HOUSE BILL 2364

State of Washington 66th Legislature 2020 Regular Session

By Representatives Smith and Hudgins

Prefiled 01/10/20.

1 AN ACT Relating to creating the charter of personal data rights; 2 adding a new chapter to Title 19 RCW; and prescribing penalties.

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

NEW SECTION. Sec. 1. (1) The legislature finds 4 that Washingtonians have a right to privacy and that advances 5 in 6 technology make the protection of this vital right a matter of 7 urgency.

8 (2) The legislature further finds that privacy is also the 9 foundation of consumer trust, particularly in electronic commerce, 10 and that people will use advanced data-driven technology only if 11 their privacy rights are respected, their personal information is 12 safeguarded, and their freedom to choose how much personal 13 information to share is unobstructed.

14 (3) Therefore, the legislature declares, in plain language, the 15 new baseline norms and expectations for the protection of personal 16 data by businesses and enacts a lasting charter of personal data 17 rights.

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CONSUMER EMPOWERMENT

<u>NEW SECTION.</u> Sec. 2. An individual residing in Washington state has the following rights with regard to the individual's personal data:

4 (1) The right to know what personal data a business collects or
5 processes about the individual, including the categories and specific
6 pieces of personal data the business collects or processes;

7 (2) The right to access and to obtain, in a readily useable 8 portable format, the individual's personal data collected or 9 processed by a business;

10 (3) The right to object to and opt out of the selling or 11 licensing of the individual's personal data to third parties;

(4) The right to correct inaccurate personal data; and

13 (5) The right to delete all personal data of the individual 14 collected or processed by a business.

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CORPORATE RESPONSIBILITY

16 <u>NEW SECTION.</u> Sec. 3. (1) To safeguard the privacy of 17 individuals, a business has the duty to:

(a) Provide a prominent, publicly accessible, and easy to read privacy policy that specifies how and where an individual may contact the business to exercise personal data rights under this chapter and clearly states that the business collects or processes personal data only as reasonably necessary to provide services requested by an individual or to verify requests made pursuant to section 2 of this act;

(b) Minimize the collection of personal data by collecting and processing personal data only as reasonably necessary for services requested by an individual or to verify requests made pursuant to section 2 of this act;

(c) Avoid secondary uses of personal data and not process personal data for purposes that are not reasonably necessary to provide services requested by an individual or to verify requests made pursuant to section 2 of this act;

(d) Secure personal data from unauthorized acquisition or access by developing, implementing, and maintaining a comprehensive information security program that includes administrative, technical, and physical safeguards and meets or exceeds relevant security standards; (e) Act in good faith and with due diligence when responding to
 requests made pursuant to section 2 of this act; and

3 (f) Not discriminate against individuals who choose to exercise 4 their rights under this chapter, including by denying goods or 5 services, charging different prices or rates, or providing a 6 different level of quality of goods and services.

7 (2)(a) If a business uses a service provider to process personal 8 data on behalf of the business, the business shall require the 9 service provider to process personal data only on documented 10 instructions from the business as to the nature, duration, and 11 purposes of the processing.

12 (b) A business shall use only those service providers that 13 deliver sufficient guarantees that processing meets the requirements 14 of this chapter and ensures the protection of personal data rights.

15 (3) The duties in this chapter are in addition to any other 16 duties imposed on a business by any state or federal law or 17 regulation.

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STRONG ENFORCEMENT

19 <u>NEW SECTION.</u> Sec. 4. (1) Any waiver of the provisions of this 20 chapter is contrary to public policy and is void and unenforceable.

21 (2) The legislature finds that the practices covered by this chapter are matters vitally affecting the public interest for the 22 23 purpose of applying the consumer protection act, chapter 19.86 RCW. A 24 violation of this chapter is not reasonable in relation to the development and preservation of business and is an unfair or 25 26 deceptive act in trade or commerce and an unfair method of 27 competition for purposes of applying the consumer protection act, chapter 19.86 RCW. 28

(3) The attorney general may bring an action in the name of the state, or as parens patriae on behalf of persons residing in the state, to enforce this chapter. In any action brought by the attorney general to enforce this chapter, a violation of this chapter is subject to a civil penalty of not more than ten thousand dollars per violation.

35 (4) Any violation of this chapter constitutes an injury and any 36 individual whose rights under this chapter have been violated or 37 whose personal data has been collected or processed in violation of 38 this chapter may bring a civil action for declaratory relief, injunctive relief, and actual damages, but not less than statutory
 damages of ten thousand dollars per violation.

3 (5) A court shall award costs and reasonable attorneys' fees to a 4 plaintiff who prevails in an action under this chapter.

5 (6) The provisions of this chapter are not exclusive and are in 6 addition to any other requirements, rights, remedies, and penalties 7 provided by law.

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NARROWLY SCOPED EXEMPTIONS

9 <u>NEW SECTION.</u> Sec. 5. Nothing in this chapter applies to 10 information that is collected or used by a business about an 11 individual in the course of the individual's role as a job applicant, 12 employee, or contractor of the business.

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DEFINITIONS

14 <u>NEW SECTION.</u> Sec. 6. The definitions in this section apply 15 throughout this chapter unless the context clearly requires 16 otherwise.

17 (1) (a) "Business" means a person or entity that, alone or 18 together with any affiliates:

(i) Engages in business in and has a substantial nexus withWashington state;

(ii) Has more than ten million dollars in worldwide gross revenueduring the immediately preceding calendar year;

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(iii) Collects or processes personal data of individuals; and

(iv) Alone or jointly with others determines the purposes andmeans of the processing of personal data.

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(b) For the purposes of this subsection:

(i) "Affiliate" means a person that directly or indirectly,
through one or more intermediaries, controls, is controlled by, or is
under common control with another person;

30 (ii) "Engage in business" means commencing, conducting, or 31 continuing in business and also the exercise of corporate or 32 franchise powers as well as liquidating a business when the 33 liquidators thereof hold themselves out to the public as conducting 34 such a business; and

35 (iii) "Substantial nexus" has the same meaning as in RCW 36 82.04.067. 1 (2) "Individual" means a natural person residing in Washington 2 state.

3 (3) "Personal data" means any information that identifies, 4 relates to, describes, or could reasonably be linked, directly or 5 indirectly, with a particular individual or household.

6 (4) "Process" or "processing" means any collection, use, storage, 7 disclosure, analysis, deletion, or modification of personal data.

8 (5) "Service provider" means a natural or legal person that 9 processes personal data on behalf of a business.

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SHORT TITLE

11 <u>NEW SECTION.</u> Sec. 7. This chapter may be known and cited as the 12 Washington state charter of personal data rights.

13 <u>NEW SECTION.</u> Sec. 8. Sections 1 through 7 of this act 14 constitute a new chapter in Title 19 RCW.

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