

HOUSE BILL REPORT

HB 2014

As Reported by House Committee On:

Financial Institutions & Insurance

Title: An act relating to creating an office of privacy protection.

Brief Description: Creating an office of privacy protection.

Sponsors: Representatives Simpson, Hatfield, Benson, McIntire, Bush, Ruderman, Schual-Berke, Conway, Santos, Kenney, Lovick, Keiser, Hurst and Kagi.

Brief History:

Committee Activity:

Financial Institutions & Insurance: 2/21/01, 2/27/01 [DPS].

Brief Summary of Substitute Bill

- Creates an office of identity theft prevention and protection within the Office of the Attorney General to assist individuals and businesses in preventing and protecting against identity theft.

HOUSE COMMITTEE ON FINANCIAL INSTITUTIONS & INSURANCE

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 11 members: Representatives Benson, Republican Co-Chair; Hatfield, Democratic Co-Chair; McIntire, Democratic Vice Chair; Barlean, Cairnes, DeBolt, Keiser, Miloscia, Roach, Santos and Simpson.

Minority Report: Do not pass. Signed by 1 member: Representative Bush, Republican Vice Chair.

Staff: Thamas Osborn (786-7129).

Background:

Statutory protections for private information are limited in Washington, but include laws, for example, that protect a customer's financial information from being shared between financial institutions and/or the government unless certain requirements are met, require disclosure when credit information is shared with other entities, prohibit obtaining

financial information fraudulently, and restrict disclosure of personal health care information.

Another statute, the state identity theft statute, makes repeated acts of identity theft by a business a violation of the Consumer Protection Act. The attorney general is generally responsible for enforcing the Consumer Protection Act by, for example, bringing actions in the name of the state to restrain prohibited trade practices.

Summary of Substitute Bill:

An office of identity theft prevention and protection is created within the Office of the Attorney General to assist individuals and businesses in preventing and protecting against identity theft. The office has the following duties: (1) providing technical assistance and model policies to businesses developing policies on the use of personal information; (2) providing consumer education and a central contact point for consumer information on identity theft issues; and (3) assisting local prosecutors to coordinate prosecution of identity theft.

Substitute Bill Compared to Original Bill:

The substitute re-characterizes the type of office from an "office of privacy protection" to an office of identity theft prevention and protection.— In addition, the statement of purpose is changed to read "assisting individuals and businesses to prevent and protect against identity theft" from "monitoring and ensuring compliance with statutes, rules, and policies pertaining to the right of citizens to keep nonpublic personal information private and confidential" in the original bill. Finally, the substitute bill eliminates the requirement that the attorney general administer a system for the recording and posting of privacy policies.

Appropriation: None.

Fiscal Note: Requested February 15, 2001.

Effective Date of Substitute Bill: Ninety days after adjournment of session in which bill is passed.

Testimony For: (Original bill) The office would provide a useful central location in the Office of the Attorney General for consumer protection and consumer information. The focus on prevention and helping victims of identity theft is good. The provision providing for technical assistance in developing privacy policies would be useful for small businesses. The Office of the Attorney General is well suited for coordinating with local prosecutors on issues of identity theft, since it is already doing this to some extent.

Testimony Against: (Original bill) The provision for posting policies on the web would likely be expensive. The regulatory aspects overlap with federal regulations, which leads to needless duplication.

Testified: (In support) Representative Simpson, prime sponsor; Elaine Rose, Office of the Attorney General; and Tim Greeff, Washington Public Information and Research Group.

(In support with amendment) Andy Doln, Washington State Medical Association.

(Opposed) Jan Gee, Washington Retail Association.