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**SUBSTITUTE HOUSE BILL 2320**

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**State of Washington                      62nd Legislature                      2012 Regular Session**

**By House Public Safety & Emergency Preparedness (originally sponsored by Representatives Kelley, Hurst, Eddy, Finn, and Blake)**

READ FIRST TIME 01/31/12.

1            AN ACT Relating to transactions by state officers involving  
2 nonpublic information; adding new sections to chapter 9A.60 RCW; and  
3 prescribing penalties.

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

5            NEW SECTION.    **Sec. 1.** A new section is added to chapter 9A.60 RCW  
6 to read as follows:

7            (1) A state officer may not buy, sell, or invest in securities,  
8 commodities, or real property on the basis of material nonpublic  
9 information if the officer gained the information by reason of his or  
10 her official position.

11            (2) Violation of this section is a class C felony.

12            (3) The attorney general has concurrent authority with county  
13 prosecuting attorneys to investigate and prosecute violations of this  
14 section.

15            (4) For purposes of this section:

16            (a) "Commodity" has the same meaning as in RCW 21.30.010.

17            (b) "Material nonpublic information" includes any information that  
18 a state officer gains by reason of his or her official position and  
19 that he or she knows or should know has not been made available to the

1 general public. It includes information that is statutorily protected  
2 from disclosure, that is designated as confidential by an agency, or  
3 that has not actually been disseminated to the general public and is  
4 not authorized to be made available to the public on request.

5 (c) "Security" has the same meaning as in RCW 21.20.005.

6 (d) "Sell" has the same meaning as in RCW 21.20.005.

7 (e) "State officer" has the same meaning as in RCW 42.52.010.

8 NEW SECTION. **Sec. 2.** A new section is added to chapter 9A.60 RCW  
9 to read as follows:

10 In addition to the criminal penalties provided in section 1 of this  
11 act, the attorney general or a county prosecutor may bring a civil  
12 action against the state officer for a violation of section 1 of this  
13 act. If the court finds that the state officer violated section 1 of  
14 this act, the court shall order any profits, gain, gross receipts, or  
15 other benefit from the violation to be disgorged and paid to: (1) Any  
16 person who suffered a material financial loss due to the state  
17 officer's violation of section 1 of this act; or (2) the state  
18 treasurer for deposit in the general fund.

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