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HOUSE BILL 1763

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State of Washington                      60th Legislature                      2007 Regular Session

By Representatives Williams, Morris, Moeller and Simpson

Read first time 01/26/2007. Referred to Committee on Judiciary.

1            AN ACT Relating to protecting financial information and means of  
2 identification stored on portable electronic data storage devices;  
3 amending RCW 9.35.001; and adding a new section to chapter 9.35 RCW.

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

5            **Sec. 1.** RCW 9.35.001 and 1999 c 368 s 1 are each amended to read  
6 as follows:

7            (1) The legislature finds that financial information is personal  
8 and sensitive information that if unlawfully obtained by others may do  
9 significant harm to a person's privacy, financial security, and other  
10 interests. The legislature finds that unscrupulous persons find ever  
11 more clever ways, including identity theft, to improperly obtain and  
12 use financial information. The legislature intends to penalize  
13 unscrupulous people for improperly obtaining financial information.

14            (2) The legislature finds that the storage of large amounts of  
15 unencrypted financial information or means of identification on  
16 portable electronic data storage devices and the transportation of such  
17 devices away from the workplace contribute to identity crimes. The  
18 legislature intends to reduce the incidence of identity crimes by  
19 imposing civil liability in certain cases where wrongful access to

1 financial information or means of identification from a portable  
2 electronic data storage device that has been removed from the workplace  
3 leads to an identity crime.

4 NEW SECTION. **Sec. 2.** A new section is added to chapter 9.35 RCW  
5 to read as follows:

6 (1) A person violates this section if:

7 (a) The person possesses the financial information or the means of  
8 identification of one hundred or more persons for any lawful purpose  
9 connected to a business or nonprofit organization;

10 (b) The person, or his or her employee, removes from the premises  
11 of the business or organization a portable electronic data storage  
12 device containing the financial information or means of identification  
13 of one hundred or more persons;

14 (c) The financial information or means of identification on the  
15 portable electronic data storage device is wrongfully accessed and  
16 utilized to commit a violation of RCW 9.35.010 or 9.35.020; and

17 (d) The financial information or means of identification on the  
18 portable electronic data storage device was not protected by encryption  
19 software at the time it was wrongfully accessed.

20 (2) For the purposes of this section:

21 (a) "Person" means any natural person, association, partnership,  
22 corporation, or organization.

23 (b) "Portable electronic data storage device" means any portable  
24 electronic device capable of storing information, including, but not  
25 limited to, a laptop computer, personal data assistant, portable hard  
26 drive, or flash memory device.

27 (3) The legislature finds that the practices covered by this  
28 section are matters vitally affecting the public interest for the  
29 purpose of applying the consumer protection act, chapter 19.86 RCW. A  
30 violation of this section is not reasonable in relation to the  
31 development and preservation of business and is an unfair or deceptive  
32 act in trade or commerce and an unfair method of competition for the  
33 purpose of applying the consumer protection act, chapter 19.86 RCW.

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