

SENATE BILL REPORT

HB 1899

As Reported by Senate Committee On:
Business, Financial Services & Trade, February 22, 2022

Title: An act relating to confidentiality of certain data shared with the department of financial institutions.

Brief Description: Concerning confidentiality of certain data shared with the department of financial institutions.

Sponsors: Representatives Kirby, Vick, Graham and Young; by request of Department of Financial Institutions.

Brief History: Passed House: 2/10/22, 93-1.

Committee Activity: Business, Financial Services & Trade: 2/17/22, 2/22/22 [DP].

Brief Summary of Bill

- Expands the allowable exemptions for insurance and financial institutions to the Public Records Act to include confidential information that the Department of Financial Institutions has obtained from agencies in other states, the federal government, or regulatory associations comprised of regulatory agencies.

SENATE COMMITTEE ON BUSINESS, FINANCIAL SERVICES & TRADE

Majority Report: Do pass.

Signed by Senators Mullet, Chair; Hasegawa, Vice Chair; Dozier, Ranking Member; Brown, Frockt, Lovick and Wilson, L.

Staff: Clinton McCarthy (786-7319)

Background: The Public Records Act (PRA) requires state and local agencies to disclose written records to the public for inspection and copying upon request, unless the

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information belongs to a category which is exempt from disclosure under the PRA or another provision of state law. Certain information relating to insurance and financial institutions is exempt from disclosure. These exemptions include examination reports and information obtained by the Department of Financial Institutions (DFI) from banks, savings banks, savings and loan associations, credit unions, check cashers and sellers, and securities brokers and investment advisers under certain statutory provisions. The stated policy of the PRA favors disclosure and requires narrow application of the listed exemptions.

Summary of Bill: The allowed exemptions to the PRA pertaining to insurance and financial institutions are expanded to include confidential information that DFI has obtained from agencies in other states, the federal government, or regulatory associations comprised of regulatory agencies. DFI is permitted to enter into information sharing agreements with these entities to ensure confidentiality. The confidential records are not exempt from the PRA when included as part of records used by DFI to represent an agency action.

Appropriation: None.

Fiscal Note: Not requested.

Creates Committee/Commission/Task Force that includes Legislative members: No.

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

Staff Summary of Public Testimony: PRO: DFI is increasing the frequency of working with other regulatory agencies. Without this bill, DFI won't be able to participate with other regulatory agencies due to a lack of protections on confidential information. This would put Washington residents at risk.

OTHER: This bill would not impact any records that DFI creates.

Persons Testifying: PRO: Drew Bouton, Department of Financial Institutions.

OTHER: Rowland Thompson, Allied Daily Newspapers and WSABroadcasters.

Persons Signed In To Testify But Not Testifying: No one.