
SUBSTITUTE HOUSE BILL 1469

State of Washington

64th Legislature

2015 Regular Session

By House General Government & Information Technology (originally sponsored by Representatives Hudgins, Magendanz, Stanford, Ormsby, and Tarleton)

READ FIRST TIME 02/16/15.

1 AN ACT Relating to the removal of payment credentials and other
2 sensitive data from state data networks; and adding a new section to
3 chapter 43.41A RCW.

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

5 NEW SECTION. **Sec. 1.** A new section is added to chapter 43.41A
6 RCW to read as follows:

7 (1) State agencies shall not store payment credentials on state
8 data systems. For the purposes of this section, "payment credentials"
9 means:

10 (a) The full magnetic stripe or primary account number of a
11 credit or debit card combined with cardholder name, expiration date,
12 or service code; or

13 (b) Other personally identifiable credentials allowing the state
14 to receive incoming payments for services, excluding account
15 information required for making outgoing payments, distributions, and
16 transfers.

17 (2) If payment credentials collected by state agencies are
18 required to be stored, these data may be transferred to and stored
19 with a third-party institution that is fully compliant with industry
20 leading security standards.

1 (3) If a data security breach resulting in the compromise of
2 payment credentials collected by the state occurs at a third-party
3 institution, and if that institution is found not to have been fully
4 compliant with industry leading security standards at the time of the
5 breach, that institution shall be fully financially liable for the
6 damages resulting from the breach. Damages may include costs of
7 notification, credit monitoring, identity theft prevention measures,
8 or any other remedies provided under relevant data breach laws.

9 (4) State agencies that currently store payment credentials must
10 work with the office to eliminate these data from state data systems
11 by July 1, 2018.

12 (5) The office may grant a waiver to the requirement under
13 subsection (4) of this section in instances where transitioning
14 payment credentials off state data systems presents special
15 difficulty, or where holding payment credentials on state data
16 systems is required for the day-to-day business of the agency or by
17 law.

18 (6) The office shall develop a policy for minimizing the
19 retention of social security numbers and other sensitive, personally
20 identifiable information by state agencies whenever not required for
21 the day-to-day operations of an agency or by law. This policy must
22 include instructions for identifying and classifying sensitive data,
23 eliminating it where possible, and protecting them as necessary. The
24 policy must include an examination of the reasons sensitive data are
25 being collected, and any ongoing retention must be justified. All
26 state agencies must comply with this policy.

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