social and
6 health services as a person who is not in compliance with a support
7 order. If the person has continued to meet all other requirements for
8 reinstatement during the suspension, reissuance of the registration
9 shall be automatic upon the department's receipt of a release issued
10 by the department of social and health services stating that the
11 registrant is in compliance with the order.

12 NEW SECTION. **Sec. 7.** The department may adopt rules that are
13 necessary to implement the provisions of this chapter.

14 **Sec. 8.** RCW 18.235.020 and 2024 c 50 s 2 are each amended to
15 read as follows:

16 (1) This chapter applies only to the director and the boards and
17 commissions having jurisdiction in relation to the businesses and
18 professions licensed under the chapters specified in this section.
19 This chapter does not apply to any business or profession not
20 licensed under the chapters specified in this section.

21 (2)(a) The director has authority under this chapter in relation
22 to the following businesses and professions:

23 (i) Auctioneers under chapter 18.11 RCW;

24 (ii) Bail bond agents and bail bond recovery agents under chapter
25 18.185 RCW;

26 (iii) Camping resorts' operators and salespersons under chapter
27 19.105 RCW;

28 (iv) Commercial telephone solicitors under chapter 19.158 RCW;

29 (v) Cosmetologists, barbers, manicurists, and estheticians under
30 chapter 18.16 RCW;

31 (vi) Court reporters under chapter 18.145 RCW;

32 (vii) Driver training schools and instructors under chapter 46.82
33 RCW;

34 (viii) Employment agencies under chapter 19.31 RCW;

35 (ix) For hire vehicle operators under chapter 46.72 RCW;

36 (x) Limousines under chapter 46.72A RCW;

37 (xi) Notaries public under chapter 42.45 RCW;

38 (xii) Private investigators under chapter 18.165 RCW;

1 (xiii) Professional boxing, martial arts, and wrestling under
2 chapter 67.08 RCW;

3 (xiv) Real estate appraisers under chapter 18.140 RCW;

4 (xv) Real estate brokers and salespersons under chapters 18.85
5 and 18.86 RCW;

6 (xvi) Scrap metal processors, scrap metal recyclers, and scrap
7 metal suppliers under chapter 19.290 RCW;

8 (xvii) Security guards under chapter 18.170 RCW;

9 (xviii) Sellers of travel under chapter 19.138 RCW;

10 (xix) Timeshares and timeshare salespersons under chapter 64.36
11 RCW;

12 (xx) Whitewater river outfitters under chapter 79A.60 RCW;

13 (xxi) Home inspectors under chapter 18.280 RCW;

14 (xxii) Body artists, body piercers, and tattoo artists, and body
15 art, body piercing, and tattooing shops and businesses, under chapter
16 18.300 RCW; and

17 (xxiii) Appraisal management companies under chapter 18.310 RCW;
18 and

19 (xxiv) Data brokers under chapter 19.--- RCW (the new chapter
20 created in section 14 of this act).

21 (b) The boards and commissions having authority under this
22 chapter are as follows:

23 (i) The state board for architects established in chapter 18.08
24 RCW;

25 (ii) The Washington state collection agency board established in
26 chapter 19.16 RCW;

27 (iii) The state board of registration for professional engineers
28 and land surveyors established in chapter 18.43 RCW governing
29 licenses issued under chapters 18.43 and 18.210 RCW;

30 (iv) The funeral and cemetery board established in chapter 18.39
31 RCW governing licenses issued under chapters 18.39 and 68.05 RCW;

32 (v) The state board of licensure for landscape architects
33 established in chapter 18.96 RCW; and

34 (vi) The state geologist licensing board established in chapter
35 18.220 RCW.

36 (3) In addition to the authority to discipline license holders,
37 the disciplinary authority may grant or deny licenses based on the
38 conditions and criteria established in this chapter, chapter 18.415
39 RCW, and the chapters specified in subsection (2) of this section.
40 This chapter also governs any investigation, hearing, or proceeding

1 relating to denial of licensure or issuance of a license conditioned
2 on the applicant's compliance with an order entered under RCW
3 18.235.110 by the disciplinary authority.

4 NEW SECTION. **Sec. 9.** The definitions in this section apply
5 throughout this chapter unless the context clearly requires
6 otherwise.

7 (1) "Brokered personal data" means any of the following
8 computerized data elements about a resident individual, if
9 categorized or organized for sale or licensing to another entity:

10 (a) The resident individual's name or the name of a member of the
11 resident individual's immediate family or household;

12 (b) The resident individual's address or an address of a member
13 of the resident individual's immediate family or household;

14 (c) The resident individual's date or place of birth;

15 (d) The maiden name of the resident individual's mother;

16 (e) Biometric information about the resident individual;

17 (f) The resident individual's social security number or the
18 number of any other government-issued identification for the resident
19 individual; or

20 (g) Other information that, alone or in combination with other
21 information that is sold or licensed, can reasonably be associated
22 with the resident individual.

23 (2) "Data broker" means any business entity registered with the
24 department of licensing under section of 3 this act.

25 (3) "Data brokering" means the act of collecting, aggregating,
26 analyzing, buying, selling, and sharing brokered personal data,
27 irrespective of the business entity's relationship with the resident
28 individual whose data is being brokered.

29 (4) "Resident individual" means a person who resides in
30 Washington.

31 NEW SECTION. **Sec. 10.** (1) There is hereby imposed a monthly
32 severance tax on data brokering by data brokers.

33 (2) The tax under this chapter is imposed on data brokers based
34 on the number of resident individuals a data broker collects brokered
35 personal data on within the month. The amount of the tax is the
36 amount provided in the following table:

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If the number of resident individuals is over:	But not more than:	The amount of the tax equals the initial tax amount of:	Plus the per residential individual tax rate of:
0	500,000	\$0	5 cents per month on the number of resident individuals over 0 but not more than 500,000
500,000	1,000,000	\$25,000 per month	10 cents per month on the number of resident individuals over 500,000 but not more than 1,000,000
1,000,000	1,500,000	\$75,000 per month	15 cents per month on the number of resident individuals over 1,000,000 but not more than 1,500,000
1,500,000	2,000,000	\$150,000 per month	20 cents per month on the number of resident individuals over 1,500,000 but not more than 2,000,000
2,000,000	2,500,000	\$250,000 per month	25 cents per month on the number of resident individuals over 2,000,000 but not more than 2,500,000
2,500,000	3,000,000	\$375,000 per month	30 cents per month on the number of resident individuals over 2,500,000 but not more than 3,000,000
3,000,000	3,500,000	\$525,000 per month	35 cents per month on the number of resident individuals over 3,000,000 but not more than 3,500,000
3,500,000	4,000,000	\$700,000 per month	40 cents per month on the number of resident individuals over 3,500,000 but not more than 4,000,000

1	4,000,000	4,500,000	\$900,000 per month	45 cents per month on the number of resident individuals over 4,000,000 but not more than 4,500,000
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5	4,500,000	5,000,000	\$1,125,000 per month	50 cents per month on the number of resident individuals over 4,500,000 but not more than 5,000,000
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9	5,000,000		\$1,375,000 per month	55 cents per month on the number of resident individuals over 5,000,000
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12 NEW SECTION. **Sec. 11.** (1) There is a rebuttable presumption
13 that an individual whose information on record with or available to a
14 data broker indicates a Washington home address, a Washington mailing
15 address, or an internet protocol address connected with a Washington
16 location is a resident individual for purposes of this chapter. The
17 presumption may be rebutted by evidence that an individual's primary
18 residence is outside Washington in a form or manner determined by the
19 department.

20 (2) A resident individual must be counted only once in the
21 calculation of the monthly excise tax imposed on a data broker.

22 (3) Business entities having common ownership as defined in 26
23 U.S.C. Sec. 1563(a) of the internal revenue code, as amended, are a
24 single taxpayer for purposes of meeting the definition of data broker
25 under this chapter. The entities constituting the single taxpayer are
26 jointly and severally liable for any tax due.

27 (4) The single member of a single member limited liability
28 company must be treated as an individual under this chapter.

29 (5) (a) A data broker and the department may agree on a
30 methodology for determining the number of resident individuals for
31 the purpose of calculating the tax.

32 (b) If an agreement is not reached as provided in (a) of this
33 subsection, the department shall determine an acceptable estimation
34 methodology for determining the number of resident individuals for
35 the purpose of calculating the tax.

36 NEW SECTION. **Sec. 12.** (1) A data broker must maintain records
37 as required by the department.

1 (2) (a) A data broker must file a monthly return as required by
2 the department.

3 (b) A data broker that pays the tax imposed under section 10 of
4 this act in a given month must file a return in subsequent months
5 until it reports no tax liability for 12 consecutive months.

6 (3) The department may prescribe rules as may be necessary to
7 administrate and implement this chapter.

8 NEW SECTION. **Sec. 13.** Chapter 82.32 RCW applies to the
9 administration of sections 9 through 12 of this act.

10 NEW SECTION. **Sec. 14.** Sections 2 through 7 of this act
11 constitute a new chapter in Title 19 RCW.

12 NEW SECTION. **Sec. 15.** Sections 9 through 12 of this act
13 constitute a new chapter in Title 82 RCW.

14 NEW SECTION. **Sec. 16.** Sections 9 through 12 of this act take
15 effect January 1, 2027.

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