
SENATE BILL 5927

State of Washington

60th Legislature

2007 Regular Session

By Senator Delvin

Read first time 02/07/2007. Referred to Committee on Labor, Commerce, Research & Development.

1 AN ACT Relating to independent auditor reports and financial
2 statements of licensees regulated by the gambling commission;
3 reenacting and amending RCW 42.56.270 and 42.56.270; creating a new
4 section; providing an effective date; and providing an expiration date.

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

6 **Sec. 1.** RCW 42.56.270 and 2006 c 369 s 2, 2006 c 341 s 6, 2006 c
7 338 s 5, 2006 c 302 s 12, 2006 c 209 s 7, 2006 c 183 s 37, and 2006 c
8 171 s 8 are each reenacted and amended to read as follows:

9 The following financial, commercial, and proprietary information is
10 exempt from disclosure under this chapter:

11 (1) Valuable formulae, designs, drawings, computer source code or
12 object code, and research data obtained by any agency within five years
13 of the request for disclosure when disclosure would produce private
14 gain and public loss;

15 (2) Financial information supplied by or on behalf of a person,
16 firm, or corporation for the purpose of qualifying to submit a bid or
17 proposal for (a) a ferry system construction or repair contract as
18 required by RCW 47.60.680 through 47.60.750 or (b) highway construction
19 or improvement as required by RCW 47.28.070;

1 (3) Financial and commercial information and records supplied by
2 private persons pertaining to export services provided under chapters
3 43.163 and 53.31 RCW, and by persons pertaining to export projects
4 under RCW 43.23.035;

5 (4) Financial and commercial information and records supplied by
6 businesses or individuals during application for loans or program
7 services provided by chapters 15.110, 43.163, 43.160, 43.330, and
8 43.168 RCW, or during application for economic development loans or
9 program services provided by any local agency;

10 (5) Financial information, business plans, examination reports, and
11 any information produced or obtained in evaluating or examining a
12 business and industrial development corporation organized or seeking
13 certification under chapter 31.24 RCW;

14 (6) Financial and commercial information supplied to the state
15 investment board by any person when the information relates to the
16 investment of public trust or retirement funds and when disclosure
17 would result in loss to such funds or in private loss to the providers
18 of this information;

19 (7) Financial and valuable trade information under RCW 51.36.120;

20 (8) Financial, commercial, operations, and technical and research
21 information and data submitted to or obtained by the clean Washington
22 center in applications for, or delivery of, program services under
23 chapter 70.95H RCW;

24 (9) Financial and commercial information requested by the public
25 stadium authority from any person or organization that leases or uses
26 the stadium and exhibition center as defined in RCW 36.102.010;

27 (10)(a) Financial information, including but not limited to account
28 numbers and values, and other identification numbers supplied by or on
29 behalf of a person, firm, corporation, limited liability company,
30 partnership, or other entity related to an application for a horse
31 racing license submitted pursuant to RCW 67.16.260(1)(b), liquor
32 license, gambling license, or lottery retail license;

33 (b) Independent auditors' reports and financial statements of
34 licensees required by the gambling commission; however when the
35 gambling commission receives a request for disclosure of an independent
36 auditor's report and financial statements, the commission shall notify
37 the person who is the subject of the audit and the commission may
38 release the records only if the person consents to the release;

1 (c) Financial or proprietary information supplied to the liquor
2 control board including the amount of beer or wine sold by a domestic
3 winery, brewery, microbrewery, or certificate of approval holder under
4 RCW 66.24.206(1) or 66.24.270(2)(a) and including the amount of beer or
5 wine purchased by a retail licensee in connection with a retail
6 licensee's obligation under RCW 66.24.210 or 66.24.290, for receipt of
7 shipments of beer or wine((-));

8 (11) Proprietary data, trade secrets, or other information that
9 relates to: (a) A vendor's unique methods of conducting business; (b)
10 data unique to the product or services of the vendor; or (c)
11 determining prices or rates to be charged for services, submitted by
12 any vendor to the department of social and health services for purposes
13 of the development, acquisition, or implementation of state purchased
14 health care as defined in RCW 41.05.011;

15 (12)(a) When supplied to and in the records of the department of
16 community, trade, and economic development:

17 (i) Financial and proprietary information collected from any person
18 and provided to the department of community, trade, and economic
19 development pursuant to RCW 43.330.050(8) and 43.330.080(4); and

20 (ii) Financial or proprietary information collected from any person
21 and provided to the department of community, trade, and economic
22 development or the office of the governor in connection with the
23 siting, recruitment, expansion, retention, or relocation of that
24 person's business and until a siting decision is made, identifying
25 information of any person supplying information under this subsection
26 and the locations being considered for siting, relocation, or expansion
27 of a business;

28 (b) When developed by the department of community, trade, and
29 economic development based on information as described in (a)(i) of
30 this subsection, any work product is not exempt from disclosure;

31 (c) For the purposes of this subsection, "siting decision" means
32 the decision to acquire or not to acquire a site;

33 (d) If there is no written contact for a period of sixty days to
34 the department of community, trade, and economic development from a
35 person connected with siting, recruitment, expansion, retention, or
36 relocation of that person's business, information described in (a)(ii)
37 of this subsection will be available to the public under this chapter;

1 (13) Financial and proprietary information submitted to or obtained
2 by the department of ecology or the authority created under chapter
3 70.95N RCW to implement chapter 70.95N RCW;

4 (14) Financial, commercial, operations, and technical and research
5 information and data submitted to or obtained by the life sciences
6 discovery fund authority in applications for, or delivery of, grants
7 under chapter 43.350 RCW, to the extent that such information, if
8 revealed, would reasonably be expected to result in private loss to the
9 providers of this information;

10 (15) Financial and commercial information provided as evidence to
11 the department of licensing as required by RCW 19.112.110 or
12 19.112.120, except information disclosed in aggregate form that does
13 not permit the identification of information related to individual fuel
14 licensees;

15 (16) Any production records, mineral assessments, and trade secrets
16 submitted by a permit holder, mine operator, or landowner to the
17 department of natural resources under RCW 78.44.085; and

18 (17)(a) Farm plans developed by conservation districts, unless
19 permission to release the farm plan is granted by the landowner or
20 operator who requested the plan, or the farm plan is used for the
21 application or issuance of a permit.

22 (b) Farm plans developed under chapter 90.48 RCW and not under the
23 federal clean water act, 33 U.S.C. Sec. 1251 are subject to RCW
24 42.56.610 and 90.64.190.

25 **Sec. 2.** RCW 42.56.270 and 2006 c 369 s 2, 2006 c 341 s 6, 2006 c
26 338 s 5, 2006 c 209 s 7, 2006 c 183 s 37, and 2006 c 171 s 8 are each
27 reenacted and amended to read as follows:

28 The following financial, commercial, and proprietary information is
29 exempt from disclosure under this chapter:

30 (1) Valuable formulae, designs, drawings, computer source code or
31 object code, and research data obtained by any agency within five years
32 of the request for disclosure when disclosure would produce private
33 gain and public loss;

34 (2) Financial information supplied by or on behalf of a person,
35 firm, or corporation for the purpose of qualifying to submit a bid or
36 proposal for (a) a ferry system construction or repair contract as

1 required by RCW 47.60.680 through 47.60.750 or (b) highway construction
2 or improvement as required by RCW 47.28.070;

3 (3) Financial and commercial information and records supplied by
4 private persons pertaining to export services provided under chapters
5 43.163 and 53.31 RCW, and by persons pertaining to export projects
6 under RCW 43.23.035;

7 (4) Financial and commercial information and records supplied by
8 businesses or individuals during application for loans or program
9 services provided by chapters 15.110, 43.163, 43.160, 43.330, and
10 43.168 RCW, or during application for economic development loans or
11 program services provided by any local agency;

12 (5) Financial information, business plans, examination reports, and
13 any information produced or obtained in evaluating or examining a
14 business and industrial development corporation organized or seeking
15 certification under chapter 31.24 RCW;

16 (6) Financial and commercial information supplied to the state
17 investment board by any person when the information relates to the
18 investment of public trust or retirement funds and when disclosure
19 would result in loss to such funds or in private loss to the providers
20 of this information;

21 (7) Financial and valuable trade information under RCW 51.36.120;

22 (8) Financial, commercial, operations, and technical and research
23 information and data submitted to or obtained by the clean Washington
24 center in applications for, or delivery of, program services under
25 chapter 70.95H RCW;

26 (9) Financial and commercial information requested by the public
27 stadium authority from any person or organization that leases or uses
28 the stadium and exhibition center as defined in RCW 36.102.010;

29 (10)(a) Financial information, including but not limited to account
30 numbers and values, and other identification numbers supplied by or on
31 behalf of a person, firm, corporation, limited liability company,
32 partnership, or other entity related to an application for a horse
33 racing license submitted pursuant to RCW 67.16.260(1)(b), liquor
34 license, gambling license, or lottery retail license;

35 (b) Independent auditors' reports and financial statements of
36 licensees required by the gambling commission; however when the
37 gambling commission receives a request for disclosure of an independent

1 auditor's report and financial statements, the commission shall notify
2 the person who is the subject of the audit and the commission may
3 release the records only if the person consents to the release;

4 (11) Proprietary data, trade secrets, or other information that
5 relates to: (a) A vendor's unique methods of conducting business; (b)
6 data unique to the product or services of the vendor; or (c)
7 determining prices or rates to be charged for services, submitted by
8 any vendor to the department of social and health services for purposes
9 of the development, acquisition, or implementation of state purchased
10 health care as defined in RCW 41.05.011;

11 (12)(a) When supplied to and in the records of the department of
12 community, trade, and economic development:

13 (i) Financial and proprietary information collected from any person
14 and provided to the department of community, trade, and economic
15 development pursuant to RCW 43.330.050(8) and 43.330.080(4); and

16 (ii) Financial or proprietary information collected from any person
17 and provided to the department of community, trade, and economic
18 development or the office of the governor in connection with the
19 siting, recruitment, expansion, retention, or relocation of that
20 person's business and until a siting decision is made, identifying
21 information of any person supplying information under this subsection
22 and the locations being considered for siting, relocation, or expansion
23 of a business;

24 (b) When developed by the department of community, trade, and
25 economic development based on information as described in (a)(i) of
26 this subsection, any work product is not exempt from disclosure;

27 (c) For the purposes of this subsection, "siting decision" means
28 the decision to acquire or not to acquire a site;

29 (d) If there is no written contact for a period of sixty days to
30 the department of community, trade, and economic development from a
31 person connected with siting, recruitment, expansion, retention, or
32 relocation of that person's business, information described in (a)(ii)
33 of this subsection will be available to the public under this chapter;

34 (13) Financial and proprietary information submitted to or obtained
35 by the department of ecology or the authority created under chapter
36 70.95N RCW to implement chapter 70.95N RCW;

37 (14) Financial, commercial, operations, and technical and research
38 information and data submitted to or obtained by the life sciences

1 discovery fund authority in applications for, or delivery of, grants
2 under chapter 43.350 RCW, to the extent that such information, if
3 revealed, would reasonably be expected to result in private loss to the
4 providers of this information;

5 (15) Financial and commercial information provided as evidence to
6 the department of licensing as required by RCW 19.112.110 or
7 19.112.120, except information disclosed in aggregate form that does
8 not permit the identification of information related to individual fuel
9 licensees;

10 (16) Any production records, mineral assessments, and trade secrets
11 submitted by a permit holder, mine operator, or landowner to the
12 department of natural resources under RCW 78.44.085; and

13 (17)(a) Farm plans developed by conservation districts, unless
14 permission to release the farm plan is granted by the landowner or
15 operator who requested the plan, or the farm plan is used for the
16 application or issuance of a permit.

17 (b) Farm plans developed under chapter 90.48 RCW and not under the
18 federal clean water act, 33 U.S.C. Sec. 1251 et seq., are subject to
19 RCW 42.56.610 and 90.64.190.

20 NEW SECTION. **Sec. 3.** Section 1 of this act expires June 30, 2008.

21 NEW SECTION. **Sec. 4.** Section 2 of this act takes effect June 30,
22 2008.

23 NEW SECTION. **Sec. 5.** Section 1 of this act is remedial and
24 applies retroactively.

--- END ---