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ENGROSSED SECOND SUBSTITUTE SENATE BILL 5581

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State of Washington

59th Legislature

2005 Regular Session

**By** Senate Committee on Ways & Means (originally sponsored by Senators Brown, Finkbeiner, Kohl-Welles, Rasmussen, Prentice, Hewitt, Fairley, Esser, Doumit, Keiser, Haugen, McAuliffe and Shin; by request of Governor Gregoire)

READ FIRST TIME 03/08/05.

1 AN ACT Relating to the strategic financing of life sciences  
2 research; amending RCW 43.79.480, 42.30.110, and 43.84.092; reenacting  
3 and amending RCW 42.17.310, 42.17.310, 42.17.2401, 43.84.092, and  
4 43.84.092; adding a new section to chapter 82.04 RCW; adding a new  
5 section to chapter 41.06 RCW; adding a new chapter to Title 43 RCW;  
6 creating new sections; prescribing penalties; providing effective  
7 dates; providing expiration dates; and declaring an emergency.

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

9 NEW SECTION. **Sec. 1.** LEGISLATIVE DECLARATION. The legislature  
10 declares it to be a clear public purpose and governmental function to  
11 promote life sciences research to foster a preventive and predictive  
12 vision of the next generation of health-related innovations, to enhance  
13 the competitive position of Washington state in this vital sector of  
14 the economy, and to improve the quality and delivery of health care for  
15 the people of Washington. It is appropriate and consistent with the  
16 intent of the master settlement agreement between the state and tobacco  
17 product manufacturers to invest a portion of the revenues derived  
18 therefrom by the state in life sciences research, to leverage the  
19 revenues with other funds, and to encourage cooperation and innovation

1 among public and private institutions involved in life sciences  
2 research. The purpose of this chapter is to establish a life sciences  
3 discovery fund authority, to grant that authority the power to contract  
4 with the state to receive revenues under the master settlement  
5 agreement, and to contract with other entities to receive other funds,  
6 and to disburse those funds consistent with the purpose of this  
7 chapter. The life sciences discovery fund is intended to promote the  
8 best available research in life sciences disciplines through diverse  
9 Washington institutions and to foster improved health care outcomes and  
10 improved agricultural production research across this state and the  
11 world. The research investments of the life sciences discovery fund  
12 are intended to further the goals of the "Bio 21" report and to support  
13 future statewide, comprehensive strategies to lead the nation in life  
14 sciences-related research and employment.

15 NEW SECTION. **Sec. 2.** DEFINITIONS. The definitions in this  
16 section apply throughout this chapter unless the context clearly  
17 requires otherwise.

18 (1) "Authority" means the life sciences discovery fund authority  
19 created in this chapter.

20 (2) "Board" means the governing board of trustees of the authority.

21 (3) "Clone a human being" or "cloning a human being" means the  
22 creation of a human being by any means other than by the fertilization  
23 of an oocyte of a human female by a sperm of a human male.

24 (4) "Cloned human being" means an individual created by human  
25 cloning.

26 (5) "Contribution agreement" means any agreement authorized under  
27 this chapter in which a private entity or a public entity other than  
28 the state agrees to provide to the authority contributions for the  
29 purpose of promoting life sciences research.

30 (6) "Life sciences research" means advanced and applied research  
31 and development intended to improve human health.

32 (7) "Master settlement agreement" means the national master  
33 settlement agreement and related documents entered into on November 23,  
34 1998, by the state and the four principal United States tobacco product  
35 manufacturers, as amended and supplemented, for the settlement of  
36 litigation brought by the state against the tobacco product  
37 manufacturers.

1 (8) "Public employee" means any person employed by the state of  
2 Washington or any agency or political subdivision thereof.

3 (9) "Public facilities" means any public institution, public  
4 facility, public equipment, or any physical asset owned, leased, or  
5 controlled by the state of Washington or any agency or political  
6 subdivision thereof.

7 (10) "Public funds" means any funds received or controlled by the  
8 state of Washington or any agency or political subdivision thereof,  
9 including, but not limited to, funds derived from federal, state, or  
10 local taxes, gifts or grants from any source, public or private,  
11 federal grants or payments, or intergovernmental transfers.

12 (11) "State agreement" means the agreement authorized under this  
13 chapter in which the state provides to the authority the strategic  
14 contribution payments required to be made by tobacco product  
15 manufacturers to the state and the state's rights to receive such  
16 payments, pursuant to the master settlement agreement, for the purpose  
17 of promoting life sciences research.

18 (12) "Strategic contribution payments" means the payments  
19 designated as such under the master settlement agreement, which will be  
20 made to the state in the years 2008 through 2017.

21 NEW SECTION. **Sec. 3.** HUMAN CLONING. (1) No person shall  
22 knowingly clone a human being, participate in cloning a human being, or  
23 attempt to clone a human being.

24 (2) No person shall knowingly use public funds to clone a human  
25 being or to attempt to clone a human being.

26 (3) No person shall knowingly use public facilities to clone a  
27 human being or to attempt to clone a human being.

28 (4) No public employee shall knowingly allow any person to clone a  
29 human being or to attempt to clone a human being while the person is  
30 making use of public funds or public facilities.

31 (5) Any person who violates any of the provisions of subsections  
32 (1) through (4) of this section is guilty of a class B felony.

33 NEW SECTION. **Sec. 4.** LIFE SCIENCES DISCOVERY FUND AUTHORITY--  
34 ESTABLISHED. (1) The life sciences discovery fund authority is created  
35 and constitutes a public instrumentality and agency of the state,

1 separate and distinct from the state, exercising public and essential  
2 governmental functions.

3 (2) The powers of the authority are vested in and shall be  
4 exercised by a board of trustees consisting of the chairs and ranking  
5 minority members of the senate committee on ways and means and the  
6 house of representatives committee on appropriations and seven members  
7 appointed by the governor with the consent of the senate, one of whom  
8 shall be appointed by the governor as chair of the authority and who  
9 shall serve on the board and as chair of the authority at the pleasure  
10 of the governor. At least one member of the board shall be experienced  
11 in applied agricultural production research. The governor shall make  
12 the initial appointments no later than thirty days after the effective  
13 date of this section. The term of the trustees, other than the chair,  
14 is four years from the date of their appointment, except that the terms  
15 of three of the initial appointees, as determined by the governor, are  
16 for two years from the date of their appointment. A trustee may be  
17 removed by the governor for cause under RCW 43.06.070 and 43.06.080.  
18 The governor shall fill any vacancy on the board by appointment for the  
19 remainder of the unexpired term. The trustees shall be compensated in  
20 accordance with RCW 43.03.240 and may be reimbursed, solely from the  
21 funds of the authority, for expenses incurred in the discharge of their  
22 duties under this chapter, subject to RCW 43.03.050 and 43.03.060.

23 (3) Four members of the board constitute a quorum.

24 (4) The trustees shall elect a treasurer and secretary annually,  
25 and other officers as the trustees determine necessary, and may adopt  
26 bylaws or rules for their own government.

27 (5) Meetings of the board shall be held in accordance with the open  
28 public meetings act, chapter 42.30 RCW, and at the call of the chair or  
29 when a majority of the trustees so requests. Meetings of the board may  
30 be held at any location within or out of the state, and trustees may  
31 participate in a meeting of the board by means of a conference  
32 telephone or similar communication equipment under RCW 23B.08.200.

33 (6) The authority is subject to audit by the state auditor.

34 (7) The attorney general must advise the authority and represent it  
35 in all legal proceedings.

36 NEW SECTION. **Sec. 5.** SPECIAL TRUST POWERS. In addition to other

1 powers and duties prescribed in this chapter, the authority is  
2 empowered to:

3 (1) Enter into an agreement with the state for the receipt of  
4 strategic contribution payments and of the state's rights to receive  
5 the amounts in consideration of the authority's promise to leverage the  
6 revenues with amounts received from other public and private sources in  
7 accordance with contribution agreements and to hold the funds in trust  
8 for the benefit of its funders and its grant recipients for their use  
9 pursuant to this chapter to promote life sciences research. The funds  
10 received from the state under this subsection shall be deposited in the  
11 life sciences discovery fund hereby created in the state treasury.  
12 Moneys in the fund may be spent only after appropriation;

13 (2) Enter into agreements with private entities and public entities  
14 other than the state for the receipt of funds in consideration of the  
15 authority's promise to leverage the funds with amounts received in  
16 accordance with the state agreement, and contributions from other  
17 public entities and private entities and to hold the funds in trust for  
18 their use pursuant to this chapter to promote life sciences and related  
19 research;

20 (3) Hold funds received by the authority in trust for their use  
21 pursuant to this chapter to promote life sciences research;

22 (4) Manage its funds, obligations, and investments as necessary and  
23 as consistent with its purpose including the segregation of revenues  
24 into separate funds and accounts;

25 (5) Make grants to entities pursuant to contract for the promotion  
26 of life sciences research to be conducted in the state. The authority  
27 shall solicit requests for funding and evaluate the requests by  
28 reference to factors such as: (a) The quality of the proposed  
29 research; (b) its potential for leveraging additional funding; (c) its  
30 potential to provide health care benefits; (d) its potential to  
31 stimulate the health care delivery, biomedical manufacturing, and life  
32 sciences related employment in the state; (e) the geographic diversity  
33 of the grantees within Washington; (f) evidence of potential royalty  
34 income and contractual means to recapture such income for purposes of  
35 this chapter; and (g) evidence of public and private collaboration;

36 (6) Create one or more advisory boards composed of scientists,  
37 industrialists, and others familiar with life sciences research; and

1 (7) Adopt policies and procedures to facilitate the orderly process  
2 of grant application, review, and reward.

3 NEW SECTION. **Sec. 6.** GENERAL POWERS--RESTRICTIONS. The authority  
4 has all the general powers necessary to carry out its purposes and  
5 duties and to exercise its specific powers. In addition to other  
6 powers specified in this chapter, the authority may: (1) Sue and be  
7 sued in its own name; (2) make and execute agreements, contracts, and  
8 other instruments, with any public or private person or entity, in  
9 accordance with this chapter; (3) employ, contract with, or engage  
10 independent counsel, financial advisors, auditors, other technical or  
11 professional assistants, and such other personnel as are necessary or  
12 desirable to implement this chapter; (4) establish such special funds,  
13 and controls on deposits to and disbursements from them, as it finds  
14 convenient for the implementation of this chapter; (5) enter into  
15 contracts with public and private entities for life sciences research  
16 to be conducted in the state; (6) adopt rules, consistent with this  
17 chapter; (7) delegate any of its powers and duties if consistent with  
18 the purposes of this chapter; (8) exercise any other power reasonably  
19 required to implement the purposes of this chapter; and (9) hire staff  
20 and pay administrative costs.

21 NEW SECTION. **Sec. 7.** AUTHORIZATION OF THE CONTRIBUTION OF RIGHTS  
22 IN THE MASTER SETTLEMENT AGREEMENT. (1) The governor is authorized to  
23 contribute and assign to the authority all of the state's right to  
24 receive the strategic contribution payments. The governor and the  
25 authority are authorized to take any action necessary to facilitate and  
26 complete the assignment.

27 (2) The contribution made under this section shall be made if  
28 nonstate contributions in an amount not less than twenty million  
29 dollars have been promised to the authority pursuant to one or more  
30 contribution agreements and no less than ten million dollars have been  
31 received by the authority under contribution agreements. The  
32 characterization of such a contribution by the state may not be negated  
33 or adversely affected by the fact that only a portion of the revenue  
34 from the master settlement agreement is being contributed and assigned,  
35 or by the state's acquisition or retention of an ownership interest in

1 the portion of the revenue from the master settlement agreement not so  
2 assigned.

3 (3) In addition to such other terms, provisions, and conditions as  
4 the governor and the authority may determine appropriate for inclusion  
5 in the state agreement, the state agreement must contain a: (a)  
6 Covenant of the state that the state will not agree to any amendment of  
7 the master settlement agreement that materially and adversely affects  
8 the authority's ability to receive the strategic contribution payments;  
9 (b) requirement that the state enforce, at its own expense, the  
10 provisions of the master settlement agreement that require the payment  
11 of the strategic contribution payments to the authority.

12 (4) On or after the effective date of the state agreement, the  
13 state shall not have any right, title, or interest in the portion of  
14 the strategic contribution payments and such payments are the property  
15 of the authority and not the state, and shall be owned, received, held,  
16 and disbursed by the authority or its assignee, and not the state.

17 (5) The strategic contribution payments so contributed and assigned  
18 may not be deemed to be general state revenues as that term is used in  
19 Article VIII, section 1 of the state Constitution.

20 NEW SECTION. **Sec. 8.** LIMITATION OF LIABILITY. Members of the  
21 board and persons acting on behalf of the authority, while acting  
22 within the scope of their employment or agency, are not subject to  
23 personal liability resulting from carrying out the powers and duties  
24 conferred on them under this chapter. Neither the state nor the  
25 authority is liable for any loss, damage, harm, or other consequence  
26 resulting directly or indirectly from grants made by the authority or  
27 by any life sciences research funded by such grants.

28 NEW SECTION. **Sec. 9.** DISSOLUTION OF THE AUTHORITY. The authority  
29 may petition the legislature to be dissolved upon a showing that it has  
30 no reason to exist and that any assets it retains must be distributed  
31 to one or more similar entities approved by the legislature. The  
32 legislature reserves the right to dissolve the authority after its  
33 contractual obligations to its funders and grant recipients have  
34 expired.

1        NEW SECTION.    **Sec. 10.**    A new section is added to chapter 82.04 RCW  
2 to read as follows:

3        BUSINESS AND OCCUPATION TAX EXEMPTION.    This chapter does not apply  
4 to income received by the life sciences discovery fund authority under  
5 chapter 43.-- RCW (sections 1 through 9 of this act).

6        **Sec. 11.**    RCW 43.79.480 and 2002 c 365 s 15 are each amended to  
7 read as follows:

8        (1) Moneys received by the state of Washington in accordance with  
9 the settlement of the state's legal action against tobacco product  
10 manufacturers, exclusive of costs and attorneys' fees, shall be  
11 deposited in the tobacco settlement account created in this section  
12 except as these moneys are sold or assigned under chapter 43.340 RCW or  
13 are contributed or assigned under chapter 43.-- RCW (sections 1 through  
14 9 of this act).

15        (2) The tobacco settlement account is created in the state  
16 treasury.    Moneys in the tobacco settlement account may only be  
17 transferred to the health services account for the purposes set forth  
18 in RCW 43.72.900, and to the tobacco prevention and control account for  
19 purposes set forth in this section.

20        (3) The tobacco prevention and control account is created in the  
21 state treasury.    The source of revenue for this account is moneys  
22 transferred to the account from the tobacco settlement account,  
23 investment earnings, donations to the account, and other revenues as  
24 directed by law.    Expenditures from the account are subject to  
25 appropriation.

26        **Sec. 12.**    RCW 42.30.110 and 2003 c 277 s 1 are each amended to read  
27 as follows:

28        (1) Nothing contained in this chapter may be construed to prevent  
29 a governing body from holding an executive session during a regular or  
30 special meeting:

31        (a) To consider matters affecting national security;

32        (b) To consider the selection of a site or the acquisition of real  
33 estate by lease or purchase when public knowledge regarding such  
34 consideration would cause a likelihood of increased price;

35        (c) To consider the minimum price at which real estate will be  
36 offered for sale or lease when public knowledge regarding such

1 consideration would cause a likelihood of decreased price. However,  
2 final action selling or leasing public property shall be taken in a  
3 meeting open to the public;

4 (d) To review negotiations on the performance of publicly bid  
5 contracts when public knowledge regarding such consideration would  
6 cause a likelihood of increased costs;

7 (e) To consider, in the case of an export trading company,  
8 financial and commercial information supplied by private persons to the  
9 export trading company;

10 (f) To receive and evaluate complaints or charges brought against  
11 a public officer or employee. However, upon the request of such  
12 officer or employee, a public hearing or a meeting open to the public  
13 shall be conducted upon such complaint or charge;

14 (g) To evaluate the qualifications of an applicant for public  
15 employment or to review the performance of a public employee. However,  
16 subject to RCW 42.30.140(4), discussion by a governing body of  
17 salaries, wages, and other conditions of employment to be generally  
18 applied within the agency shall occur in a meeting open to the public,  
19 and when a governing body elects to take final action hiring, setting  
20 the salary of an individual employee or class of employees, or  
21 discharging or disciplining an employee, that action shall be taken in  
22 a meeting open to the public;

23 (h) To evaluate the qualifications of a candidate for appointment  
24 to elective office. However, any interview of such candidate and final  
25 action appointing a candidate to elective office shall be in a meeting  
26 open to the public;

27 (i) To discuss with legal counsel representing the agency matters  
28 relating to agency enforcement actions, or to discuss with legal  
29 counsel representing the agency litigation or potential litigation to  
30 which the agency, the governing body, or a member acting in an official  
31 capacity is, or is likely to become, a party, when public knowledge  
32 regarding the discussion is likely to result in an adverse legal or  
33 financial consequence to the agency.

34 This subsection (1)(i) does not permit a governing body to hold an  
35 executive session solely because an attorney representing the agency is  
36 present. For purposes of this subsection (1)(i), "potential  
37 litigation" means matters protected by RPC 1.6 or RCW 5.60.060(2)(a)  
38 concerning:

1 (A) Litigation that has been specifically threatened to which the  
2 agency, the governing body, or a member acting in an official capacity  
3 is, or is likely to become, a party;

4 (B) Litigation that the agency reasonably believes may be commenced  
5 by or against the agency, the governing body, or a member acting in an  
6 official capacity; or

7 (C) Litigation or legal risks of a proposed action or current  
8 practice that the agency has identified when public discussion of the  
9 litigation or legal risks is likely to result in an adverse legal or  
10 financial consequence to the agency;

11 (j) To consider, in the case of the state library commission or its  
12 advisory bodies, western library network prices, products, equipment,  
13 and services, when such discussion would be likely to adversely affect  
14 the network's ability to conduct business in a competitive economic  
15 climate. However, final action on these matters shall be taken in a  
16 meeting open to the public;

17 (k) To consider, in the case of the state investment board,  
18 financial and commercial information when the information relates to  
19 the investment of public trust or retirement funds and when public  
20 knowledge regarding the discussion would result in loss to such funds  
21 or in private loss to the providers of this information;

22 (l) To consider proprietary or confidential nonpublished  
23 information related to the development, acquisition, or implementation  
24 of state purchased health care services as provided in RCW 41.05.026;

25 (m) To consider in the case of the life sciences discovery fund  
26 authority, the substance of grant applications and grant awards when  
27 public knowledge regarding the discussion would reasonably be expected  
28 to result in private loss to the providers of this information.

29 (2) Before convening in executive session, the presiding officer of  
30 a governing body shall publicly announce the purpose for excluding the  
31 public from the meeting place, and the time when the executive session  
32 will be concluded. The executive session may be extended to a stated  
33 later time by announcement of the presiding officer.

34 NEW SECTION. Sec. 13. A new section is added to chapter 41.06 RCW  
35 to read as follows:

36 In addition to the exemptions set forth in RCW 41.06.070, this

1 chapter does not apply to employees of the life sciences discovery fund  
2 authority under chapter 43.-- RCW (sections 1 through 9 of this act).

3 **Sec. 14.** RCW 42.17.310 and 2003 1st sp.s. c 26 s 926, 2003 c 277  
4 s 3, and 2003 c 124 s 1 are each reenacted and amended to read as  
5 follows:

6 (1) The following are exempt from public inspection and copying:

7 (a) Personal information in any files maintained for students in  
8 public schools, patients or clients of public institutions or public  
9 health agencies, or welfare recipients.

10 (b) Personal information in files maintained for employees,  
11 appointees, or elected officials of any public agency to the extent  
12 that disclosure would violate their right to privacy.

13 (c) Information required of any taxpayer in connection with the  
14 assessment or collection of any tax if the disclosure of the  
15 information to other persons would (i) be prohibited to such persons by  
16 RCW 84.08.210, 82.32.330, 84.40.020, or 84.40.340 or (ii) violate the  
17 taxpayer's right to privacy or result in unfair competitive  
18 disadvantage to the taxpayer.

19 (d) Specific intelligence information and specific investigative  
20 records compiled by investigative, law enforcement, and penology  
21 agencies, and state agencies vested with the responsibility to  
22 discipline members of any profession, the nondisclosure of which is  
23 essential to effective law enforcement or for the protection of any  
24 person's right to privacy.

25 (e) Information revealing the identity of persons who are witnesses  
26 to or victims of crime or who file complaints with investigative, law  
27 enforcement, or penology agencies, other than the public disclosure  
28 commission, if disclosure would endanger any person's life, physical  
29 safety, or property. If at the time a complaint is filed the  
30 complainant, victim or witness indicates a desire for disclosure or  
31 nondisclosure, such desire shall govern. However, all complaints filed  
32 with the public disclosure commission about any elected official or  
33 candidate for public office must be made in writing and signed by the  
34 complainant under oath.

35 (f) Test questions, scoring keys, and other examination data used  
36 to administer a license, employment, or academic examination.

1 (g) Except as provided by chapter 8.26 RCW, the contents of real  
2 estate appraisals, made for or by any agency relative to the  
3 acquisition or sale of property, until the project or prospective sale  
4 is abandoned or until such time as all of the property has been  
5 acquired or the property to which the sale appraisal relates is sold,  
6 but in no event shall disclosure be denied for more than three years  
7 after the appraisal.

8 (h) Valuable formulae, designs, drawings, computer source code or  
9 object code, and research data obtained by any agency within five years  
10 of the request for disclosure when disclosure would produce private  
11 gain and public loss.

12 (i) Preliminary drafts, notes, recommendations, and intra-agency  
13 memorandums in which opinions are expressed or policies formulated or  
14 recommended except that a specific record shall not be exempt when  
15 publicly cited by an agency in connection with any agency action.

16 (j) Records which are relevant to a controversy to which an agency  
17 is a party but which records would not be available to another party  
18 under the rules of pretrial discovery for causes pending in the  
19 superior courts.

20 (k) Records, maps, or other information identifying the location of  
21 archaeological sites in order to avoid the looting or depredation of  
22 such sites.

23 (l) Any library record, the primary purpose of which is to maintain  
24 control of library materials, or to gain access to information, which  
25 discloses or could be used to disclose the identity of a library user.

26 (m) Financial information supplied by or on behalf of a person,  
27 firm, or corporation for the purpose of qualifying to submit a bid or  
28 proposal for (i) a ferry system construction or repair contract as  
29 required by RCW 47.60.680 through 47.60.750 or (ii) highway  
30 construction or improvement as required by RCW 47.28.070.

31 (n) Railroad company contracts filed prior to July 28, 1991, with  
32 the utilities and transportation commission under RCW 81.34.070, except  
33 that the summaries of the contracts are open to public inspection and  
34 copying as otherwise provided by this chapter.

35 (o) Financial and commercial information and records supplied by  
36 private persons pertaining to export services provided pursuant to  
37 chapter 43.163 RCW and chapter 53.31 RCW, and by persons pertaining to  
38 export projects pursuant to RCW 43.23.035.

1 (p) Financial disclosures filed by private vocational schools under  
2 chapters 28B.85 and 28C.10 RCW.

3 (q) Records filed with the utilities and transportation commission  
4 or attorney general under RCW 80.04.095 that a court has determined are  
5 confidential under RCW 80.04.095.

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

11 (s) Membership lists or lists of members or owners of interests of  
12 units in timeshare projects, subdivisions, camping resorts,  
13 condominiums, land developments, or common-interest communities  
14 affiliated with such projects, regulated by the department of  
15 licensing, in the files or possession of the department.

16 (t) All applications for public employment, including the names of  
17 applicants, resumes, and other related materials submitted with respect  
18 to an applicant.

19 (u) The residential addresses or residential telephone numbers of  
20 employees or volunteers of a public agency which are held by any public  
21 agency in personnel records, public employment related records, or  
22 volunteer rosters, or are included in any mailing list of employees or  
23 volunteers of any public agency.

24 (v) The residential addresses and residential telephone numbers of  
25 the customers of a public utility contained in the records or lists  
26 held by the public utility of which they are customers, except that  
27 this information may be released to the division of child support or  
28 the agency or firm providing child support enforcement for another  
29 state under Title IV-D of the federal social security act, for the  
30 establishment, enforcement, or modification of a support order.

31 (w)(i) The federal social security number of individuals governed  
32 under chapter 18.130 RCW maintained in the files of the department of  
33 health, except this exemption does not apply to requests made directly  
34 to the department from federal, state, and local agencies of  
35 government, and national and state licensing, credentialing,  
36 investigatory, disciplinary, and examination organizations; (ii) the  
37 current residential address and current residential telephone number of  
38 a health care provider governed under chapter 18.130 RCW maintained in

1 the files of the department, if the provider requests that this  
2 information be withheld from public inspection and copying, and  
3 provides to the department an accurate alternate or business address  
4 and business telephone number. On or after January 1, 1995, the  
5 current residential address and residential telephone number of a  
6 health care provider governed under RCW 18.130.040 maintained in the  
7 files of the department shall automatically be withheld from public  
8 inspection and copying unless the provider specifically requests the  
9 information be released, and except as provided for under RCW  
10 42.17.260(9).

11 (x) Information obtained by the board of pharmacy as provided in  
12 RCW 69.45.090.

13 (y) Information obtained by the board of pharmacy or the department  
14 of health and its representatives as provided in RCW 69.41.044,  
15 69.41.280, and 18.64.420.

16 (z) Financial information, business plans, examination reports, and  
17 any information produced or obtained in evaluating or examining a  
18 business and industrial development corporation organized or seeking  
19 certification under chapter 31.24 RCW.

20 (aa) Financial and commercial information supplied to the state  
21 investment board by any person when the information relates to the  
22 investment of public trust or retirement funds and when disclosure  
23 would result in loss to such funds or in private loss to the providers  
24 of this information.

25 (bb) Financial and valuable trade information under RCW 51.36.120.

26 (cc) Client records maintained by an agency that is a domestic  
27 violence program as defined in RCW 70.123.020 or 70.123.075 or a rape  
28 crisis center as defined in RCW 70.125.030.

29 (dd) Information that identifies a person who, while an agency  
30 employee: (i) Seeks advice, under an informal process established by  
31 the employing agency, in order to ascertain his or her rights in  
32 connection with a possible unfair practice under chapter 49.60 RCW  
33 against the person; and (ii) requests his or her identity or any  
34 identifying information not be disclosed.

35 (ee) Investigative records compiled by an employing agency  
36 conducting a current investigation of a possible unfair practice under  
37 chapter 49.60 RCW or of a possible violation of other federal, state,  
38 or local laws prohibiting discrimination in employment.

1 (ff) Business related information protected from public inspection  
2 and copying under RCW 15.86.110.

3 (gg) Financial, commercial, operations, and technical and research  
4 information and data submitted to or obtained by the clean Washington  
5 center in applications for, or delivery of, program services under  
6 chapter 70.95H RCW.

7 (hh) Information and documents created specifically for, and  
8 collected and maintained by a quality improvement committee pursuant to  
9 RCW 43.70.510 or 70.41.200, or by a peer review committee under RCW  
10 4.24.250, regardless of which agency is in possession of the  
11 information and documents.

12 (ii) Personal information in files maintained in a data base  
13 created under RCW 43.07.360.

14 (jj) Financial and commercial information requested by the public  
15 stadium authority from any person or organization that leases or uses  
16 the stadium and exhibition center as defined in RCW 36.102.010.

17 (kk) Names of individuals residing in emergency or transitional  
18 housing that are furnished to the department of revenue or a county  
19 assessor in order to substantiate a claim for property tax exemption  
20 under RCW 84.36.043.

21 (ll) The names, residential addresses, residential telephone  
22 numbers, and other individually identifiable records held by an agency  
23 in relation to a vanpool, carpool, or other ride-sharing program or  
24 service. However, these records may be disclosed to other persons who  
25 apply for ride-matching services and who need that information in order  
26 to identify potential riders or drivers with whom to share rides.

27 (mm) The personally identifying information of current or former  
28 participants or applicants in a paratransit or other transit service  
29 operated for the benefit of persons with disabilities or elderly  
30 persons.

31 (nn) The personally identifying information of persons who acquire  
32 and use transit passes and other fare payment media including, but not  
33 limited to, stored value smart cards and magnetic strip cards, except  
34 that an agency may disclose this information to a person, employer,  
35 educational institution, or other entity that is responsible, in whole  
36 or in part, for payment of the cost of acquiring or using a transit  
37 pass or other fare payment media, or to the news media when reporting

1 on public transportation or public safety. This information may also  
2 be disclosed at the agency's discretion to governmental agencies or  
3 groups concerned with public transportation or public safety.

4 (oo) Proprietary financial and commercial information that the  
5 submitting entity, with review by the department of health,  
6 specifically identifies at the time it is submitted and that is  
7 provided to or obtained by the department of health in connection with  
8 an application for, or the supervision of, an antitrust exemption  
9 sought by the submitting entity under RCW 43.72.310. If a request for  
10 such information is received, the submitting entity must be notified of  
11 the request. Within ten business days of receipt of the notice, the  
12 submitting entity shall provide a written statement of the continuing  
13 need for confidentiality, which shall be provided to the requester.  
14 Upon receipt of such notice, the department of health shall continue to  
15 treat information designated under this section as exempt from  
16 disclosure. If the requester initiates an action to compel disclosure  
17 under this chapter, the submitting entity must be joined as a party to  
18 demonstrate the continuing need for confidentiality.

19 (pp) Records maintained by the board of industrial insurance  
20 appeals that are related to appeals of crime victims' compensation  
21 claims filed with the board under RCW 7.68.110.

22 (qq) Financial and commercial information supplied by or on behalf  
23 of a person, firm, corporation, or entity under chapter 28B.95 RCW  
24 relating to the purchase or sale of tuition units and contracts for the  
25 purchase of multiple tuition units.

26 (rr) Any records of investigative reports prepared by any state,  
27 county, municipal, or other law enforcement agency pertaining to sex  
28 offenses contained in chapter 9A.44 RCW or sexually violent offenses as  
29 defined in RCW 71.09.020, which have been transferred to the Washington  
30 association of sheriffs and police chiefs for permanent electronic  
31 retention and retrieval pursuant to RCW 40.14.070(2)(b).

32 (ss) Credit card numbers, debit card numbers, electronic check  
33 numbers, card expiration dates, or bank or other financial account  
34 numbers, except when disclosure is expressly required by or governed by  
35 other law.

36 (tt) Financial information, including but not limited to account  
37 numbers and values, and other identification numbers supplied by or on

1 behalf of a person, firm, corporation, limited liability company,  
2 partnership, or other entity related to an application for a liquor  
3 license, gambling license, or lottery retail license.

4 (uu) Records maintained by the employment security department and  
5 subject to chapter 50.13 RCW if provided to another individual or  
6 organization for operational, research, or evaluation purposes.

7 (vv) Individually identifiable information received by the work  
8 force training and education coordinating board for research or  
9 evaluation purposes.

10 (ww) Those portions of records assembled, prepared, or maintained  
11 to prevent, mitigate, or respond to criminal terrorist acts, which are  
12 acts that significantly disrupt the conduct of government or of the  
13 general civilian population of the state or the United States and that  
14 manifest an extreme indifference to human life, the public disclosure  
15 of which would have a substantial likelihood of threatening public  
16 safety, consisting of:

17 (i) Specific and unique vulnerability assessments or specific and  
18 unique response or deployment plans, including compiled underlying data  
19 collected in preparation of or essential to the assessments, or to the  
20 response or deployment plans; and

21 (ii) Records not subject to public disclosure under federal law  
22 that are shared by federal or international agencies, and information  
23 prepared from national security briefings provided to state or local  
24 government officials related to domestic preparedness for acts of  
25 terrorism.

26 (xx) Commercial fishing catch data from logbooks required to be  
27 provided to the department of fish and wildlife under RCW 77.12.047,  
28 when the data identifies specific catch location, timing, or  
29 methodology and the release of which would result in unfair competitive  
30 disadvantage to the commercial fisher providing the catch data.  
31 However, this information may be released to government agencies  
32 concerned with the management of fish and wildlife resources.

33 (yy) Sensitive wildlife data obtained by the department of fish and  
34 wildlife. However, sensitive wildlife data may be released to  
35 government agencies concerned with the management of fish and wildlife  
36 resources. Sensitive wildlife data includes:

37 (i) The nesting sites or specific locations of endangered species

1 designated under RCW 77.12.020, or threatened or sensitive species  
2 classified by rule of the department of fish and wildlife;

3 (ii) Radio frequencies used in, or locational data generated by,  
4 telemetry studies; or

5 (iii) Other location data that could compromise the viability of a  
6 specific fish or wildlife population, and where at least one of the  
7 following criteria are met:

8 (A) The species has a known commercial or black market value;

9 (B) There is a history of malicious take of that species; or

10 (C) There is a known demand to visit, take, or disturb, and the  
11 species behavior or ecology renders it especially vulnerable or the  
12 species has an extremely limited distribution and concentration.

13 (zz) The personally identifying information of persons who acquire  
14 recreational licenses under RCW 77.32.010 or commercial licenses under  
15 chapter 77.65 or 77.70 RCW, except name, address of contact used by the  
16 department, and type of license, endorsement, or tag. However, the  
17 department of fish and wildlife may disclose personally identifying  
18 information to:

19 (i) Government agencies concerned with the management of fish and  
20 wildlife resources;

21 (ii) The department of social and health services, child support  
22 division, and to the department of licensing in order to implement RCW  
23 77.32.014 and 46.20.291; and

24 (iii) Law enforcement agencies for the purpose of firearm  
25 possession enforcement under RCW 9.41.040.

26 (aaa)(i) Discharge papers of a veteran of the armed forces of the  
27 United States filed at the office of the county auditor before July 1,  
28 2002, that have not been commingled with other recorded documents.  
29 These records will be available only to the veteran, the veteran's next  
30 of kin, a deceased veteran's properly appointed personal representative  
31 or executor, a person holding that veteran's general power of attorney,  
32 or to anyone else designated in writing by that veteran to receive the  
33 records.

34 (ii) Discharge papers of a veteran of the armed forces of the  
35 United States filed at the office of the county auditor before July 1,  
36 2002, that have been commingled with other records, if the veteran has  
37 recorded a "request for exemption from public disclosure of discharge  
38 papers" with the county auditor. If such a request has been recorded,

1 these records may be released only to the veteran filing the papers,  
2 the veteran's next of kin, a deceased veteran's properly appointed  
3 personal representative or executor, a person holding the veteran's  
4 general power of attorney, or anyone else designated in writing by the  
5 veteran to receive the records.

6 (iii) Discharge papers of a veteran filed at the office of the  
7 county auditor after June 30, 2002, are not public records, but will be  
8 available only to the veteran, the veteran's next of kin, a deceased  
9 veteran's properly appointed personal representative or executor, a  
10 person holding the veteran's general power of attorney, or anyone else  
11 designated in writing by the veteran to receive the records.

12 (iv) For the purposes of this subsection (1)(aaa), next of kin of  
13 deceased veterans have the same rights to full access to the record.  
14 Next of kin are the veteran's widow or widower who has not remarried,  
15 son, daughter, father, mother, brother, and sister.

16 (bbb) Those portions of records containing specific and unique  
17 vulnerability assessments or specific and unique emergency and escape  
18 response plans at a city, county, or state adult or juvenile  
19 correctional facility, the public disclosure of which would have a  
20 substantial likelihood of threatening the security of a city, county,  
21 or state adult or juvenile correctional facility or any individual's  
22 safety.

23 (ccc) Information compiled by school districts or schools in the  
24 development of their comprehensive safe school plans pursuant to RCW  
25 28A.320.125, to the extent that they identify specific vulnerabilities  
26 of school districts and each individual school.

27 (ddd) Information regarding the infrastructure and security of  
28 computer and telecommunications networks, consisting of security  
29 passwords, security access codes and programs, access codes for secure  
30 software applications, security and service recovery plans, security  
31 risk assessments, and security test results to the extent that they  
32 identify specific system vulnerabilities.

33 (eee) Information obtained and exempted or withheld from public  
34 inspection by the health care authority under RCW 41.05.026, whether  
35 retained by the authority, transferred to another state purchased  
36 health care program by the authority, or transferred by the authority  
37 to a technical review committee created to facilitate the development,

1 acquisition, or implementation of state purchased health care under  
2 chapter 41.05 RCW.

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

10 (ggg) Proprietary information deemed confidential for the purposes  
11 of section 923, chapter 26, Laws of 2003 1st sp. sess.

12 (hhh) Financial, commercial, operations, and technical and research  
13 information and data submitted to or obtained by the life sciences  
14 discovery fund authority in applications for, or delivery of, grants  
15 under chapter 43.-- RCW (sections 1 through 9 of this act), to the  
16 extent that such information, if revealed, would reasonably be expected  
17 to result in private loss to the providers of this information.

18 (2) Except for information described in subsection (1)(c)(i) of  
19 this section and confidential income data exempted from public  
20 inspection pursuant to RCW 84.40.020, the exemptions of this section  
21 are inapplicable to the extent that information, the disclosure of  
22 which would violate personal privacy or vital governmental interests,  
23 can be deleted from the specific records sought. No exemption may be  
24 construed to permit the nondisclosure of statistical information not  
25 descriptive of any readily identifiable person or persons.

26 (3) Inspection or copying of any specific records exempt under the  
27 provisions of this section may be permitted if the superior court in  
28 the county in which the record is maintained finds, after a hearing  
29 with notice thereof to every person in interest and the agency, that  
30 the exemption of such records is clearly unnecessary to protect any  
31 individual's right of privacy or any vital governmental function.

32 (4) Agency responses refusing, in whole or in part, inspection of  
33 any public record shall include a statement of the specific exemption  
34 authorizing the withholding of the record (or part) and a brief  
35 explanation of how the exemption applies to the record withheld.

36 **Sec. 15.** RCW 42.17.310 and 2003 c 277 s 3 and 2003 c 124 s 1 are  
37 each reenacted and amended to read as follows:

1 (1) The following are exempt from public inspection and copying:

2 (a) Personal information in any files maintained for students in  
3 public schools, patients or clients of public institutions or public  
4 health agencies, or welfare recipients.

5 (b) Personal information in files maintained for employees,  
6 appointees, or elected officials of any public agency to the extent  
7 that disclosure would violate their right to privacy.

8 (c) Information required of any taxpayer in connection with the  
9 assessment or collection of any tax if the disclosure of the  
10 information to other persons would (i) be prohibited to such persons by  
11 RCW 84.08.210, 82.32.330, 84.40.020, or 84.40.340 or (ii) violate the  
12 taxpayer's right to privacy or result in unfair competitive  
13 disadvantage to the taxpayer.

14 (d) Specific intelligence information and specific investigative  
15 records compiled by investigative, law enforcement, and penology  
16 agencies, and state agencies vested with the responsibility to  
17 discipline members of any profession, the nondisclosure of which is  
18 essential to effective law enforcement or for the protection of any  
19 person's right to privacy.

20 (e) Information revealing the identity of persons who are witnesses  
21 to or victims of crime or who file complaints with investigative, law  
22 enforcement, or penology agencies, other than the public disclosure  
23 commission, if disclosure would endanger any person's life, physical  
24 safety, or property. If at the time a complaint is filed the  
25 complainant, victim or witness indicates a desire for disclosure or  
26 nondisclosure, such desire shall govern. However, all complaints filed  
27 with the public disclosure commission about any elected official or  
28 candidate for public office must be made in writing and signed by the  
29 complainant under oath.

30 (f) Test questions, scoring keys, and other examination data used  
31 to administer a license, employment, or academic examination.

32 (g) Except as provided by chapter 8.26 RCW, the contents of real  
33 estate appraisals, made for or by any agency relative to the  
34 acquisition or sale of property, until the project or prospective sale  
35 is abandoned or until such time as all of the property has been  
36 acquired or the property to which the sale appraisal relates is sold,  
37 but in no event shall disclosure be denied for more than three years  
38 after the appraisal.

1 (h) Valuable formulae, designs, drawings, computer source code or  
2 object code, and research data obtained by any agency within five years  
3 of the request for disclosure when disclosure would produce private  
4 gain and public loss.

5 (i) Preliminary drafts, notes, recommendations, and intra-agency  
6 memorandums in which opinions are expressed or policies formulated or  
7 recommended except that a specific record shall not be exempt when  
8 publicly cited by an agency in connection with any agency action.

9 (j) Records which are relevant to a controversy to which an agency  
10 is a party but which records would not be available to another party  
11 under the rules of pretrial discovery for causes pending in the  
12 superior courts.

13 (k) Records, maps, or other information identifying the location of  
14 archaeological sites in order to avoid the looting or depredation of  
15 such sites.

16 (l) Any library record, the primary purpose of which is to maintain  
17 control of library materials, or to gain access to information, which  
18 discloses or could be used to disclose the identity of a library user.

19 (m) Financial information supplied by or on behalf of a person,  
20 firm, or corporation for the purpose of qualifying to submit a bid or  
21 proposal for (i) a ferry system construction or repair contract as  
22 required by RCW 47.60.680 through 47.60.750 or (ii) highway  
23 construction or improvement as required by RCW 47.28.070.

24 (n) Railroad company contracts filed prior to July 28, 1991, with  
25 the utilities and transportation commission under RCW 81.34.070, except  
26 that the summaries of the contracts are open to public inspection and  
27 copying as otherwise provided by this chapter.

28 (o) Financial and commercial information and records supplied by  
29 private persons pertaining to export services provided pursuant to  
30 chapter 43.163 RCW and chapter 53.31 RCW, and by persons pertaining to  
31 export projects pursuant to RCW 43.23.035.

32 (p) Financial disclosures filed by private vocational schools under  
33 chapters 28B.85 and 28C.10 RCW.

34 (q) Records filed with the utilities and transportation commission  
35 or attorney general under RCW 80.04.095 that a court has determined are  
36 confidential under RCW 80.04.095.

37 (r) Financial and commercial information and records supplied by  
38 businesses or individuals during application for loans or program

1 services provided by chapters 43.163, 43.160, 43.330, and 43.168 RCW,  
2 or during application for economic development loans or program  
3 services provided by any local agency.

4 (s) Membership lists or lists of members or owners of interests of  
5 units in timeshare projects, subdivisions, camping resorts,  
6 condominiums, land developments, or common-interest communities  
7 affiliated with such projects, regulated by the department of  
8 licensing, in the files or possession of the department.

9 (t) All applications for public employment, including the names of  
10 applicants, resumes, and other related materials submitted with respect  
11 to an applicant.

12 (u) The residential addresses or residential telephone numbers of  
13 employees or volunteers of a public agency which are held by any public  
14 agency in personnel records, public employment related records, or  
15 volunteer rosters, or are included in any mailing list of employees or  
16 volunteers of any public agency.

17 (v) The residential addresses and residential telephone numbers of  
18 the customers of a public utility contained in the records or lists  
19 held by the public utility of which they are customers, except that  
20 this information may be released to the division of child support or  
21 the agency or firm providing child support enforcement for another  
22 state under Title IV-D of the federal social security act, for the  
23 establishment, enforcement, or modification of a support order.

24 (w)(i) The federal social security number of individuals governed  
25 under chapter 18.130 RCW maintained in the files of the department of  
26 health, except this exemption does not apply to requests made directly  
27 to the department from federal, state, and local agencies of  
28 government, and national and state licensing, credentialing,  
29 investigatory, disciplinary, and examination organizations; (ii) the  
30 current residential address and current residential telephone number of  
31 a health care provider governed under chapter 18.130 RCW maintained in  
32 the files of the department, if the provider requests that this  
33 information be withheld from public inspection and copying, and  
34 provides to the department an accurate alternate or business address  
35 and business telephone number. On or after January 1, 1995, the  
36 current residential address and residential telephone number of a  
37 health care provider governed under RCW 18.130.040 maintained in the  
38 files of the department shall automatically be withheld from public

1 inspection and copying unless the provider specifically requests the  
2 information be released, and except as provided for under RCW  
3 42.17.260(9).

4 (x) Information obtained by the board of pharmacy as provided in  
5 RCW 69.45.090.

6 (y) Information obtained by the board of pharmacy or the department  
7 of health and its representatives as provided in RCW 69.41.044,  
8 69.41.280, and 18.64.420.

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

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

18 (bb) Financial and valuable trade information under RCW 51.36.120.

19 (cc) Client records maintained by an agency that is a domestic  
20 violence program as defined in RCW 70.123.020 or 70.123.075 or a rape  
21 crisis center as defined in RCW 70.125.030.

22 (dd) Information that identifies a person who, while an agency  
23 employee: (i) Seeks advice, under an informal process established by  
24 the employing agency, in order to ascertain his or her rights in  
25 connection with a possible unfair practice under chapter 49.60 RCW  
26 against the person; and (ii) requests his or her identity or any  
27 identifying information not be disclosed.

28 (ee) Investigative records compiled by an employing agency  
29 conducting a current investigation of a possible unfair practice under  
30 chapter 49.60 RCW or of a possible violation of other federal, state,  
31 or local laws prohibiting discrimination in employment.

32 (ff) Business related information protected from public inspection  
33 and copying under RCW 15.86.110.

34 (gg) Financial, commercial, operations, and technical and research  
35 information and data submitted to or obtained by the clean Washington  
36 center in applications for, or delivery of, program services under  
37 chapter 70.95H RCW.

1 (hh) Information and documents created specifically for, and  
2 collected and maintained by a quality improvement committee pursuant to  
3 RCW 43.70.510 or 70.41.200, or by a peer review committee under RCW  
4 4.24.250, regardless of which agency is in possession of the  
5 information and documents.

6 (ii) Personal information in files maintained in a data base  
7 created under RCW 43.07.360.

8 (jj) Financial and commercial information requested by the public  
9 stadium authority from any person or organization that leases or uses  
10 the stadium and exhibition center as defined in RCW 36.102.010.

11 (kk) Names of individuals residing in emergency or transitional  
12 housing that are furnished to the department of revenue or a county  
13 assessor in order to substantiate a claim for property tax exemption  
14 under RCW 84.36.043.

15 (ll) The names, residential addresses, residential telephone  
16 numbers, and other individually identifiable records held by an agency  
17 in relation to a vanpool, carpool, or other ride-sharing program or  
18 service. However, these records may be disclosed to other persons who  
19 apply for ride-matching services and who need that information in order  
20 to identify potential riders or drivers with whom to share rides.

21 (mm) The personally identifying information of current or former  
22 participants or applicants in a paratransit or other transit service  
23 operated for the benefit of persons with disabilities or elderly  
24 persons.

25 (nn) The personally identifying information of persons who acquire  
26 and use transit passes and other fare payment media including, but not  
27 limited to, stored value smart cards and magnetic strip cards, except  
28 that an agency may disclose this information to a person, employer,  
29 educational institution, or other entity that is responsible, in whole  
30 or in part, for payment of the cost of acquiring or using a transit  
31 pass or other fare payment media, or to the news media when reporting  
32 on public transportation or public safety. This information may also  
33 be disclosed at the agency's discretion to governmental agencies or  
34 groups concerned with public transportation or public safety.

35 (oo) Proprietary financial and commercial information that the  
36 submitting entity, with review by the department of health,  
37 specifically identifies at the time it is submitted and that is  
38 provided to or obtained by the department of health in connection with

1 an application for, or the supervision of, an antitrust exemption  
2 sought by the submitting entity under RCW 43.72.310. If a request for  
3 such information is received, the submitting entity must be notified of  
4 the request. Within ten business days of receipt of the notice, the  
5 submitting entity shall provide a written statement of the continuing  
6 need for confidentiality, which shall be provided to the requester.  
7 Upon receipt of such notice, the department of health shall continue to  
8 treat information designated under this section as exempt from  
9 disclosure. If the requester initiates an action to compel disclosure  
10 under this chapter, the submitting entity must be joined as a party to  
11 demonstrate the continuing need for confidentiality.

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13 appeals that are related to appeals of crime victims' compensation  
14 claims filed with the board under RCW 7.68.110.

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16 of a person, firm, corporation, or entity under chapter 28B.95 RCW  
17 relating to the purchase or sale of tuition units and contracts for the  
18 purchase of multiple tuition units.

19 (rr) Any records of investigative reports prepared by any state,  
20 county, municipal, or other law enforcement agency pertaining to sex  
21 offenses contained in chapter 9A.44 RCW or sexually violent offenses as  
22 defined in RCW 71.09.020, which have been transferred to the Washington  
23 association of sheriffs and police chiefs for permanent electronic  
24 retention and retrieval pursuant to RCW 40.14.070(2)(b).

25 (ss) Credit card numbers, debit card numbers, electronic check  
26 numbers, card expiration dates, or bank or other financial account  
27 numbers, except when disclosure is expressly required by or governed by  
28 other law.

29 (tt) 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 liquor  
33 license, gambling license, or lottery retail license.

34 (uu) Records maintained by the employment security department and  
35 subject to chapter 50.13 RCW if provided to another individual or  
36 organization for operational, research, or evaluation purposes.

37 (vv) Individually identifiable information received by the work

1 force training and education coordinating board for research or  
2 evaluation purposes.

3 (ww) Those portions of records assembled, prepared, or maintained  
4 to prevent, mitigate, or respond to criminal terrorist acts, which are  
5 acts that significantly disrupt the conduct of government or of the  
6 general civilian population of the state or the United States and that  
7 manifest an extreme indifference to human life, the public disclosure  
8 of which would have a substantial likelihood of threatening public  
9 safety, consisting of:

10 (i) Specific and unique vulnerability assessments or specific and  
11 unique response or deployment plans, including compiled underlying data  
12 collected in preparation of or essential to the assessments, or to the  
13 response or deployment plans; and

14 (ii) Records not subject to public disclosure under federal law  
15 that are shared by federal or international agencies, and information  
16 prepared from national security briefings provided to state or local  
17 government officials related to domestic preparedness for acts of  
18 terrorism.

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20 provided to the department of fish and wildlife under RCW 77.12.047,  
21 when the data identifies specific catch location, timing, or  
22 methodology and the release of which would result in unfair competitive  
23 disadvantage to the commercial fisher providing the catch data.  
24 However, this information may be released to government agencies  
25 concerned with the management of fish and wildlife resources.

26 (yy) Sensitive wildlife data obtained by the department of fish and  
27 wildlife. However, sensitive wildlife data may be released to  
28 government agencies concerned with the management of fish and wildlife  
29 resources. Sensitive wildlife data includes:

30 (i) The nesting sites or specific locations of endangered species  
31 designated under RCW 77.12.020, or threatened or sensitive species  
32 classified by rule of the department of fish and wildlife;

33 (ii) Radio frequencies used in, or locational data generated by,  
34 telemetry studies; or

35 (iii) Other location data that could compromise the viability of a  
36 specific fish or wildlife population, and where at least one of the  
37 following criteria are met:

38 (A) The species has a known commercial or black market value;

1 (B) There is a history of malicious take of that species; or

2 (C) There is a known demand to visit, take, or disturb, and the  
3 species behavior or ecology renders it especially vulnerable or the  
4 species has an extremely limited distribution and concentration.

5 (zz) The personally identifying information of persons who acquire  
6 recreational licenses under RCW 77.32.010 or commercial licenses under  
7 chapter 77.65 or 77.70 RCW, except name, address of contact used by the  
8 department, and type of license, endorsement, or tag. However, the  
9 department of fish and wildlife may disclose personally identifying  
10 information to:

11 (i) Government agencies concerned with the management of fish and  
12 wildlife resources;

13 (ii) The department of social and health services, child support  
14 division, and to the department of licensing in order to implement RCW  
15 77.32.014 and 46.20.291; and

16 (iii) Law enforcement agencies for the purpose of firearm  
17 possession enforcement under RCW 9.41.040.

18 (aaa)(i) Discharge papers of a veteran of the armed forces of the  
19 United States filed at the office of the county auditor before July 1,  
20 2002, that have not been commingled with other recorded documents.  
21 These records will be available only to the veteran, the veteran's next  
22 of kin, a deceased veteran's properly appointed personal representative  
23 or executor, a person holding that veteran's general power of attorney,  
24 or to anyone else designated in writing by that veteran to receive the  
25 records.

26 (ii) Discharge papers of a veteran of the armed forces of the  
27 United States filed at the office of the county auditor before July 1,  
28 2002, that have been commingled with other records, if the veteran has  
29 recorded a "request for exemption from public disclosure of discharge  
30 papers" with the county auditor. If such a request has been recorded,  
31 these records may be released only to the veteran filing the papers,  
32 the veteran's next of kin, a deceased veteran's properly appointed  
33 personal representative or executor, a person holding the veteran's  
34 general power of attorney, or anyone else designated in writing by the  
35 veteran to receive the records.

36 (iii) Discharge papers of a veteran filed at the office of the  
37 county auditor after June 30, 2002, are not public records, but will be  
38 available only to the veteran, the veteran's next of kin, a deceased

1 veteran's properly appointed personal representative or executor, a  
2 person holding the veteran's general power of attorney, or anyone else  
3 designated in writing by the veteran to receive the records.

4 (iv) For the purposes of this subsection (1)(aaa), next of kin of  
5 deceased veterans have the same rights to full access to the record.  
6 Next of kin are the veteran's widow or widower who has not remarried,  
7 son, daughter, father, mother, brother, and sister.

8 (bbb) Those portions of records containing specific and unique  
9 vulnerability assessments or specific and unique emergency and escape  
10 response plans at a city, county, or state adult or juvenile  
11 correctional facility, the public disclosure of which would have a  
12 substantial likelihood of threatening the security of a city, county,  
13 or state adult or juvenile correctional facility or any individual's  
14 safety.

15 (ccc) Information compiled by school districts or schools in the  
16 development of their comprehensive safe school plans pursuant to RCW  
17 28A.320.125, to the extent that they identify specific vulnerabilities  
18 of school districts and each individual school.

19 (ddd) Information regarding the infrastructure and security of  
20 computer and telecommunications networks, consisting of security  
21 passwords, security access codes and programs, access codes for secure  
22 software applications, security and service recovery plans, security  
23 risk assessments, and security test results to the extent that they  
24 identify specific system vulnerabilities.

25 (eee) Information obtained and exempted or withheld from public  
26 inspection by the health care authority under RCW 41.05.026, whether  
27 retained by the authority, transferred to another state purchased  
28 health care program by the authority, or transferred by the authority  
29 to a technical review committee created to facilitate the development,  
30 acquisition, or implementation of state purchased health care under  
31 chapter 41.05 RCW.

32 (fff) Proprietary data, trade secrets, or other information that  
33 relates to: (i) A vendor's unique methods of conducting business; (ii)  
34 data unique to the product or services of the vendor; or (iii)  
35 determining prices or rates to be charged for services, submitted by  
36 any vendor to the department of social and health services for purposes  
37 of the development, acquisition, or implementation of state purchased  
38 health care as defined in RCW 41.05.011.

1 (ggg) Financial, commercial, operations, and technical and research  
2 information and data submitted to or obtained by the life sciences  
3 discovery fund authority in applications for, or delivery of, grants  
4 under chapter 43.-- RCW (sections 1 through 9 of this act), to the  
5 extent that such information, if revealed, would reasonably be expected  
6 to result in private loss to the providers of this information.

7 (2) Except for information described in subsection (1)(c)(i) of  
8 this section and confidential income data exempted from public  
9 inspection pursuant to RCW 84.40.020, the exemptions of this section  
10 are inapplicable to the extent that information, the disclosure of  
11 which would violate personal privacy or vital governmental interests,  
12 can be deleted from the specific records sought. No exemption may be  
13 construed to permit the nondisclosure of statistical information not  
14 descriptive of any readily identifiable person or persons.

15 (3) Inspection or copying of any specific records exempt under the  
16 provisions of this section may be permitted if the superior court in  
17 the county in which the record is maintained finds, after a hearing  
18 with notice thereof to every person in interest and the agency, that  
19 the exemption of such records is clearly unnecessary to protect any  
20 individual's right of privacy or any vital governmental function.

21 (4) Agency responses refusing, in whole or in part, inspection of  
22 any public record shall include a statement of the specific exemption  
23 authorizing the withholding of the record (or part) and a brief  
24 explanation of how the exemption applies to the record withheld.

25 **Sec. 16.** RCW 42.17.2401 and 2001 c 36 s 1 and 2001 c 9 s 1 are  
26 each reenacted and amended to read as follows:

27 For the purposes of RCW 42.17.240, the term "executive state  
28 officer" includes:

29 (1) The chief administrative law judge, the director of  
30 agriculture, the administrator of the Washington basic health plan, the  
31 director of the department of services for the blind, the director of  
32 the state system of community and technical colleges, the director of  
33 community, trade, and economic development, the secretary of  
34 corrections, the director of ecology, the commissioner of employment  
35 security, the ((~~chairman~~)) chair of the energy facility site evaluation  
36 council, the secretary of the state finance committee, the director of  
37 financial management, the director of fish and wildlife, the executive

1 secretary of the forest practices appeals board, the director of the  
2 gambling commission, the director of general administration, the  
3 secretary of health, the administrator of the Washington state health  
4 care authority, the executive secretary of the health care facilities  
5 authority, the executive secretary of the higher education facilities  
6 authority, the executive secretary of the horse racing commission, the  
7 executive secretary of the human rights commission, the executive  
8 secretary of the indeterminate sentence review board, the director of  
9 the department of information services, the director of the interagency  
10 committee for outdoor recreation, the executive director of the state  
11 investment board, the director of labor and industries, the director of  
12 licensing, the director of the lottery commission, the director of the  
13 office of minority and women's business enterprises, the director of  
14 parks and recreation, the director of personnel, the executive director  
15 of the public disclosure commission, the director of retirement  
16 systems, the director of revenue, the secretary of social and health  
17 services, the chief of the Washington state patrol, the executive  
18 secretary of the board of tax appeals, the secretary of transportation,  
19 the secretary of the utilities and transportation commission, the  
20 director of veterans affairs, the president of each of the regional and  
21 state universities and the president of The Evergreen State College,  
22 each district and each campus president of each state community  
23 college;

24 (2) Each professional staff member of the office of the governor;

25 (3) Each professional staff member of the legislature; and

26 (4) Central Washington University board of trustees, board of  
27 trustees of each community college, each member of the state board for  
28 community and technical colleges, state convention and trade center  
29 board of directors, committee for deferred compensation, Eastern  
30 Washington University board of trustees, Washington economic  
31 development finance authority, The Evergreen State College board of  
32 trustees, executive ethics board, forest practices appeals board,  
33 forest practices board, gambling commission, life sciences discovery  
34 fund authority board of trustees, Washington health care facilities  
35 authority, each member of the Washington health services commission,  
36 higher education coordinating board, higher education facilities  
37 authority, horse racing commission, state housing finance commission,  
38 human rights commission, indeterminate sentence review board, board of

1 industrial insurance appeals, information services board, interagency  
2 committee for outdoor recreation, state investment board, commission on  
3 judicial conduct, legislative ethics board, liquor control board,  
4 lottery commission, marine oversight board, Pacific Northwest electric  
5 power and conservation planning council, parks and recreation  
6 commission, personnel appeals board, board of pilotage commissioners,  
7 pollution control hearings board, public disclosure commission, public  
8 pension commission, shorelines hearing board, public employees'  
9 benefits board, salmon recovery funding board, board of tax appeals,  
10 transportation commission, University of Washington board of regents,  
11 utilities and transportation commission, Washington state maritime  
12 commission, Washington personnel resources board, Washington public  
13 power supply system executive board, Washington State University board  
14 of regents, Western Washington University board of trustees, and fish  
15 and wildlife commission.

16 **Sec. 17.** RCW 43.84.092 and 2003 c 361 s 602, 2003 c 324 s 1, and  
17 2003 c 48 s 2 are each reenacted and amended to read as follows:

18 (1) All earnings of investments of surplus balances in the state  
19 treasury shall be deposited to the treasury income account, which  
20 account is hereby established in the state treasury.

21 (2) The treasury income account shall be utilized to pay or receive  
22 funds associated with federal programs as required by the federal cash  
23 management improvement act of 1990. The treasury income account is  
24 subject in all respects to chapter 43.88 RCW, but no appropriation is  
25 required for refunds or allocations of interest earnings required by  
26 the cash management improvement act. Refunds of interest to the  
27 federal treasury required under the cash management improvement act  
28 fall under RCW 43.88.180 and shall not require appropriation. The  
29 office of financial management shall determine the amounts due to or  
30 from the federal government pursuant to the cash management improvement  
31 act. The office of financial management may direct transfers of funds  
32 between accounts as deemed necessary to implement the provisions of the  
33 cash management improvement act, and this subsection. Refunds or  
34 allocations shall occur prior to the distributions of earnings set  
35 forth in subsection (4) of this section.

36 (3) Except for the provisions of RCW 43.84.160, the treasury income  
37 account may be utilized for the payment of purchased banking services

1 on behalf of treasury funds including, but not limited to, depository,  
2 safekeeping, and disbursement functions for the state treasury and  
3 affected state agencies. The treasury income account is subject in all  
4 respects to chapter 43.88 RCW, but no appropriation is required for  
5 payments to financial institutions. Payments shall occur prior to  
6 distribution of earnings set forth in subsection (4) of this section.

7 (4) Monthly, the state treasurer shall distribute the earnings  
8 credited to the treasury income account. The state treasurer shall  
9 credit the general fund with all the earnings credited to the treasury  
10 income account except:

11 (a) The following accounts and funds shall receive their  
12 proportionate share of earnings based upon each account's and fund's  
13 average daily balance for the period: The capitol building  
14 construction account, the Cedar River channel construction and  
15 operation account, the Central Washington University capital projects  
16 account, the charitable, educational, penal and reformatory  
17 institutions account, the common school construction fund, the county  
18 criminal justice assistance account, the county sales and use tax  
19 equalization account, the data processing building construction  
20 account, the deferred compensation administrative account, the deferred  
21 compensation principal account, the department of retirement systems  
22 expense account, the drinking water assistance account, the drinking  
23 water assistance administrative account, the drinking water assistance  
24 repayment account, the Eastern Washington University capital projects  
25 account, the education construction fund, the election account, the  
26 emergency reserve fund, The Evergreen State College capital projects  
27 account, the federal forest revolving account, the health services  
28 account, the public health services account, the health system capacity  
29 account, the personal health services account, the state higher  
30 education construction account, the higher education construction  
31 account, the highway infrastructure account, the industrial insurance  
32 premium refund account, the judges' retirement account, the judicial  
33 retirement administrative account, the judicial retirement principal  
34 account, the life sciences discovery fund, the local leasehold excise  
35 tax account, the local real estate excise tax account, the local sales  
36 and use tax account, the medical aid account, the mobile home park  
37 relocation fund, the multimodal transportation account, the municipal  
38 criminal justice assistance account, the municipal sales and use tax

1 equalization account, the natural resources deposit account, the oyster  
2 reserve land account, the perpetual surveillance and maintenance  
3 account, the public employees' retirement system plan 1 account, the  
4 public employees' retirement system combined plan 2 and plan 3 account,  
5 the public facilities construction loan revolving account beginning  
6 July 1, 2004, the public health supplemental account, the Puyallup  
7 tribal settlement account, the regional transportation investment  
8 district account, the resource management cost account, the site  
9 closure account, the special wildlife account, the state employees'  
10 insurance account, the state employees' insurance reserve account, the  
11 state investment board expense account, the state investment board  
12 commingled trust fund accounts, the supplemental pension account, the  
13 Tacoma Narrows toll bridge account, the teachers' retirement system  
14 plan 1 account, the teachers' retirement system combined plan 2 and  
15 plan 3 account, the tobacco prevention and control account, the tobacco  
16 settlement account, the transportation infrastructure account, the  
17 tuition recovery trust fund, the University of Washington bond  
18 retirement fund, the University of Washington building account, the  
19 volunteer fire fighters' and reserve officers' relief and pension  
20 principal fund, the volunteer fire fighters' and reserve officers'  
21 administrative fund, the Washington fruit express account, the  
22 Washington judicial retirement system account, the Washington law  
23 enforcement officers' and fire fighters' system plan 1 retirement  
24 account, the Washington law enforcement officers' and fire fighters'  
25 system plan 2 retirement account, the Washington school employees'  
26 retirement system combined plan 2 and 3 account, the Washington state  
27 health insurance pool account, the Washington state patrol retirement  
28 account, the Washington State University building account, the  
29 Washington State University bond retirement fund, the water pollution  
30 control revolving fund, and the Western Washington University capital  
31 projects account. Earnings derived from investing balances of the  
32 agricultural permanent fund, the normal school permanent fund, the  
33 permanent common school fund, the scientific permanent fund, and the  
34 state university permanent fund shall be allocated to their respective  
35 beneficiary accounts. All earnings to be distributed under this  
36 subsection (4)(a) shall first be reduced by the allocation to the state  
37 treasurer's service fund pursuant to RCW 43.08.190.

1 (b) The following accounts and funds shall receive eighty percent  
2 of their proportionate share of earnings based upon each account's or  
3 fund's average daily balance for the period: The aeronautics account,  
4 the aircraft search and rescue account, the county arterial  
5 preservation account, the department of licensing services account, the  
6 essential rail assistance account, the ferry bond retirement fund, the  
7 grade crossing protective fund, the high capacity transportation  
8 account, the highway bond retirement fund, the highway safety account,  
9 the motor vehicle fund, the motorcycle safety education account, the  
10 pilotage account, the public transportation systems account, the Puget  
11 Sound capital construction account, the Puget Sound ferry operations  
12 account, the recreational vehicle account, the rural arterial trust  
13 account, the safety and education account, the special category C  
14 account, the state patrol highway account, the transportation 2003  
15 account (nickel account), the transportation equipment fund, the  
16 transportation fund, the transportation improvement account, the  
17 transportation improvement board bond retirement account, and the urban  
18 arterial trust account.

19 (5) In conformance with Article II, section 37 of the state  
20 Constitution, no treasury accounts or funds shall be allocated earnings  
21 without the specific affirmative directive of this section.

22 **Sec. 18.** RCW 43.84.092 and 2003 c 361 s 602, 2003 c 324 s 1, 2003  
23 c 150 s 2, and 2003 c 48 s 2 are each reenacted and amended to read as  
24 follows:

25 (1) All earnings of investments of surplus balances in the state  
26 treasury shall be deposited to the treasury income account, which  
27 account is hereby established in the state treasury.

28 (2) The treasury income account shall be utilized to pay or receive  
29 funds associated with federal programs as required by the federal cash  
30 management improvement act of 1990. The treasury income account is  
31 subject in all respects to chapter 43.88 RCW, but no appropriation is  
32 required for refunds or allocations of interest earnings required by  
33 the cash management improvement act. Refunds of interest to the  
34 federal treasury required under the cash management improvement act  
35 fall under RCW 43.88.180 and shall not require appropriation. The  
36 office of financial management shall determine the amounts due to or  
37 from the federal government pursuant to the cash management improvement

1 act. The office of financial management may direct transfers of funds  
2 between accounts as deemed necessary to implement the provisions of the  
3 cash management improvement act, and this subsection. Refunds or  
4 allocations shall occur prior to the distributions of earnings set  
5 forth in subsection (4) of this section.

6 (3) Except for the provisions of RCW 43.84.160, the treasury income  
7 account may be utilized for the payment of purchased banking services  
8 on behalf of treasury funds including, but not limited to, depository,  
9 safekeeping, and disbursement functions for the state treasury and  
10 affected state agencies. The treasury income account is subject in all  
11 respects to chapter 43.88 RCW, but no appropriation is required for  
12 payments to financial institutions. Payments shall occur prior to  
13 distribution of earnings set forth in subsection (4) of this section.

14 (4) Monthly, the state treasurer shall distribute the earnings  
15 credited to the treasury income account. The state treasurer shall  
16 credit the general fund with all the earnings credited to the treasury  
17 income account except:

18 (a) The following accounts and funds shall receive their  
19 proportionate share of earnings based upon each account's and fund's  
20 average daily balance for the period: The capitol building  
21 construction account, the Cedar River channel construction and  
22 operation account, the Central Washington University capital projects  
23 account, the charitable, educational, penal and reformatory  
24 institutions account, the common school construction fund, the county  
25 criminal justice assistance account, the county sales and use tax  
26 equalization account, the data processing building construction  
27 account, the deferred compensation administrative account, the deferred  
28 compensation principal account, the department of retirement systems  
29 expense account, the drinking water assistance account, the drinking  
30 water assistance administrative account, the drinking water assistance  
31 repayment account, the Eastern Washington University capital projects  
32 account, the education construction fund, the election account, the  
33 emergency reserve fund, The Evergreen State College capital projects  
34 account, the federal forest revolving account, the health services  
35 account, the public health services account, the health system capacity  
36 account, the personal health services account, the state higher  
37 education construction account, the higher education construction  
38 account, the highway infrastructure account, the industrial insurance

1 premium refund account, the judges' retirement account, the judicial  
2 retirement administrative account, the judicial retirement principal  
3 account, the life sciences discovery fund, the local leasehold excise  
4 tax account, the local real estate excise tax account, the local sales  
5 and use tax account, the medical aid account, the mobile home park  
6 relocation fund, the multimodal transportation account, the municipal  
7 criminal justice assistance account, the municipal sales and use tax  
8 equalization account, the natural resources deposit account, the oyster  
9 reserve land account, the perpetual surveillance and maintenance  
10 account, the public employees' retirement system plan 1 account, the  
11 public employees' retirement system combined plan 2 and plan 3 account,  
12 the public facilities construction loan revolving account beginning  
13 July 1, 2004, the public health supplemental account, the public works  
14 assistance account, the Puyallup tribal settlement account, the  
15 regional transportation investment district account, the resource  
16 management cost account, the site closure account, the special wildlife  
17 account, the state employees' insurance account, the state employees'  
18 insurance reserve account, the state investment board expense account,  
19 the state investment board commingled trust fund accounts, the  
20 supplemental pension account, the Tacoma Narrows toll bridge account,  
21 the teachers' retirement system plan 1 account, the teachers'  
22 retirement system combined plan 2 and plan 3 account, the tobacco  
23 prevention and control account, the tobacco settlement account, the  
24 transportation infrastructure account, the tuition recovery trust fund,  
25 the University of Washington bond retirement fund, the University of  
26 Washington building account, the volunteer fire fighters' and reserve  
27 officers' relief and pension principal fund, the volunteer fire  
28 fighters' and reserve officers' administrative fund, the Washington  
29 fruit express account, the Washington judicial retirement system  
30 account, the Washington law enforcement officers' and fire fighters'  
31 system plan 1 retirement account, the Washington law enforcement  
32 officers' and fire fighters' system plan 2 retirement account, the  
33 Washington school employees' retirement system combined plan 2 and 3  
34 account, the Washington state health insurance pool account, the  
35 Washington state patrol retirement account, the Washington State  
36 University building account, the Washington State University bond  
37 retirement fund, the water pollution control revolving fund, and the  
38 Western Washington University capital projects account. Earnings

1 derived from investing balances of the agricultural permanent fund, the  
2 normal school permanent fund, the permanent common school fund, the  
3 scientific permanent fund, and the state university permanent fund  
4 shall be allocated to their respective beneficiary accounts. All  
5 earnings to be distributed under this subsection (4)(a) shall first be  
6 reduced by the allocation to the state treasurer's service fund  
7 pursuant to RCW 43.08.190.

8 (b) The following accounts and funds shall receive eighty percent  
9 of their proportionate share of earnings based upon each account's or  
10 fund's average daily balance for the period: The aeronautics account,  
11 the aircraft search and rescue account, the county arterial  
12 preservation account, the department of licensing services account, the  
13 essential rail assistance account, the ferry bond retirement fund, the  
14 grade crossing protective fund, the high capacity transportation  
15 account, the highway bond retirement fund, the highway safety account,  
16 the motor vehicle fund, the motorcycle safety education account, the  
17 pilotage account, the public transportation systems account, the Puget  
18 Sound capital construction account, the Puget Sound ferry operations  
19 account, the recreational vehicle account, the rural arterial trust  
20 account, the safety and education account, the special category C  
21 account, the state patrol highway account, the transportation 2003  
22 account (nickel account), the transportation equipment fund, the  
23 transportation fund, the transportation improvement account, the  
24 transportation improvement board bond retirement account, and the urban  
25 arterial trust account.

26 (5) In conformance with Article II, section 37 of the state  
27 Constitution, no treasury accounts or funds shall be allocated earnings  
28 without the specific affirmative directive of this section.

29 **Sec. 19.** RCW 43.84.092 and 2004 c 242 s 60 are each amended to  
30 read as follows:

31 (1) All earnings of investments of surplus balances in the state  
32 treasury shall be deposited to the treasury income account, which  
33 account is hereby established in the state treasury.

34 (2) The treasury income account shall be utilized to pay or receive  
35 funds associated with federal programs as required by the federal cash  
36 management improvement act of 1990. The treasury income account is  
37 subject in all respects to chapter 43.88 RCW, but no appropriation is

1 required for refunds or allocations of interest earnings required by  
2 the cash management improvement act. Refunds of interest to the  
3 federal treasury required under the cash management improvement act  
4 fall under RCW 43.88.180 and shall not require appropriation. The  
5 office of financial management shall determine the amounts due to or  
6 from the federal government pursuant to the cash management improvement  
7 act. The office of financial management may direct transfers of funds  
8 between accounts as deemed necessary to implement the provisions of the  
9 cash management improvement act, and this subsection. Refunds or  
10 allocations shall occur prior to the distributions of earnings set  
11 forth in subsection (4) of this section.

12 (3) Except for the provisions of RCW 43.84.160, the treasury income  
13 account may be utilized for the payment of purchased banking services  
14 on behalf of treasury funds including, but not limited to, depository,  
15 safekeeping, and disbursement functions for the state treasury and  
16 affected state agencies. The treasury income account is subject in all  
17 respects to chapter 43.88 RCW, but no appropriation is required for  
18 payments to financial institutions. Payments shall occur prior to  
19 distribution of earnings set forth in subsection (4) of this section.

20 (4) Monthly, the state treasurer shall distribute the earnings  
21 credited to the treasury income account. The state treasurer shall  
22 credit the general fund with all the earnings credited to the treasury  
23 income account except:

24 (a) The following accounts and funds shall receive their  
25 proportionate share of earnings based upon each account's and fund's  
26 average daily balance for the period: The capitol building  
27 construction account, the Cedar River channel construction and  
28 operation account, the Central Washington University capital projects  
29 account, the charitable, educational, penal and reformatory  
30 institutions account, the common school construction fund, the county  
31 criminal justice assistance account, the county sales and use tax  
32 equalization account, the data processing building construction  
33 account, the deferred compensation administrative account, the deferred  
34 compensation principal account, the department of retirement systems  
35 expense account, the drinking water assistance account, the drinking  
36 water assistance administrative account, the drinking water assistance  
37 repayment account, the Eastern Washington University capital projects  
38 account, the education construction fund, the election account, the

1 emergency reserve fund, The Evergreen State College capital projects  
2 account, the federal forest revolving account, the health services  
3 account, the public health services account, the health system capacity  
4 account, the personal health services account, the state higher  
5 education construction account, the higher education construction  
6 account, the highway infrastructure account, the industrial insurance  
7 premium refund account, the judges' retirement account, the judicial  
8 retirement administrative account, the judicial retirement principal  
9 account, the life sciences discovery fund, the local leasehold excise  
10 tax account, the local real estate excise tax account, the local sales  
11 and use tax account, the medical aid account, the mobile home park  
12 relocation fund, the multimodal transportation account, the municipal  
13 criminal justice assistance account, the municipal sales and use tax  
14 equalization account, the natural resources deposit account, the oyster  
15 reserve land account, the perpetual surveillance and maintenance  
16 account, the public employees' retirement system plan 1 account, the  
17 public employees' retirement system combined plan 2 and plan 3 account,  
18 the public facilities construction loan revolving account beginning  
19 July 1, 2004, the public health supplemental account, the public works  
20 assistance account, the Puyallup tribal settlement account, the  
21 regional transportation investment district account, the resource  
22 management cost account, the site closure account, the special wildlife  
23 account, the state employees' insurance account, the state employees'  
24 insurance reserve account, the state investment board expense account,  
25 the state investment board commingled trust fund accounts, the  
26 supplemental pension account, the Tacoma Narrows toll bridge account,  
27 the teachers' retirement system plan 1 account, the teachers'  
28 retirement system combined plan 2 and plan 3 account, the tobacco  
29 prevention and control account, the tobacco settlement account, the  
30 transportation infrastructure account, the tuition recovery trust fund,  
31 the University of Washington bond retirement fund, the University of  
32 Washington building account, the volunteer fire fighters' and reserve  
33 officers' relief and pension principal fund, the volunteer fire  
34 fighters' and reserve officers' administrative fund, the Washington  
35 fruit express account, the Washington judicial retirement system  
36 account, the Washington law enforcement officers' and fire fighters'  
37 system plan 1 retirement account, the Washington law enforcement  
38 officers' and fire fighters' system plan 2 retirement account, the

1 Washington public safety employees' plan 2 retirement account, the  
2 Washington school employees' retirement system combined plan 2 and 3  
3 account, the Washington state health insurance pool account, the  
4 Washington state patrol retirement account, the Washington State  
5 University building account, the Washington State University bond  
6 retirement fund, the water pollution control revolving fund, and the  
7 Western Washington University capital projects account. Earnings  
8 derived from investing balances of the agricultural permanent fund, the  
9 normal school permanent fund, the permanent common school fund, the  
10 scientific permanent fund, and the state university permanent fund  
11 shall be allocated to their respective beneficiary accounts. All  
12 earnings to be distributed under this subsection (4)(a) shall first be  
13 reduced by the allocation to the state treasurer's service fund  
14 pursuant to RCW 43.08.190.

15 (b) The following accounts and funds shall receive eighty percent  
16 of their proportionate share of earnings based upon each account's or  
17 fund's average daily balance for the period: The aeronautics account,  
18 the aircraft search and rescue account, the county arterial  
19 preservation account, the department of licensing services account, the  
20 essential rail assistance account, the ferry bond retirement fund, the  
21 grade crossing protective fund, the high capacity transportation  
22 account, the highway bond retirement fund, the highway safety account,  
23 the motor vehicle fund, the motorcycle safety education account, the  
24 pilotage account, the public transportation systems account, the Puget  
25 Sound capital construction account, the Puget Sound ferry operations  
26 account, the recreational vehicle account, the rural arterial trust  
27 account, the safety and education account, the special category C  
28 account, the state patrol highway account, the transportation 2003  
29 account (nickel account), the transportation equipment fund, the  
30 transportation fund, the transportation improvement account, the  
31 transportation improvement board bond retirement account, and the urban  
32 arterial trust account.

33 (5) In conformance with Article II, section 37 of the state  
34 Constitution, no treasury accounts or funds shall be allocated earnings  
35 without the specific affirmative directive of this section.

36 NEW SECTION. **Sec. 20.** CAPTIONS. Captions used in this act are  
37 not any part of the law.

1        NEW SECTION.    **Sec. 21.**    LIBERAL CONSTRUCTION.    This act, being  
2 necessary for the welfare of the state and its inhabitants, shall be  
3 liberally construed.

4        NEW SECTION.    **Sec. 22.**    CODIFICATION.    Sections 1 through 9 of this  
5 act constitute a new chapter in Title 43 RCW.

6        NEW SECTION.    **Sec. 23.**    SEVERABILITY.    If any provision of this act  
7 or its application to any person or circumstance is held invalid, the  
8 remainder of the act or the application of the provision to other  
9 persons or circumstances is not affected.

10       NEW SECTION.    **Sec. 24.**    EXPIRATION DATES.    (1) Section 14 of this  
11 act expires June 30, 2005.

12              (2) Section 17 of this act expires July 1, 2005.

13              (3) Section 18 of this act expires July 1, 2006.

14       NEW SECTION.    **Sec. 25.**    EFFECTIVE DATE.    This act is necessary for  
15 the immediate preservation of the public peace, health, or safety, or  
16 support of the state government and its existing public institutions,  
17 and takes effect immediately, except for section 15 of this act, which  
18 takes effect June 30, 2005, section 18 of this act, which takes effect  
19 July 1, 2005, and section 19 of this act, which takes effect July 1,  
20 2006.

--- END ---