

HOUSE BILL ANALYSIS

ESSB 6513

Title: An act relating to the privacy of personal financial information in commercial transactions involving financial institutions and others who maintain and transfer information.

Brief Description: Protecting privacy of personal information in commercial transactions.

Sponsors: Senators Prentice, McCaslin, Kline, Gardner, Winsley, Kohl-Welles, Spanel and Costa; by request of Attorney General.

HOUSE COMMITTEE ON FINANCIAL INSTITUTIONS & INSURANCE

Meeting Date: January 25, 2000.

Bill Analysis Prepared by: Charlie Gavigan (786-7340)

Background: Until recently, there generally has been no clear delineation in the law regarding to what extent customer information held by financial institutions and other businesses can be used by that institution or business for transactions not initiated by the customers or shared with other private organizations.

Federal and State Constitutions - Both the federal and state constitutions contain a right to privacy as defined by the courts. However, this constitutional principle generally protects an individual from improper intrusion on his or her right to privacy by the government, not private organizations.

Federal Statutes - In addition to the recent federal financial services modernization legislation (S. 900), there are several federal statutes that deal with private financial information. These include: