
SECOND SUBSTITUTE HOUSE BILL 1854

State of Washington

66th Legislature

2019 Regular Session

By House Appropriations (originally sponsored by Representatives Kloba, Hudgins, Slatter, Tarleton, Smith, Ryu, Valdez, Stanford, and Pollet)

READ FIRST TIME 03/01/19.

1 AN ACT Relating to the management and oversight of personal data;
2 amending RCW 43.105.369; adding a new section to chapter 9.73 RCW;
3 adding a new chapter to Title 19 RCW; creating new sections;
4 prescribing penalties; and providing an effective date.

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

6 NEW SECTION. **Sec. 1.** SHORT TITLE. This act may be known and
7 cited as the Washington privacy act.

8 NEW SECTION. **Sec. 2.** LEGISLATIVE FINDINGS. (1) The legislature
9 finds that:

10 (a) Washington explicitly recognizes its people's right to
11 privacy under Article I, section 7 of the state Constitution.

12 (b) There is rapid growth in the volume and variety of personal
13 data being generated, collected, stored, and analyzed. The protection
14 of individual privacy and freedom in relation to the processing of
15 personal data requires the recognition of the principle of joint
16 ownership of personal data between consumers and controllers that
17 process the data.

18 (2) To preserve trust and confidence that personal data will be
19 protected appropriately, the legislature recognizes that with regard

1 to processing of personal data, Washington consumers have the rights
2 to:

3 (a) Confirm whether or not personal data is being processed by a
4 controller;

5 (b) Obtain a copy of the personal data undergoing processing;

6 (c) Correct inaccurate personal data;

7 (d) Obtain deletion of personal data;

8 (e) Restrict processing of personal data;

9 (f) Be provided with any of the consumer's personal data that the
10 consumer provided to a controller;

11 (g) Object to processing of personal data; and

12 (h) Not be subject to a decision based solely on profiling.

13 NEW SECTION. **Sec. 3.** DEFINITIONS. The definitions in this
14 section apply throughout this chapter unless the context clearly
15 requires otherwise.

16 (1) "Affiliate" means a legal entity that controls, is controlled
17 by, or is under common control with, another legal entity.

18 (2) "Business associate" has the same meaning as in Title 45
19 C.F.R., established pursuant to the federal health insurance
20 portability and accountability act of 1996.

21 (3) "Business purpose" means the processing of personal data for
22 the controller's or its processor's operational purposes, or other
23 notified purposes, provided that the processing of personal data must
24 be reasonably necessary and proportionate to achieve the operational
25 purposes for which the personal data was collected or processed or
26 for another operational purpose that is compatible with the context
27 in which the personal data was collected. Business purposes include:

28 (a) Auditing related to a current interaction with the consumer
29 and concurrent transactions including, but not limited to, counting
30 ad impressions, verifying positioning and quality of ad impressions,
31 and auditing compliance with this specification and other standards;

32 (b) Detecting security incidents, protecting against malicious,
33 deceptive, fraudulent, or illegal activity, and prosecuting those
34 responsible for that activity;

35 (c) Identifying and repairing errors that impair existing or
36 intended functionality;

37 (d) Short-term, transient use, provided the personal data is not
38 disclosed to another third party and is not used to build a profile
39 about a consumer or otherwise alter an individual consumer's

1 experience outside the current interaction including, but not limited
2 to, the contextual customization of ads shown as part of the same
3 interaction;

4 (e) Maintaining or servicing accounts, providing customer
5 service, processing or fulfilling orders and transactions, verifying
6 customer information, processing payments, or providing financing;

7 (f) Undertaking internal research for technological development;
8 or

9 (g) Authenticating a consumer's identity.

10 (4) "Child" means any natural person under thirteen years of age.

11 (5) "Consent" means a clear affirmative act signifying a
12 specific, informed, and unambiguous indication of a consumer's
13 agreement to the processing of personal data relating to the
14 consumer, such as by a written statement or other clear affirmative
15 action.

16 (6) "Consumer" means a natural person who is a Washington
17 resident acting only in an individual or household context. It does
18 not include a natural person acting in a commercial or employment
19 context.

20 (7) "Controller" means the natural or legal person which, alone
21 or jointly with others, determines the purposes and means of the
22 processing of personal data.

23 (8) "Covered entity" has the same meaning as in Title 45 C.F.R.,
24 established pursuant to the federal health insurance portability and
25 accountability act of 1996.

26 (9) (a) "Data broker" means a business, or unit or units of a
27 business, separately or together, that knowingly collects and sells
28 or licenses to third parties the brokered personal information of a
29 consumer with whom the business does not have a direct relationship.

30 (b) Providing publicly available information through real-time or
31 near real-time alert services for health or safety purposes, and the
32 collection and sale or licensing of brokered personal information
33 incidental to conducting those activities, does not qualify the
34 business as a data broker.

35 (c) Providing 411 directory assistance or directory information
36 services, including name, address, and telephone number, on behalf of
37 or as a function of a telecommunications carrier, does not qualify
38 the business as a data broker.

39 (10) "Deidentified data" means:

1 (a) Data that cannot be linked to a known natural person without
2 additional information kept separately; or

3 (b) Data (i) that has been modified to a degree that the risk of
4 reidentification is small, (ii) that is subject to a public
5 commitment by the controller not to attempt to reidentify the data,
6 and (iii) to which one or more enforceable controls to prevent
7 reidentification has been applied. Enforceable controls to prevent
8 reidentification may include legal, administrative, technical, or
9 contractual controls.

10 (11) "Developer" means a person who creates or modifies the set
11 of instructions or programs instructing a computer or device to
12 perform tasks.

13 (12) "Direct marketing" means communication with a consumer for
14 advertising purposes or to market goods.

15 (13) "Facial recognition" means technology that analyzes facial
16 features for the unique personal identification of natural persons in
17 still or video images. "Facial recognition" means both:

18 (a) The automated or semiautomated process by which a person is
19 identified or attempted to be identified based on the characteristics
20 of their face, including identification of known or unknown
21 individuals or groups; and

22 (b) The automated or semiautomated process by which the
23 characteristics of an individual's face are analyzed to determine the
24 individual's sentiment, state of mind, or other propensities.

25 (14) "Health care facility" has the same meaning as in RCW
26 70.02.010.

27 (15) "Health care information" has the same meaning as in RCW
28 70.02.010.

29 (16) "Health care provider" has the same meaning as in RCW
30 70.02.010.

31 (17) "Identified or identifiable natural person" means a person
32 who can be readily identified, directly or indirectly, in particular
33 by reference to an identifier such as a name, an identification
34 number, or specific geolocation data.

35 (18) "Legal effects" means, without limitation, denial of
36 consequential services or support, such as financial and lending
37 services, housing, insurance, education enrollment, criminal justice,
38 employment opportunities, health care services, and other similarly
39 significant effects.

1 (19) "Personal data" means any information that is linked or
2 reasonably linkable to an identified or identifiable natural person.
3 Personal data does not include deidentified data.

4 (20) "Process" or "processing" means any collection, use,
5 storage, disclosure, analysis, deletion, or modification of personal
6 data.

7 (21) "Processor" means a controller that processes personal data
8 or a natural or legal person that processes personal data on behalf
9 of the controller.

10 (22) "Profiling" means any form of automated processing of
11 personal data consisting of the use of personal data to evaluate
12 certain personal aspects relating to a natural person, in particular
13 to analyze or predict aspects concerning that natural person's
14 economic situation, health, personal preferences, interests,
15 reliability, behavior, location, or movements.

16 (23) "Protected health information" has the same meaning as in
17 Title 45 C.F.R., established pursuant to the federal health insurance
18 portability and accountability act of 1996.

19 (24) "Publicly available information" means information that is
20 lawfully made available from federal, state, or local government
21 records.

22 (25) "Request" means the process through which a consumer may
23 submit a request to exercise a right or rights set forth in this
24 chapter, and by which a controller can reasonably authenticate the
25 request and the consumer making the request using reasonable means.

26 (26) "Restriction of processing" means the marking of stored
27 personal data with the aim of limiting the processing of such
28 personal data in the future.

29 (27) "Sale," "sell," or "sold" means the exchange of personal
30 data for consideration by the controller to a third party for
31 purposes of licensing or selling personal data at the third party's
32 discretion to additional third parties.

33 (28) "Sensitive data" means (a) personal data revealing racial or
34 ethnic origin, religious beliefs, mental or physical health condition
35 or diagnosis, or sex life or sexual orientation; (b) the processing
36 of genetic or biometric data for the purpose of uniquely identifying
37 a natural person; or (c) the personal data of a known child.

38 (29) "Targeted advertising" means displaying advertisements to a
39 consumer where the advertisement is selected based on personal data
40 obtained or inferred over time from a consumer's activities across

1 nonaffiliated web sites, applications, or online services to predict
2 user preferences or interests.

3 (30) "Third party" means a natural or legal person, public
4 authority, agency, or body other than the consumer, controller, or an
5 affiliate of the processor of the controller.

6 NEW SECTION. **Sec. 4.** JURISDICTIONAL SCOPE. (1) This chapter
7 applies to natural or legal persons who reside in Washington and
8 jointly own their personal data.

9 (2) This chapter applies to legal entities that conduct business
10 in Washington or produce products or services that are intentionally
11 targeted to residents of Washington, and that satisfy one or more of
12 the following thresholds:

13 (a) Controls or processes personal data of one hundred thousand
14 consumers or more; or

15 (b) Derives over twenty-five percent of gross revenue from the
16 sale of personal data and processes or controls personal data of ten
17 thousand consumers or more.

18 (3) This chapter does not apply to:

19 (a) State and local governments; or

20 (b) Municipal corporations.

21 NEW SECTION. **Sec. 5.** RESPONSIBILITY ACCORDING TO ROLE. (1)
22 Controllers are responsible for meeting the obligations established
23 under this chapter.

24 (2) Processors are responsible under this act for adhering to the
25 instructions of the controller and assisting the controller to meet
26 its obligations under this chapter.

27 (3) Processing by a processor is governed by a contract between
28 the controller and the processor that is binding on the processor and
29 that sets out the processing instructions to which the processor is
30 bound.

31 NEW SECTION. **Sec. 6.** CONSUMER RIGHTS. (1) A consumer may
32 exercise any of the consumer rights set forth in section 2 of this
33 act by submitting to a controller a request that specifies which
34 rights the consumer wishes to exercise.

35 (2) Upon receiving a consumer request, a controller must:

36 (a) Confirm whether or not the consumer's personal data is being
37 processed by the controller, including whether such personal data is

1 sold to data brokers, and, where the consumer's personal data is
2 being processed by the controller, provide access to such personal
3 data that the controller maintains in identifiable form;

4 (b) Provide a copy of the consumer's personal data that is
5 undergoing processing and that the controller maintains in
6 identifiable form;

7 (c) Correct the consumer's inaccurate personal data that the
8 controller maintains in identifiable form;

9 (d) Complete the consumer's incomplete personal data, including
10 by means of providing a supplementary statement where appropriate;

11 (e) Delete the consumer's personal data that the controller
12 maintains, including personal data that:

13 (i) Has been unlawfully processed;

14 (ii) Must be deleted to comply with a legal obligation under
15 federal, state, or local law to which the controller is subject; or

16 (iii) Has been disclosed by the controller to third parties,
17 including data brokers that received the consumer's personal data
18 through a sale;

19 (f) Take reasonable steps to inform other controllers of which
20 the controller is aware, and which are processing the consumer's
21 personal data they received from the controller or are processing
22 such personal data on behalf of the controller, that the consumer has
23 requested the other controllers delete any copy of or links to the
24 consumer's personal data;

25 (g) Restrict processing of the consumer's personal data if the
26 purpose for which the personal data is being processed is: (i)
27 Inconsistent with a purpose for which the personal data was
28 collected; (ii) inconsistent with a purpose disclosed to the consumer
29 at the time of collection or authorization; or (iii) unlawful;

30 (h) Inform the consumer before any existing restriction of
31 processing is lifted;

32 (i) Provide to the consumer any personal data concerning the
33 consumer that such consumer has provided to the controller;

34 (j) Stop processing personal data of the consumer who objects to
35 such processing, including the selling of the consumer's personal
36 data to third parties for purposes of direct marketing or targeted
37 advertising;

38 (k) Inform the consumer about third-party recipients of the
39 consumer's personal data, including third parties that received the
40 data through a sale; or

1 (1) Communicate a consumer's objection to processing to third
2 parties to whom the controller sold the consumer's personal data and
3 who must honor objection requests received from the controller.

4 (3) A controller must take action on a consumer's request without
5 undue delay and within thirty days of receiving the request. The
6 request fulfillment period may be extended by sixty additional days
7 where reasonably necessary, taking into account the complexity of the
8 request.

9 (4) Within thirty days of receiving a consumer request, a
10 controller must inform the consumer about:

11 (a) Any fulfillment period extension, together with the reasons
12 for the delay; or

13 (b) The reasons for not taking action on the consumer's request
14 and any possibility for internal review of the decision by the
15 controller.

16 (5) A controller must communicate any correction, deletion, or
17 restriction of processing carried out pursuant to a consumer request
18 to each third party to whom the controller knows the consumer's
19 personal data has been disclosed, including third parties that
20 received the data through a sale.

21 (6) Information provided under this section must be provided by
22 the controller free of charge to the consumer. Where requests from a
23 consumer are manifestly unfounded or excessive, the controller may
24 refuse to act on the request. The controller bears the burden of
25 demonstrating the manifestly unfounded or excessive character of the
26 request.

27 (7) Where a controller has reasonable doubts concerning the
28 identity of the consumer making a request under this section, the
29 controller may request the provision of additional information
30 necessary to confirm the identity of the consumer.

31 (8) Requests for personal data under this section must be without
32 prejudice to the other rights granted in this chapter.

33 (9) The rights provided in this section must not adversely affect
34 the rights of others.

35 (10) All policies adopted and used by a controller to comply with
36 this section must be publicly available on the controller's web site
37 and included in the controller's online privacy policy.

38 NEW SECTION. **Sec. 7.** TRANSPARENCY. (1) Controllers must be
39 transparent and accountable for their processing of personal data, by

1 making available in a form that is reasonably accessible to consumers
2 a clear, meaningful privacy notice that includes:

3 (a) The categories of personal data collected by the controller;

4 (b) The purposes for which the categories of personal data is
5 used and disclosed to third parties, if any;

6 (c) The rights that consumers may exercise pursuant to section 6
7 of this act, if any;

8 (d) The categories of personal data that the controller shares
9 with third parties, if any;

10 (e) The categories of third parties, if any, with whom the
11 controller shares personal data; and

12 (f) The process by which a consumer may request to exercise the
13 rights under section 6 of this act, including a process by which a
14 consumer may appeal a controller's action with regard to the
15 consumer's request.

16 (2) If a controller sells personal data to data brokers or
17 processes personal data for direct marketing purposes, including
18 targeted advertising, it must disclose such processing, as well as
19 the manner in which a consumer may exercise the right to object to
20 such processing, in a clear and conspicuous manner.

21 NEW SECTION. **Sec. 8.** COMPLIANCE. (1) Controllers must develop
22 and make publicly available an annual plan for complying with the
23 obligations under this chapter.

24 (2) A controller that has developed a compliance plan for the
25 European general data protection regulation 2016/679 may use that
26 plan for purposes of subsection (1) of this section.

27 (3) Controllers may report metrics on their public web site to
28 exemplify and support their compliance plans.

29 NEW SECTION. **Sec. 9.** RISK ASSESSMENTS. (1) Controllers must
30 produce a risk assessment of each of their processing activities
31 involving personal data and an additional risk assessment any time
32 there is a change in processing that materially increases the risk to
33 consumers. The risk assessments must take into account the:

34 (a) Type of personal data to be processed by the controller;

35 (b) Extent to which the personal data is sensitive data or
36 otherwise sensitive in nature; and

37 (c) Context in which the personal data is to be processed.

1 (2) Risk assessments conducted under subsection (1) of this
2 section must:

3 (a) Identify and weigh the benefits that may flow directly and
4 indirectly from the processing to the controller, consumer, other
5 stakeholders, and the public, against the potential risks to the
6 rights of the consumer associated with the processing, as mitigated
7 by safeguards that can be employed by the controller to reduce risks;
8 and

9 (b) Factor in the use of deidentified data and the reasonable
10 expectations of consumers, as well as the context of the processing
11 and the relationship between the controller and the consumer whose
12 personal data will be processed.

13 (3) If the risk assessment conducted under subsection (1) of this
14 section determines that the potential risks of privacy harm to
15 consumers are substantial and outweigh the interests of the
16 controller, consumer, other stakeholders, and the public in
17 processing the personal data of the consumer, the controller may only
18 engage in such processing with the consent of the consumer. To the
19 extent the controller seeks consumer consent for processing, consent
20 must be as easy to withdraw as to give.

21 (4) Processing for a business purpose is permissible unless: (a)
22 It involves the processing of sensitive data; (b) the risk of
23 processing cannot be reduced through the use of appropriate
24 administrative and technical safeguards; or (c) consent was not
25 given.

26 (5) The controller must make the risk assessment available to the
27 attorney general upon request. Risk assessments are confidential and
28 exempt from public inspection and copying under chapter 42.56 RCW.

29 NEW SECTION. **Sec. 10.** DEIDENTIFIED DATA. A controller or
30 processor that uses deidentified data must exercise reasonable
31 oversight to monitor compliance with any contractual commitments to
32 which the deidentified data is subject, and must take appropriate
33 steps to address any breaches of contractual commitments.

34 NEW SECTION. **Sec. 11.** EXEMPTIONS. (1) The obligations imposed
35 on controllers or processors under this chapter do not restrict a
36 controller's or processor's ability to:

37 (a) Engage in processing that is necessary for reasons of public
38 health interest, where the processing: (i) Is subject to suitable and

1 specific measures to safeguard consumer rights; and (ii) is under the
2 responsibility of a professional subject to confidentiality
3 obligations under federal, state, or local law;

4 (b) Engage in processing that is necessary for archiving purposes
5 in the public interest, scientific or historical research purposes,
6 or statistical purposes, where the deletion of personal data is
7 likely to render impossible or seriously impair the achievement of
8 the objectives of the processing;

9 (c) Comply with federal, state, or local laws, rules, or
10 regulations;

11 (d) Comply with a civil, criminal, or regulatory inquiry,
12 investigation, subpoena, or summons by federal, state, local, or
13 other governmental authorities;

14 (e) Establish, exercise, or defend legal claims;

15 (f) Authenticate identities;

16 (g) Safeguard intellectual property rights;

17 (h) Prevent, detect, or respond to security incidents;

18 (i) Protect against malicious, deceptive, fraudulent, or illegal
19 activity, or identify, investigate, or prosecute those responsible
20 for that illegal activity;

21 (j) Perform a contract to which the consumer is a party or in
22 order to take steps at the request of the consumer prior to entering
23 into a contract;

24 (k) Protect the vital interests of the consumer or of another
25 natural person;

26 (l) Perform a task carried out in the public interest or in the
27 exercise of official authority vested in the controller;

28 (m) Process personal data of a consumer for one or more specific
29 purposes where the consumer has given their consent to the
30 processing; or

31 (n) Assist another controller, processor, or third party with any
32 of the activities under this subsection.

33 (2) The obligations imposed on controllers or processors under
34 this chapter do not apply where compliance by the controller or
35 processor with this chapter would violate an evidentiary privilege
36 under Washington law and do not prevent a controller or processor
37 from providing personal data concerning a consumer to a person
38 covered by an evidentiary privilege under Washington law as part of a
39 privileged communication.

1 (3) A controller or processor that discloses personal data to a
2 third-party controller or processor in compliance with the
3 requirements of this chapter is not in violation of this chapter,
4 including under section 13 of this act, if the recipient processes
5 such personal data in violation of this chapter, provided that, at
6 the time of disclosing the personal data, the disclosing controller
7 or processor did not have actual knowledge that the recipient
8 intended to commit a violation. A third-party controller or processor
9 receiving personal data from a controller or processor is likewise
10 not liable under this chapter, including under section 13 of this
11 act, for the obligations of a controller or processor to which it
12 provides services.

13 (4) This chapter does not require a controller or processor to do
14 the following:

15 (a) Reidentify deidentified data;

16 (b) Retain, link, or combine personal data concerning a consumer
17 that it would not otherwise retain, link, or combine in the ordinary
18 course of business;

19 (c) Comply with a request to exercise any of the rights under
20 section 6 of this act if the controller is unable to verify, using
21 commercially reasonable efforts, the identity of the consumer making
22 the request.

23 (5) Obligations imposed on controllers and processors under this
24 chapter do not:

25 (a) Adversely affect the rights or freedoms of any persons; or

26 (b) Apply to the processing of personal data by a natural person
27 in the course of a purely personal or household activity.

28 NEW SECTION. **Sec. 12.** FACIAL RECOGNITION. (1) Prior to using
29 facial recognition technology, controllers and processors must
30 verify, through independent third-party testing or auditing, that no
31 statistically significant variation occurs in the accuracy of the
32 facial recognition technology on the basis of race, skin tone,
33 ethnicity, gender, or age of the individuals portrayed in testing
34 images.

35 (2) Controllers may not use facial recognition for profiling and
36 must employ meaningful human review prior to making final decisions
37 based on the use of facial recognition technology where final
38 decisions produce legal effects concerning consumers.

1 (3) Processors that provide facial recognition services must
2 provide documentation that includes general information that explains
3 the capabilities and limitations of the technology in terms that
4 customers and consumers can understand.

5 (4) Processors that provide facial recognition services must
6 prohibit, in the contract required by section 5 of this act, the use
7 of such facial recognition services by controllers to unlawfully
8 discriminate under federal or state law against individual consumers
9 or groups of consumers.

10 (5) Controllers must obtain consent from consumers prior to
11 deploying facial recognition services in physical premises open to
12 the public. The placement of conspicuous notice in physical premises
13 that clearly conveys that facial recognition services are being used
14 does not constitute a consumer's consent to the use of facial
15 recognition services when that consumer enters a premises that have
16 such a notice. Active, informed consumer consent is required before
17 facial recognition may be used or any data resulting from the use of
18 facial recognition may be processed.

19 (6) Providers of commercial facial recognition services that make
20 their technology available as an online service for developers and
21 customers to use in their own scenarios must make available an
22 application programming interface or other technical capability,
23 chosen by the provider, to enable third parties that are legitimately
24 engaged in independent testing to conduct reasonable tests of those
25 facial recognition services for accuracy and unfair bias. Providers
26 must track and correct instances of bias identified by this
27 independent testing.

28 (7) Controllers, processors, and providers of facial recognition
29 services must notify consumers if an automated decision system makes
30 decisions affecting the constitutional or legal rights, duties, or
31 privileges of any Washington resident.

32 NEW SECTION. **Sec. 13.** LIABILITY. Where more than one controller
33 or processor, or both a controller and a processor, involved in the
34 same processing, is in violation of this chapter, the liability must
35 be allocated among the parties according to principles of comparative
36 fault, unless liability is otherwise allocated by contract among the
37 parties.

1 NEW SECTION. **Sec. 14.** ENFORCEMENT. (1) The legislature finds
2 that the practices covered by this chapter are matters vitally
3 affecting the public interest for the purpose of applying the
4 consumer protection act, chapter 19.86 RCW. A violation of this
5 chapter is not reasonable in relation to the development and
6 preservation of business and is an unfair or deceptive act in trade
7 or commerce and an unfair method of competition for the purpose of
8 applying the consumer protection act, chapter 19.86 RCW.

9 (2) The attorney general may bring an action in the name of the
10 state, or as parens patriae on behalf of persons residing in the
11 state, to enforce this chapter.

12 (3) Prior to bringing an action for violations of this chapter, a
13 consumer must provide a controller with a written notice identifying
14 the specific provisions of this chapter that the consumer alleges
15 have been or are being violated. In the event a cure is possible and
16 the controller does not cure the noticed violation within thirty
17 days, the consumer must notify the attorney general of the consumer's
18 intent to bring an action.

19 (4) Upon receiving such notice, the attorney general must either:

20 (a) Notify the consumer within thirty days that the attorney
21 general intends to bring an action under subsections (1) and (2) of
22 this section and that the consumer may not proceed with a separate
23 action; or

24 (b) Refrain from acting within thirty days and allow the consumer
25 to bring an action.

26 (5) Any controller or processor that violates this chapter is
27 subject to an injunction and liable for a civil penalty of not more
28 than two thousand five hundred dollars for each violation or seven
29 thousand five hundred dollars for each intentional violation.

30 (6) The consumer privacy account is created in the state
31 treasury. All receipts from the imposition of civil penalties
32 pursuant to an action by the attorney general under this chapter must
33 be deposited into the account. Moneys in the account may be spent
34 only after appropriation. Expenditures from the account may be used
35 only to fund the office of privacy and data protection as established
36 under RCW 43.105.369.

37 **Sec. 15.** RCW 43.105.369 and 2016 c 195 s 2 are each amended to
38 read as follows:

1 (1) The office of privacy and data protection is created within
2 the office of the state chief information officer. The purpose of the
3 office of privacy and data protection is to serve as a central point
4 of contact for state agencies on policy matters involving data
5 privacy and data protection.

6 (2) The director shall appoint the chief privacy officer, who is
7 the director of the office of privacy and data protection.

8 (3) The primary duties of the office of privacy and data
9 protection with respect to state agencies are:

10 (a) To conduct an annual privacy review;

11 (b) To conduct an annual privacy training for state agencies and
12 employees;

13 (c) To articulate privacy principles and best practices;

14 (d) To coordinate data protection in cooperation with the agency;
15 and

16 (e) To participate with the office of the state chief information
17 officer in the review of major state agency projects involving
18 personally identifiable information.

19 (4) The office of privacy and data protection must serve as a
20 resource to local governments and the public on data privacy and
21 protection concerns by:

22 (a) Developing and promoting the dissemination of best practices
23 for the collection and storage of personally identifiable
24 information, including establishing and conducting a training program
25 or programs for local governments; and

26 (b) Educating consumers about the use of personally identifiable
27 information on mobile and digital networks and measures that can help
28 protect this information.

29 (5) By December 1, 2016, and every four years thereafter, the
30 office of privacy and data protection must prepare and submit to the
31 legislature a report evaluating its performance. The office of
32 privacy and data protection must establish performance measures in
33 its 2016 report to the legislature and, in each report thereafter,
34 demonstrate the extent to which performance results have been
35 achieved. These performance measures must include, but are not
36 limited to, the following:

37 (a) The number of state agencies and employees who have
38 participated in the annual privacy training;

1 (b) A report on the extent of the office of privacy and data
2 protection's coordination with international and national experts in
3 the fields of data privacy, data protection, and access equity;

4 (c) A report on the implementation of data protection measures by
5 state agencies attributable in whole or in part to the office of
6 privacy and data protection's coordination of efforts; and

7 (d) A report on consumer education efforts, including but not
8 limited to the number of consumers educated through public outreach
9 efforts, as indicated by how frequently educational documents were
10 accessed, the office of privacy and data protection's participation
11 in outreach events, and inquiries received back from consumers via
12 telephone or other media.

13 (6) Within one year of June 9, 2016, the office of privacy and
14 data protection must submit to the joint legislative audit and review
15 committee for review and comment the performance measures developed
16 under subsection (5) of this section and a data collection plan.

17 (7) The office of privacy and data protection shall submit a
18 report to the legislature on the: (a) Extent to which
19 telecommunications providers in the state are deploying advanced
20 telecommunications capability; and (b) existence of any inequality in
21 access to advanced telecommunications infrastructure experienced by
22 residents of tribal lands, rural areas, and economically distressed
23 communities. The report may be submitted at a time within the
24 discretion of the office of privacy and data protection, at least
25 once every four years, and only to the extent the office of privacy
26 and data protection is able to gather and present the information
27 within existing resources.

28 (8) The office of privacy and data protection must conduct an
29 analysis on the public sector use of facial recognition. By September
30 30, 2022, the office of privacy and data protection must submit a
31 report of its findings to the appropriate committees of the
32 legislature.

33 (9) The office of privacy and data protection, in consultation
34 with the attorney general, must by rule (a) establish any exceptions
35 to this chapter necessary to comply with state or federal law by the
36 effective date of this section and as necessary thereafter, (b)
37 clarify definitions of this chapter as necessary, and (c) create
38 exemption eligibility requirements for small businesses and research
39 institutions.

1 NEW SECTION. **Sec. 16.** A new section is added to chapter 9.73
2 RCW to read as follows:

3 (1) State and local government agencies may not use facial
4 recognition technology to engage in ongoing surveillance of specified
5 individuals in public places, unless such a use is in support of law
6 enforcement activities and either: (a) A court issued a warrant based
7 on probable cause to permit the use of facial recognition technology
8 for that surveillance during a specified time frame; or (b) there is
9 an emergency involving imminent danger or risk of death or serious
10 injury to a person.

11 (2) For purposes of this section, "facial recognition" has the
12 same meaning as in section 3 of this act.

13 NEW SECTION. **Sec. 17.** PREEMPTION. This chapter supersedes and
14 preempts laws, ordinances, regulations, or the equivalent adopted by
15 any local entity regarding the processing of personal data by
16 controllers or processors.

17 NEW SECTION. **Sec. 18.** Sections 1 through 14 and 17 of this act
18 constitute a new chapter in Title 19 RCW.

19 NEW SECTION. **Sec. 19.** If specific funding for the purposes of
20 this act, referencing this act by bill or chapter number, is not
21 provided by June 30, 2019, in the omnibus appropriations act, this
22 act is null and void.

23 NEW SECTION. **Sec. 20.** If any provision of this act or its
24 application to any person or circumstance is held invalid, the
25 remainder of the act or the application of the provision to other
26 persons or circumstances is not affected.

27 NEW SECTION. **Sec. 21.** If any provision of this act is found to
28 be in conflict with federal or state law or regulations, the
29 conflicting provision of this act is declared to be inoperative.

30 NEW SECTION. **Sec. 22.** This act takes effect July 30, 2021.

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