

E2SSB 5188 - H COMM AMD

By Committee on Consumer Protection & Business

1 Strike everything after the enacting clause and insert the
2 following:

3 "NEW SECTION. **Sec. 1.** FINDINGS AND INTENT. The legislature
4 finds that there exists in the state of Washington billions of
5 dollars of critical local projects for the planning, acquisition,
6 construction, repair, replacement, rehabilitation, or improvement of
7 streets and roads, bridges, water systems, storm and sanitary sewage
8 systems, solid waste handling, communications systems, housing, and
9 other public infrastructure and economic development projects. But
10 while some local governments successfully borrow for infrastructure
11 and economic development capital projects through private sector
12 lenders and the bond markets, other government entities do not have
13 the same access to capital at attractive rates to be used in building
14 out public infrastructure.

15 It is the policy of the state of Washington to encourage self-
16 reliance by local and tribal governments in meeting their public
17 works and economic development needs, and to assist in the financing
18 of critical public works and economic development projects by
19 providing effective mechanisms for making and financing loans and
20 providing financing guarantees that do not create state debt. It is
21 also the policy of the state to provide technical assistance to
22 government entities for these projects.

23 It is further the policy of the state to foster and promote by
24 all reasonable means the provision of adequate capital markets and
25 facilities for borrowing money by local governments in the state to
26 finance infrastructure improvements, and to the greatest extent
27 possible to reduce costs of borrowed money to taxpayers and residents
28 of the state.

29 The legislature finds that a Washington state public financial
30 cooperative would provide opportunities for local and tribal
31 government entities to competitively finance a broad array of public
32 infrastructure and economic development projects, including housing,

1 at competitive rates with low administrative costs. A state public
2 financial cooperative will complement the existing banking system by
3 filling gaps that the system cannot or will not fill, and it will be
4 uniquely positioned to provide specialized technical assistance to
5 the diverse needs of local and tribal government entities.

6 It is the purpose of this chapter to establish a Washington state
7 public financial cooperative to act as a financial conduit that,
8 without creating state debt, can receive funds from state, local, and
9 tribal government entities, issue and make loans to those entities,
10 and issue bonds in a manner that does not create state debt, to help
11 facilitate access to needed capital by local and tribal government
12 entities on reasonable terms and rates.

13 The state public financial cooperative will have full powers to
14 borrow money and to issue its bonds and notes in a manner that does
15 not create state debt in order to make capital funds available for
16 borrowing by local and tribal government entities, and those powers
17 will enable the state public financial cooperative to carry out the
18 declared policies of this act, which are in the public interest of
19 the state and its taxpayers and residents.

20 NEW SECTION. **Sec. 2.** DEFINITIONS. The definitions in this
21 section apply throughout this chapter unless the context clearly
22 requires otherwise.

23 (1) "Board" means the operating board of the cooperative
24 established in section 3 of this act.

25 (2) "Bonds" means any bonds, notes, debentures, interim
26 certificates, conditional sales or lease financing agreements, lines
27 of credit, forward purchase agreements, investment agreements, and
28 other banking or financial arrangements, guaranties, or other
29 obligations issued by or entered into by the cooperative, which does
30 not create state debt. Such bonds may be issued on either a tax-
31 exempt or taxable basis.

32 (3) "Borrower" means one or more local or tribal governments.

33 (4) "Cooperative" means the Washington state public financial
34 cooperative established in section 3 of this act, or any board, body,
35 commission, department, or officer succeeding to the principal
36 functions of the cooperative or to whom the powers conferred upon the
37 cooperative are given by law.

38 (5) "Financial assistance" means the infusion of capital to a
39 borrower for use in the planning, acquisition, construction, repair,

1 replacement, rehabilitation, development, and expansion of
2 infrastructure and economic development projects.

3 (6) "Financing agreements" means, and includes without
4 limitation, a contractual arrangement with a borrower whereby the
5 cooperative obtains rights from a borrower in exchange for the
6 granting of financial assistance to the borrower.

7 (7) "Financing document" means an instrument executed by the
8 cooperative and one or more borrowers pertaining to the issuance of
9 or security for bonds, or the application of the proceeds of bonds or
10 other funds of, or payable to, the cooperative. A financing document
11 may include, but need not be limited to, a lease, installment sale
12 agreement, conditional sale agreement, mortgage, loan agreement,
13 trust agreement or indenture, security agreement, letter or line of
14 credit, reimbursement agreement, insurance policy, guaranty
15 agreement, or currency or interest rate swap agreement. A financing
16 document also may be an agreement between the cooperative and an
17 eligible banking organization which has agreed to make a loan to a
18 borrower.

19 (8) "Infrastructure projects" means undertakings for the
20 planning, acquisition, construction, repair, replacement,
21 rehabilitation, or improvement of streets and roads, bridges, water
22 systems, storm and sanitary sewage systems, solid waste handling,
23 pollution control facilities, schools, communications systems, docks
24 and wharves, mass transportation facilities and equipment, public
25 housing, fire suppressing and emergency services equipment and
26 facilities, energy generating, conservation, or transmission
27 facilities, and other public infrastructure deemed eligible by the
28 board.

29 (9) "Local government" means any Washington city, town, county,
30 special purpose district, authority, instrumentality, or other local
31 municipal or interlocal entity created pursuant to Washington law.

32 (10) "Member" means the state government, a local government, or
33 a tribal government that has joined the cooperative consistent with
34 section 4 of this act.

35 (11) "Project costs" means costs of:

36 (a) Acquisition, lease, construction, reconstruction, remodeling,
37 refurbishing, rehabilitation, extension, and enlargement of land,
38 rights to land, buildings, structures, docks, wharves, fixtures,
39 machinery, equipment, excavations, paving, landscaping, utilities,
40 approaches, roadways and parking, handling and storage areas, and

1 similar ancillary facilities, and any other real or personal property
2 included in an infrastructure project;

3 (b) Architectural, engineering, consulting, accounting, and legal
4 costs related directly to the development, financing, acquisition,
5 lease, construction, reconstruction, remodeling, refurbishing,
6 rehabilitation, extension, and enlargement of an infrastructure
7 project, including costs of studies assessing the feasibility of an
8 infrastructure project;

9 (c) Finance costs, including the costs of credit enhancement and
10 discounts, if any, the costs of issuing revenue bonds, and the costs
11 incurred in carrying out any financing document;

12 (d) Start-up costs, working capital, capitalized research and
13 development costs, capitalized interest during construction and
14 during the 18 months after estimated completion of construction, and
15 capitalized debt service or repair and replacement or other
16 appropriate reserves;

17 (e) The refunding of any outstanding obligations incurred for any
18 of the costs outlined in this subsection; and

19 (f) Other costs incidental to any of the costs listed in this
20 subsection.

21 (12) "State" means the state of Washington and any department,
22 agency, or instrumentality thereof other than the cooperative.

23 (13) "Tribal government" means the governing body of a federally
24 recognized Indian tribe.

25 NEW SECTION. **Sec. 3.** ESTABLISHMENT. (1) The Washington state
26 public financial cooperative is established as a public body
27 corporate and politic, with perpetual corporate succession,
28 constituting an instrumentality of the state of Washington exercising
29 essential governmental functions. The cooperative is a public body
30 within the meaning of RCW 39.53.010.

31 (2) (a) The cooperative is activated when:

32 (i) The state treasurer completes a study that provides
33 recommendations on staffing and operational needs for the cooperative
34 to be administered by the Washington state housing finance
35 commission. The state treasurer shall contract with a consultant with
36 expertise in developing detailed operating plans for financial
37 institutions using an appropriation from the general fund to complete
38 the study. The study must ensure that the administration of the

1 cooperative does not interfere with the core mission of the
2 Washington state housing finance commission;

3 (ii) An appropriation that is sufficient to capitalize the
4 cooperative so that it can issue debt with a competitive rating is
5 provided; and

6 (iii) Executed articles of activation in a form approved by the
7 state finance committee are filed with the secretary of state.

8 (b) The cooperative is deemed to have been formed as of the date
9 of filing articles of activation under (a)(iii) of this subsection.
10 The articles of activation must be approved by the legislative
11 authority of each of the member local or tribal governments that
12 subsequently becomes a member. Each member local or tribal government
13 must provide to the cooperative a contribution of an amount approved
14 by the state finance committee, and the board may subsequently adjust
15 the minimum contribution level for current and new members. Any
16 amendments to the articles of activation must be filed with the
17 secretary of state and will become effective on the date of filing.

18 (3) A duplicate of the original articles of activation and
19 amended articles of activation must be filed with the department of
20 financial institutions. The filing of amended articles of activation
21 must include the text of each amendment adopted and the date of its
22 adoption. The cooperative must also file the following with the
23 department of financial institutions:

24 (a) The address of the location of the main office of the
25 cooperative;

26 (b) The names and places of residence of the persons who are
27 directors under this section;

28 (c) The name and place of residence of the executive director
29 hired by the board in accordance with this section;

30 (d) Bylaws and regulations adopted and amended by the board under
31 section 4 of this act; and

32 (e) Any other information the director of the department of
33 financial institutions deems necessary to perform a review of the
34 funds placed with the cooperative and the accounts and transactions
35 of the cooperative in carrying out the cooperative's duties, as
36 provided in this section.

37 (4)(a) The operating board of the cooperative consists of nine
38 directors. Terms of directors are four years, with half of the
39 initial directors other than the initial chair serving two-year terms

1 as determined by lot, with those positions being filled for four-year
2 terms thereafter.

3 (b) Five member-appointed directors must be selected by a
4 majority of the members of the cooperative. Member-appointed
5 directors must be elected local or tribal government officials. Three
6 public directors must be appointed by the governor and confirmed by
7 the senate. The public directors must be residents of the state
8 appointed by the governor on the basis of their interest and
9 expertise in finance, accounting, budgeting, economic development,
10 infrastructure planning, design, construction, or project management.
11 The state treasurer shall serve as an ex officio director.

12 (c) One of the public members shall be appointed by the governor
13 as chair of the board and shall serve as chair at the pleasure of the
14 governor. The initial chair must serve a full four-year term. The
15 cooperative may select from its membership such other officers of the
16 cooperative as it deems appropriate, including without limitation a
17 secretary and a treasurer.

18 (d) In the event of a vacancy on the board due to death,
19 resignation, lack of qualification to serve as a director, or
20 otherwise, a successor for the remainder of the unexpired term shall
21 be selected in the same manner as the selection of the director whose
22 position has become vacant. Any independent member of the cooperative
23 may be removed by the governor for misfeasance, malfeasance, or
24 willful neglect of duty after notice and a public hearing, unless
25 such notice and hearing are expressly waived in writing by the
26 affected public member.

27 (e) The state treasurer may designate an employee to act on his
28 or her behalf in all respects with regard to any matter to come
29 before the cooperative. Such designation must be made in writing in
30 such manner as is specified by the rules of the cooperative.

31 (f) A majority of the directors constitutes a quorum.

32 (g) The directors of the cooperative serve without compensation
33 but are entitled to reimbursement, solely from the funds of the
34 cooperative, for expenses incurred in the discharge of their duties
35 under this chapter.

36 (5) The state finance committee serves as the oversight board of
37 the cooperative. In that capacity, the state finance committee must
38 carry out the responsibilities specified in this chapter. In
39 addition, the state finance committee may at its discretion require
40 independent audits of the accounts and transactions of the

1 cooperative and the methods, procedures, and operation of the
2 cooperative in carrying out its duties.

3 (6) The cooperative is a state agency subject to audit by the
4 state auditor under chapter 43.09 RCW. In addition, the department of
5 financial institutions may, at the discretion of the director of
6 financial institutions, review the funds placed with the cooperative
7 and the accounts and transactions of the cooperative in carrying out
8 the cooperative's duties. Nothing in this subsection establishes that
9 the cooperative is an institution or entity otherwise subject to the
10 jurisdiction of the department of financial institutions.

11 (7) The board has the authority to hire and fire an executive
12 director. The executive director shall be funded in the Washington
13 state housing finance commission budget and shall administer and
14 operate the Washington state public financial cooperative.

15 (8) The cooperative's administration and operation must be
16 performed by employees of the Washington state housing finance
17 commission, subject to the terms of one or more agreements between
18 the cooperative and the commission concerning responsibilities of the
19 commission's staff and compensation of the commission.

20 (9) The board must approve the budget of the cooperative
21 annually.

22 (10) The board shall establish an internal audit committee.

23 (11) The cooperative shall have a goal of providing 35 percent of
24 the amount it lends on an annual basis to support housing in low to
25 moderate-income areas, beginning five years after the cooperative has
26 been activated as provided in this section.

27 (12) The cooperative must not be or constitute a bank or trust
28 company within the jurisdiction or under the control of the director
29 of financial institutions, the comptroller of the currency of the
30 United States of America, or the United States department of the
31 treasury.

32 (13) The cooperative must not be or constitute a bank, broker, or
33 dealer in securities within the meaning of, or subject to the
34 provisions of, any securities, securities exchange, or securities
35 dealers' law of the United States of America or this state.

36 (14) The cooperative is not a public depository for any purpose
37 under chapter 39.58 RCW.

38 (15) The cooperative may not issue bonds in a manner that would
39 create state debt.

1 NEW SECTION. **Sec. 4.** POWERS. The cooperative is authorized to:

2 (1) Sue and be sued in its own name, and plead and be impleaded;

3 (2) Adopt and alter an official seal;

4 (3) Make and enforce bylaws and regulations for the conduct of
5 its business and for the use of its services and facilities;

6 (4) Engage such independent consultants, attorneys, and advisers
7 as the cooperative deems necessary, useful, or convenient to
8 accomplish its purposes, and, subject to section 5(6) of this act,
9 contract with federal, state, and local or tribal governmental
10 entities for services;

11 (5) Make and execute all manner of contracts, agreements, and
12 instruments and financing documents with public and private parties
13 as the cooperative deems necessary, useful, or convenient to
14 accomplish its purposes;

15 (6) Acquire, hold, use, and dispose of real or personal property,
16 or any interest therein, in the name of the cooperative, and to sell,
17 assign, lease, encumber, mortgage, or otherwise dispose of the same
18 in such manner as the cooperative deems necessary, useful, or
19 convenient to accomplish its purposes;

20 (7) Acquire, hold, use, and dispose of its income, revenues,
21 funds, and money;

22 (8) Receive funds from state, local, or tribal governments,
23 invest those moneys in lawful funds, including without limitation
24 investments in loans made by the cooperative to borrowers;

25 (9) Open and maintain accounts in qualified public depositories;
26 in the federal reserve bank of San Francisco, in the national
27 cooperative bank, in a federal home loan bank, or in any other
28 federal financing entity, and otherwise provide for the investment of
29 any funds not required for immediate disbursement and provide for the
30 selection of investments. The cooperative may participate in and use
31 the federal reserve banks payments systems and account services;

32 (10) Appear in its own behalf before boards, commissions,
33 departments, or agencies of federal, state, local, or tribal
34 governments;

35 (11) Procure such insurance of such types, in such amounts, and
36 from such insurers as the cooperative deems desirable including, but
37 not limited to, insurance against any loss or damage to its property
38 or other assets, public liability insurance for injuries to persons
39 or property, and directors and officers liability insurance;

1 (12) Accept gifts or grants from the United States, or from any
2 governmental unit or person, firm, or corporation, carry out the
3 terms or provisions or make agreements with respect to the gifts or
4 grants, and do all things necessary, useful, desirable, or convenient
5 in connection with procuring, accepting, or disposing of the gifts or
6 grants;

7 (13) Apply for and accept grants, loans, advances, and
8 contributions from any source of money, property, labor, or other
9 things of value, to be held, used, and applied as the cooperative
10 deems necessary, useful, or convenient to accomplish its purposes;

11 (14) Borrow money and issue its bonds consistent with this
12 chapter and provide for and secure their payment, provide for the
13 rights of bond owners and purchasers, and hold and dispose of any of
14 its bonds;

15 (15) For the purpose of facilitating the financing of
16 infrastructure and economic development activity in the state of
17 Washington by the state or local or tribal governments, develop and
18 conduct a program or programs to make loans to borrowers for project
19 costs of infrastructure and economic development projects. Those
20 loans may be made from the proceeds of bonds issued by the
21 cooperative, from funds held by the cooperative, and from other
22 assets of the cooperative including contributions. The cooperative
23 may develop and conduct a program that will stimulate and encourage
24 the development of infrastructure and economic development projects
25 by the infusion of financial assistance for state, local, or tribal
26 governments;

27 (16) Establish guidelines for the engagement by state, local, or
28 tribal governments in programs conducted by the cooperative under
29 this chapter. The cooperative may prescribe the form of application
30 or procedure required of a borrower for a loan, fix the terms and
31 conditions of the loan or purchase, and enter into financing
32 agreements and other financing documents with borrowers with respect
33 to loans and other forms of financial assistance;

34 (17) Establish, revise, and collect such member contributions and
35 such fees and charges as the cooperative deems necessary, useful, or
36 convenient to accomplish its purposes. Members are authorized to make
37 such contributions, and state, local, and tribal governments are
38 authorized to pay such fees and charges;

1 (18) Make such expenditures as are appropriate for paying the
2 administrative costs and expenses of the cooperative in carrying out
3 the provisions of this chapter;

4 (19) Establish such reserves and special funds, including but not
5 limited to debt service and sinking funds, reserve funds, project
6 funds, and such other special funds as the cooperative deems
7 necessary, useful, or convenient, and controls on funds to and from
8 them, as the cooperative deems necessary, useful, or convenient to
9 accomplish its purposes;

10 (20) Provide financial assistance and other forms of assistance
11 to state, local, or tribal governments by providing information,
12 advice, guidelines, forms, and procedures for implementing their
13 financing programs;

14 (21) When authorized by not less than two-thirds of the members
15 of the board, make distributions to members of amounts that the board
16 deems surplus to the needs of the cooperative;

17 (22) Engage outside legal counsel, while receiving counsel on a
18 routine basis from the office of the attorney general;

19 (23) Adopt rules concerning its exercise of the powers authorized
20 by this chapter; and

21 (24) Exercise any other power the cooperative deems necessary,
22 useful, or convenient to accomplish its purposes and exercise the
23 powers expressly granted in this chapter.

24 NEW SECTION. **Sec. 5.** FINANCING POWERS. (1) Bonds issued under
25 this chapter must be issued in the name of the cooperative. The bonds
26 are not obligations of the state of Washington, may not create state
27 debt, and are obligations only of the cooperative payable from the
28 special fund or funds created by the cooperative for their payment.
29 Such funds are not public moneys or funds of the state of Washington
30 and at all times must be kept segregated and set apart from other
31 funds.

32 (2) Bonds issued under this chapter must contain a recital on
33 their face to the effect that payment of the principal of, interest
34 on, and prepayment premium, if any, on the bonds, is a valid claim
35 only as against the special fund or funds relating thereto, that
36 neither the faith and credit nor the taxing power of the state or any
37 municipal corporation, subdivision, or agency of the state, other
38 than the cooperative as set forth in this chapter, is pledged to the
39 payment of the principal of, interest on, and prepayment premium, if

1 any, on the bonds. Contracts entered into by the cooperative must be
2 entered into in the name of the cooperative and not in the name of
3 the state of Washington. The obligations of the cooperative under the
4 contracts must be obligations only of the cooperative and are not in
5 any way obligations of the state of Washington.

6 (3) The cooperative's bonds must bear such date or dates, mature
7 at such time or times, be in such denominations, be in such form, be
8 registered or registrable in such manner, be made transferable,
9 exchangeable, and interchangeable, be payable in such medium of
10 payment, at such place or places, be subject to such terms of
11 redemption, bear such fixed or variable rate or rates of interest, be
12 payable at such time or times, and be sold in such manner and at such
13 price or prices, as the cooperative determines. The bonds shall be
14 executed by the chair, by either its duly elected secretary or its
15 treasurer, and by the trustee or paying agent if the cooperative
16 determines to use a trustee or paying agent for the bonds. Execution
17 of the bonds may be by manual or facsimile signature. The bonds of
18 the cooperative may be negotiable instruments under Title 62A RCW.

19 (4) The bonds of the cooperative are subject to such terms,
20 conditions, covenants, and protective provisions as are found
21 necessary or desirable by the cooperative including, but not limited
22 to, pledges of the cooperative's assets, setting aside of reserves,
23 limitations on additional forms of indebtedness, and the mortgaging
24 of all or any part of the cooperative's real or personal property,
25 then owned or thereafter acquired, and other provisions the
26 cooperative finds are necessary or desirable for the security of bond
27 owners.

28 (5) Any bonds issued under this chapter may be secured by a
29 financing document between the cooperative and the purchasers or
30 owners of such bonds or between the cooperative and a corporate
31 trustee appointed by the cooperative, which may be any trust company
32 or bank having the powers of a trust company within or without the
33 state. The financing document may pledge or assign, in whole or in
34 part, the revenues and funds held or to be received by the
35 cooperative, any present or future contract or other rights to
36 receive the same, and the proceeds thereof. The financing document
37 must contain such provisions for protecting and enforcing the rights,
38 security, and remedies of bond owners as may be reasonable and proper
39 including, without limiting the generality of the foregoing,
40 provisions defining defaults and providing for remedies in the event

1 of default which may include the acceleration of maturities,
2 restrictions on the individual rights of action by bond owners, and
3 covenants setting forth duties of and limitations on the cooperative
4 in conduct of its programs and the management of its property. In
5 addition to other security provided in this chapter or otherwise by
6 law, bonds issued by the cooperative may be secured, in whole or in
7 part, by a pledge of the assets of the cooperative, including
8 contributions of the members, or by financial guaranties, insurance
9 or letters of credit issued to the cooperative or a trustee or any
10 other person, by any bank, trust company, insurance or surety
11 company, or other financial institution, within or without the state.
12 The cooperative may pledge or assign, in whole or in part, the
13 revenues and funds held or to be received by the cooperative, any
14 present or future contract or other rights to receive the same, and
15 the proceeds thereof, as security for such guaranties or insurance or
16 for the reimbursement by the cooperative to any issuer of such letter
17 of credit of any payments made under such letter of credit. No
18 individual member is liable to the cooperative, to the cooperative's
19 trustee, or to any other person in amounts exceeding the member's
20 contribution unless authorized by a majority of the members of the
21 cooperative.

22 (6) The cooperative may enter into financing documents with
23 borrowers regarding bonds issued by the cooperative that may provide
24 for the payment by each borrower of amounts sufficient, together with
25 other revenues available to the cooperative, if any, to:

26 (a) Pay the borrower's share of the fees established by the
27 cooperative;

28 (b) Pay the principal of, premium, if any, and interest on
29 outstanding bonds of the cooperative issued in respect of such
30 borrower as the same shall become due and payable; and

31 (c) Create and maintain reserves required or provided for by the
32 cooperative in connection with the issuance of such bonds. The
33 payments are not subject to supervision or regulation by any
34 department, committee, board, body, bureau, or agency of the state
35 other than the cooperative.

36 (7) Any security interest created in the unexpended bond proceeds
37 and in the special funds created by the cooperative must be
38 immediately valid and binding against such moneys and any securities
39 in which such moneys may be invested without cooperative or trustee
40 possession thereof, and the security interest is prior to any party

1 having any competing claim in such moneys or securities, without
2 filing or recording pursuant to chapter 62A.9A RCW and regardless of
3 whether the party has notice of the security interest.

4 (8) When issuing bonds, the cooperative may provide for the
5 future issuance of additional bonds or parity debt on a parity with
6 outstanding bonds, and the terms and conditions of their issuance.
7 The cooperative may refund or advance refund any bond of the
8 cooperative in accordance with chapter 39.53 RCW or issue bonds with
9 a subordinate lien against the fund or funds securing outstanding
10 bonds. Bonds issued for refunding purposes may be combined with bonds
11 issued for the financing or refinancing of new projects. Pending the
12 application of the proceeds of the refunding bonds to the redemption
13 of the bonds to be redeemed, the cooperative may enter into an
14 agreement or agreements with a corporate trustee regarding the
15 interim investment of the proceeds and the application of the
16 proceeds and the earnings on the proceeds to the payment of the
17 principal of and interest on, and the redemption of, the bonds to be
18 redeemed.

19 (9) All money received by or on behalf of the cooperative with
20 respect to this issuance of its bonds are trust funds to be held and
21 applied solely as provided in this chapter. The cooperative, in lieu
22 of receiving and applying the moneys itself, may enter into a trust
23 agreement or indenture with one or more banks, including the national
24 cooperative bank, or trust companies having the power and bank to
25 conduct trust business in the state to:

26 (a) Perform all or any part of the obligations of the cooperative
27 with respect to: (i) Bonds issued by it; (ii) the receipt,
28 investment, and application of the proceeds of the bonds and money
29 paid by a participant or available from other sources for the payment
30 of the bonds; (iii) the enforcement of the obligations of a borrower
31 in connection with the financing or refinancing of any project; and
32 (iv) other matters relating to the exercise of the cooperative's
33 powers under this chapter;

34 (b) Receive, hold, preserve, and enforce any security interest or
35 evidence of security interest granted by a participant for purposes
36 of securing the payment of the bonds; and

37 (c) Act on behalf of the cooperative or the owners of bonds of
38 the cooperative for purposes of assuring or enforcing the payment of
39 the bonds, when due.

1 (10) The cooperative may purchase its bonds with any of its funds
2 available for the purchase. The cooperative may hold, pledge, cancel,
3 or resell the bonds subject to and in accordance with agreements with
4 bond owners.

5 (11) The chair of the state finance cooperative or the chair's
6 designee must be notified in advance of the issuance of bonds by the
7 cooperative in order to promote the orderly offering of obligations
8 in the financial markets.

9 (12) Neither the members of the cooperative, nor its directors or
10 agents, nor employees of the Washington state housing finance
11 commission, nor any person executing the bonds, is personally liable
12 on the bonds or subject to any personal liability or accountability
13 by reason of the issuance of the bonds.

14 (13) The cooperative may, out of any fund available therefor,
15 purchase its bonds in the open market.

16 (14) Any owner of bonds of the cooperative issued under this
17 chapter, and the trustee under any trust agreement or indenture, may,
18 either at law or in equity, by suit, action, mandamus, or other
19 proceeding, protect and enforce any of their respective rights, and
20 may become the purchaser at any foreclosure sale if the person is the
21 highest bidder, except to the extent the rights given are restricted
22 by the cooperative in any bond resolution or trust agreement or
23 indenture authorizing the issuance of the bonds.

24 (15) The cooperative may charge for its costs and services in
25 review or consideration of a proposed loan to a state, local, or
26 tribal government, whether or not the loan is made.

27 (16) To the extent permitted under its contracts with the owners
28 of bonds of the cooperative, the cooperative may consent to
29 modification of the rate of interest, time and payment of installment
30 of principal or interest, security, or any other term of a bond or
31 note, loan to a state, local, or tribal government, contract, or
32 agreement of any kind to which the cooperative authority is a party.

33 (17) The bonds of the cooperative are securities in which all
34 public officers and bodies of this state and all counties, cities,
35 municipal corporations, and political subdivisions, all banks,
36 eligible banking organizations, bankers, trust companies, savings
37 banks and institutions, building and loan associations, savings and
38 loan associations, investment companies, insurance companies and
39 associations, and all executors, administrators, guardians, trustees,

1 and other fiduciaries may legally invest any sinking funds, moneys,
2 or other funds belonging to them or within their control.

3 (18) This section provides a complete, additional, and
4 alternative method for accomplishing the purposes of this chapter and
5 shall be regarded as supplemental and additional to powers conferred
6 by other laws. The issuance of bonds and refunding bonds under this
7 chapter need not comply with the requirements of any other law
8 applicable to the issuance of bonds. Insofar as the provisions of
9 this chapter are inconsistent with the provisions of any general or
10 special law, or parts thereof, the provisions of this chapter are
11 controlling.

12 NEW SECTION. **Sec. 6.** A new section is added to chapter 43.190
13 RCW to read as follows:

14 Employees of the Washington state housing finance commission
15 shall primarily administer and operate the Washington state public
16 financial cooperative, as provided by section 3(8) of this act. The
17 cooperative may consult with other state agencies at its discretion
18 and without the approval of the Washington state housing finance
19 commission.

20 **Sec. 7.** RCW 39.59.040 and 2016 c 152 s 11 are each amended to
21 read as follows:

22 Any local government in the state of Washington may invest in:

23 (1) Bonds of the state of Washington and any local government in
24 the state of Washington;

25 (2) General obligation bonds of a state and general obligation
26 bonds of a local government of a state, which bonds have at the time
27 of investment one of the three highest credit ratings of a nationally
28 recognized rating agency;

29 (3) Subject to compliance with RCW 39.56.030, registered warrants
30 of a local government in the same county as the government making the
31 investment;

32 (4) Certificates, notes, or bonds of the United States, or other
33 obligations of the United States or its agencies, or of any
34 corporation wholly owned by the government of the United States; or
35 United States dollar denominated bonds, notes, or other obligations
36 that are issued or guaranteed by supranational institutions, provided
37 that, at the time of investment, the institution has the United
38 States government as its largest shareholder;

1 (5) Federal home loan bank notes and bonds, federal land bank
2 bonds and federal national mortgage association notes, debentures and
3 guaranteed certificates of participation, or the obligations of any
4 other government sponsored corporation whose obligations are or may
5 become eligible as collateral for advances to member banks as
6 determined by the board of governors of the federal reserve system;

7 (6) Bankers' acceptances purchased on the secondary market;

8 (7) Commercial paper purchased in the secondary market, provided
9 that any local government of the state of Washington that invests in
10 such commercial paper must adhere to the investment policies and
11 procedures adopted by the state investment board; (~~and~~)

12 (8) Corporate notes purchased on the secondary market, provided
13 that any local government of the state of Washington that invests in
14 such notes must adhere to the investment policies and procedures
15 adopted by the state investment board; and

16 (9) A cooperative as defined in section 2 of this act and bonds
17 issued by such cooperative.

18 **Sec. 8.** RCW 42.56.270 and 2020 c 238 s 11 are each amended to
19 read as follows:

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

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

26 (2) 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 (a) a ferry system construction or repair contract as
29 required by RCW 47.60.680 through 47.60.750; (b) highway construction
30 or improvement as required by RCW 47.28.070; or (c) alternative
31 public works contracting procedures as required by RCW 39.10.200
32 through 39.10.905;

33 (3) Financial and commercial information and records supplied by
34 private persons pertaining to export services provided under chapters
35 43.163 and 53.31 RCW, and by persons pertaining to export projects
36 under RCW 43.23.035;

37 (4) Financial and commercial information and records supplied by
38 businesses or individuals during application for loans or program
39 services provided by chapters 43.325, 43.163, 43.160, 43.330, 43.---

1 (the new chapter created in section 15 of this act), and 43.168 RCW,
2 or during application for economic development loans or program
3 services provided by any local agency;

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

8 (6) Financial and commercial information supplied to the state
9 investment board by any person when the information relates to the
10 investment of public trust or retirement funds and when disclosure
11 would result in loss to such funds or in private loss to the
12 providers of this information;

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

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

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

21 (10)(a) Financial information, including but not limited to
22 account numbers and values, and other identification numbers supplied
23 by or on behalf of a person, firm, corporation, limited liability
24 company, partnership, or other entity related to an application for a
25 horse racing license submitted pursuant to RCW 67.16.260(1)(b),
26 marijuana producer, processor, or retailer license, liquor license,
27 gambling license, or lottery retail license;

28 (b) Internal control documents, independent auditors' reports and
29 financial statements, and supporting documents: (i) Of house-banked
30 social card game licensees required by the gambling commission
31 pursuant to rules adopted under chapter 9.46 RCW; or (ii) submitted
32 by tribes with an approved tribal/state compact for class III gaming;

33 (c) Valuable formulae or financial or proprietary commercial
34 information records received during a consultative visit or while
35 providing consultative services to a licensed marijuana business in
36 accordance with RCW 69.50.561;

37 (11) Proprietary data, trade secrets, or other information that
38 relates to: (a) A vendor's unique methods of conducting business; (b)
39 data unique to the product or services of the vendor; or (c)
40 determining prices or rates to be charged for services, submitted by

1 any vendor to the department of social and health services or the
2 health care authority for purposes of the development, acquisition,
3 or implementation of state purchased health care as defined in RCW
4 41.05.011;

5 (12)(a) When supplied to and in the records of the department of
6 commerce:

7 (i) Financial and proprietary information collected from any
8 person and provided to the department of commerce pursuant to RCW
9 43.330.050(8); and

10 (ii) Financial or proprietary information collected from any
11 person and provided to the department of commerce or the office of
12 the governor in connection with the siting, recruitment, expansion,
13 retention, or relocation of that person's business and until a siting
14 decision is made, identifying information of any person supplying
15 information under this subsection and the locations being considered
16 for siting, relocation, or expansion of a business;

17 (b) When developed by the department of commerce based on
18 information as described in (a)(i) of this subsection, any work
19 product is not exempt from disclosure;

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

22 (d) If there is no written contact for a period of sixty days to
23 the department of commerce from a person connected with siting,
24 recruitment, expansion, retention, or relocation of that person's
25 business, information described in (a)(ii) of this subsection will be
26 available to the public under this chapter;

27 (13) Financial and proprietary information submitted to or
28 obtained by the department of ecology or the authority created under
29 chapter ((70.95N)) 70A.500 RCW to implement chapter ((70.95N))
30 70A.500 RCW;

31 (14) Financial, commercial, operations, and technical and
32 research information and data submitted to or obtained by the life
33 sciences discovery fund authority in applications for, or delivery
34 of, grants under RCW 43.330.502, to the extent that such information,
35 if revealed, would reasonably be expected to result in private loss
36 to the providers of this information;

37 (15) Financial and commercial information provided as evidence to
38 the department of licensing as required by RCW 19.112.110 or
39 19.112.120, except information disclosed in aggregate form that does

1 not permit the identification of information related to individual
2 fuel licensees;

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

6 (17)(a) Farm plans developed by conservation districts, unless
7 permission to release the farm plan is granted by the landowner or
8 operator who requested the plan, or the farm plan is used for the
9 application or issuance of a permit;

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

13 (18) Financial, commercial, operations, and technical and
14 research information and data submitted to or obtained by a health
15 sciences and services authority in applications for, or delivery of,
16 grants under RCW 35.104.010 through 35.104.060, to the extent that
17 such information, if revealed, would reasonably be expected to result
18 in private loss to providers of this information;

19 (19) Information gathered under chapter 19.85 RCW or RCW
20 34.05.328 that can be identified to a particular business;

21 (20) Financial and commercial information submitted to or
22 obtained by the University of Washington, other than information the
23 university is required to disclose under RCW 28B.20.150, when the
24 information relates to investments in private funds, to the extent
25 that such information, if revealed, would reasonably be expected to
26 result in loss to the University of Washington consolidated endowment
27 fund or to result in private loss to the providers of this
28 information;

29 (21) Market share data submitted by a manufacturer under RCW
30 (~~70.95N.190~~) 70A.500.190(4);

31 (22) Financial information supplied to the department of
32 financial institutions, when filed by or on behalf of an issuer of
33 securities for the purpose of obtaining the exemption from state
34 securities registration for small securities offerings provided under
35 RCW 21.20.880 or when filed by or on behalf of an investor for the
36 purpose of purchasing such securities;

37 (23) Unaggregated or individual notices of a transfer of crude
38 oil that is financial, proprietary, or commercial information,
39 submitted to the department of ecology pursuant to RCW
40 90.56.565(1)(a), and that is in the possession of the department of

1 ecology or any entity with which the department of ecology has shared
2 the notice pursuant to RCW 90.56.565;

3 (24) Financial institution and retirement account information,
4 and building security plan information, supplied to the liquor and
5 cannabis board pursuant to RCW 69.50.325, 69.50.331, 69.50.342, and
6 69.50.345, when filed by or on behalf of a licensee or prospective
7 licensee for the purpose of obtaining, maintaining, or renewing a
8 license to produce, process, transport, or sell marijuana as allowed
9 under chapter 69.50 RCW;

10 (25) Marijuana transport information, vehicle and driver
11 identification data, and account numbers or unique access identifiers
12 issued to private entities for traceability system access, submitted
13 by an individual or business to the liquor and cannabis board under
14 the requirements of RCW 69.50.325, 69.50.331, 69.50.342, and
15 69.50.345 for the purpose of marijuana product traceability.
16 Disclosure to local, state, and federal officials is not considered
17 public disclosure for purposes of this section;

18 (26) Financial and commercial information submitted to or
19 obtained by the retirement board of any city that is responsible for
20 the management of an employees' retirement system pursuant to the
21 authority of chapter 35.39 RCW, when the information relates to
22 investments in private funds, to the extent that such information, if
23 revealed, would reasonably be expected to result in loss to the
24 retirement fund or to result in private loss to the providers of this
25 information except that (a) the names and commitment amounts of the
26 private funds in which retirement funds are invested and (b) the
27 aggregate quarterly performance results for a retirement fund's
28 portfolio of investments in such funds are subject to disclosure;

29 (27) Proprietary financial, commercial, operations, and technical
30 and research information and data submitted to or obtained by the
31 liquor and cannabis board in applications for marijuana research
32 licenses under RCW 69.50.372, or in reports submitted by marijuana
33 research licensees in accordance with rules adopted by the liquor and
34 cannabis board under RCW 69.50.372;

35 (28) Trade secrets, technology, proprietary information, and
36 financial considerations contained in any agreements or contracts,
37 entered into by a licensed marijuana business under RCW 69.50.395,
38 which may be submitted to or obtained by the state liquor and
39 cannabis board;

1 (29) Financial, commercial, operations, and technical and
2 research information and data submitted to or obtained by the Andy
3 Hill cancer research endowment program in applications for, or
4 delivery of, grants under chapter 43.348 RCW, to the extent that such
5 information, if revealed, would reasonably be expected to result in
6 private loss to providers of this information;

7 (30) Proprietary information filed with the department of health
8 under chapter 69.48 RCW;

9 (31) Records filed with the department of ecology under chapter
10 (~~(70.375)~~) 70A.515 RCW that a court has determined are confidential
11 valuable commercial information under RCW (~~(70.375.130)~~) 70A.515.130;
12 and

13 (32) Unaggregated financial, proprietary, or commercial
14 information submitted to or obtained by the liquor and cannabis board
15 in applications for licenses under RCW 66.24.140 or 66.24.145, or in
16 any reports or remittances submitted by a person licensed under RCW
17 66.24.140 or 66.24.145 under rules adopted by the liquor and cannabis
18 board under chapter 66.08 RCW.

19 **Sec. 9.** RCW 42.56.400 and 2020 c 243 s 4 are each amended to
20 read as follows:

21 The following information relating to insurance and financial
22 institutions is exempt from disclosure under this chapter:

23 (1) Records maintained by the board of industrial insurance
24 appeals that are related to appeals of crime victims' compensation
25 claims filed with the board under RCW 7.68.110;

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

33 (3) The names and individual identification data of either all
34 owners or all insureds, or both, received by the insurance
35 commissioner under chapter 48.102 RCW;

36 (4) Information provided under RCW 48.30A.045 through 48.30A.060;

37 (5) Information provided under RCW 48.05.510 through 48.05.535,
38 48.43.200 through 48.43.225, 48.44.530 through 48.44.555, and
39 48.46.600 through 48.46.625;

1 (6) Examination reports and information obtained by the
2 department of financial institutions from banks under RCW 30A.04.075,
3 from savings banks under RCW 32.04.220, from savings and loan
4 associations under RCW 33.04.110, from credit unions under RCW
5 31.12.565, from chapter 43.--- RCW (the new chapter created in
6 section 15 of this act), from check cashers and sellers under RCW
7 31.45.030(3), and from securities brokers and investment advisers
8 under RCW 21.20.100, all of which is confidential and privileged
9 information;

10 (7) Information provided to the insurance commissioner under RCW
11 48.110.040(3);

12 (8) Documents, materials, or information obtained by the
13 insurance commissioner under RCW 48.02.065, all of which are
14 confidential and privileged;

15 (9) Documents, materials, or information obtained or provided by
16 the insurance commissioner under RCW 48.31B.015(2) (l) and (m),
17 48.31B.025, 48.31B.030, 48.31B.035, and 48.31B.036, all of which are
18 confidential and privileged;

19 (10) Data filed under RCW 48.140.020, 48.140.030, 48.140.050, and
20 7.70.140 that, alone or in combination with any other data, may
21 reveal the identity of a claimant, health care provider, health care
22 facility, insuring entity, or self-insurer involved in a particular
23 claim or a collection of claims. For the purposes of this subsection:

24 (a) "Claimant" has the same meaning as in RCW 48.140.010(2).

25 (b) "Health care facility" has the same meaning as in RCW
26 48.140.010(6).

27 (c) "Health care provider" has the same meaning as in RCW
28 48.140.010(7).

29 (d) "Insuring entity" has the same meaning as in RCW
30 48.140.010(8).

31 (e) "Self-insurer" has the same meaning as in RCW 48.140.010(11);

32 (11) Documents, materials, or information obtained by the
33 insurance commissioner under RCW 48.135.060;

34 (12) Documents, materials, or information obtained by the
35 insurance commissioner under RCW 48.37.060;

36 (13) Confidential and privileged documents obtained or produced
37 by the insurance commissioner and identified in RCW 48.37.080;

38 (14) Documents, materials, or information obtained by the
39 insurance commissioner under RCW 48.37.140;

1 (15) Documents, materials, or information obtained by the
2 insurance commissioner under RCW 48.17.595;

3 (16) Documents, materials, or information obtained by the
4 insurance commissioner under RCW 48.102.051(1) and 48.102.140 (3) and
5 (7) (a) (ii);

6 (17) Documents, materials, or information obtained by the
7 insurance commissioner in the commissioner's capacity as receiver
8 under RCW 48.31.025 and 48.99.017, which are records under the
9 jurisdiction and control of the receivership court. The commissioner
10 is not required to search for, log, produce, or otherwise comply with
11 the public records act for any records that the commissioner obtains
12 under chapters 48.31 and 48.99 RCW in the commissioner's capacity as
13 a receiver, except as directed by the receivership court;

14 (18) Documents, materials, or information obtained by the
15 insurance commissioner under RCW 48.13.151;

16 (19) Data, information, and documents provided by a carrier
17 pursuant to section 1, chapter 172, Laws of 2010;

18 (20) Information in a filing of usage-based insurance about the
19 usage-based component of the rate pursuant to RCW 48.19.040(5) (b);

20 (21) Data, information, and documents that are submitted to the
21 office of the insurance commissioner by an entity providing health
22 care coverage pursuant to RCW 28A.400.275;

23 (22) Data, information, and documents obtained by the insurance
24 commissioner under RCW 48.29.017;

25 (23) Information not subject to public inspection or public
26 disclosure under RCW 48.43.730(5);

27 (24) Documents, materials, or information obtained by the
28 insurance commissioner under chapter 48.05A RCW;

29 (25) Documents, materials, or information obtained by the
30 insurance commissioner under RCW 48.74.025, 48.74.028, 48.74.100(6),
31 48.74.110(2) (b) and (c), and 48.74.120 to the extent such documents,
32 materials, or information independently qualify for exemption from
33 disclosure as documents, materials, or information in possession of
34 the commissioner pursuant to a financial conduct examination and
35 exempt from disclosure under RCW 48.02.065;

36 (26) Nonpublic personal health information obtained by, disclosed
37 to, or in the custody of the insurance commissioner, as provided in
38 RCW 48.02.068;

39 (27) Data, information, and documents obtained by the insurance
40 commissioner under RCW 48.02.230;

1 (28) Documents, materials, or other information, including the
2 corporate annual disclosure obtained by the insurance commissioner
3 under RCW 48.195.020;

4 (29) Findings and orders disapproving acquisition of a trust
5 institution under RCW 30B.53.100(3); and

6 (30) All claims data, including health care and financial related
7 data received under RCW 41.05.890, received and held by the health
8 care authority.

9 **Sec. 10.** RCW 42.56.400 and 2020 c 243 s 4 and 2020 c 240 s 9 are
10 each reenacted and amended to read as follows:

11 The following information relating to insurance and financial
12 institutions is exempt from disclosure under this chapter:

13 (1) Records maintained by the board of industrial insurance
14 appeals that are related to appeals of crime victims' compensation
15 claims filed with the board under RCW 7.68.110;

16 (2) Information obtained and exempted or withheld from public
17 inspection by the health care authority under RCW 41.05.026, whether
18 retained by the authority, transferred to another state purchased
19 health care program by the authority, or transferred by the authority
20 to a technical review committee created to facilitate the
21 development, acquisition, or implementation of state purchased health
22 care under chapter 41.05 RCW;

23 (3) The names and individual identification data of either all
24 owners or all insureds, or both, received by the insurance
25 commissioner under chapter 48.102 RCW;

26 (4) Information provided under RCW 48.30A.045 through 48.30A.060;

27 (5) Information provided under RCW 48.05.510 through 48.05.535,
28 48.43.200 through 48.43.225, 48.44.530 through 48.44.555, and
29 48.46.600 through 48.46.625;

30 (6) Examination reports and information obtained by the
31 department of financial institutions from banks under RCW 30A.04.075,
32 from savings banks under RCW 32.04.220, from savings and loan
33 associations under RCW 33.04.110, from credit unions under RCW
34 31.12.565, from chapter 43.--- RCW (the new chapter created in
35 section 15 of this act), from check cashers and sellers under RCW
36 31.45.030(3), and from securities brokers and investment advisers
37 under RCW 21.20.100, all of which is confidential and privileged
38 information;

- 1 (7) Information provided to the insurance commissioner under RCW
2 48.110.040(3);
- 3 (8) Documents, materials, or information obtained by the
4 insurance commissioner under RCW 48.02.065, all of which are
5 confidential and privileged;
- 6 (9) Documents, materials, or information obtained or provided by
7 the insurance commissioner under RCW 48.31B.015(2) (l) and (m),
8 48.31B.025, 48.31B.030, 48.31B.035, and 48.31B.036, all of which are
9 confidential and privileged;
- 10 (10) Data filed under RCW 48.140.020, 48.140.030, 48.140.050, and
11 7.70.140 that, alone or in combination with any other data, may
12 reveal the identity of a claimant, health care provider, health care
13 facility, insuring entity, or self-insurer involved in a particular
14 claim or a collection of claims. For the purposes of this subsection:
- 15 (a) "Claimant" has the same meaning as in RCW 48.140.010(2).
- 16 (b) "Health care facility" has the same meaning as in RCW
17 48.140.010(6).
- 18 (c) "Health care provider" has the same meaning as in RCW
19 48.140.010(7).
- 20 (d) "Insuring entity" has the same meaning as in RCW
21 48.140.010(8).
- 22 (e) "Self-insurer" has the same meaning as in RCW 48.140.010(11);
- 23 (11) Documents, materials, or information obtained by the
24 insurance commissioner under RCW 48.135.060;
- 25 (12) Documents, materials, or information obtained by the
26 insurance commissioner under RCW 48.37.060;
- 27 (13) Confidential and privileged documents obtained or produced
28 by the insurance commissioner and identified in RCW 48.37.080;
- 29 (14) Documents, materials, or information obtained by the
30 insurance commissioner under RCW 48.37.140;
- 31 (15) Documents, materials, or information obtained by the
32 insurance commissioner under RCW 48.17.595;
- 33 (16) Documents, materials, or information obtained by the
34 insurance commissioner under RCW 48.102.051(1) and 48.102.140 (3) and
35 (7)(a)(ii);
- 36 (17) Documents, materials, or information obtained by the
37 insurance commissioner in the commissioner's capacity as receiver
38 under RCW 48.31.025 and 48.99.017, which are records under the
39 jurisdiction and control of the receivership court. The commissioner
40 is not required to search for, log, produce, or otherwise comply with

1 the public records act for any records that the commissioner obtains
2 under chapters 48.31 and 48.99 RCW in the commissioner's capacity as
3 a receiver, except as directed by the receivership court;

4 (18) Documents, materials, or information obtained by the
5 insurance commissioner under RCW 48.13.151;

6 (19) Data, information, and documents provided by a carrier
7 pursuant to section 1, chapter 172, Laws of 2010;

8 (20) Information in a filing of usage-based insurance about the
9 usage-based component of the rate pursuant to RCW 48.19.040(5)(b);

10 (21) Data, information, and documents that are submitted to the
11 office of the insurance commissioner by an entity providing health
12 care coverage pursuant to RCW 28A.400.275;

13 (22) Data, information, and documents obtained by the insurance
14 commissioner under RCW 48.29.017;

15 (23) Information not subject to public inspection or public
16 disclosure under RCW 48.43.730(5);

17 (24) Documents, materials, or information obtained by the
18 insurance commissioner under chapter 48.05A RCW;

19 (25) Documents, materials, or information obtained by the
20 insurance commissioner under RCW 48.74.025, 48.74.028, 48.74.100(6),
21 48.74.110(2)(b) and (c), and 48.74.120 to the extent such documents,
22 materials, or information independently qualify for exemption from
23 disclosure as documents, materials, or information in possession of
24 the commissioner pursuant to a financial conduct examination and
25 exempt from disclosure under RCW 48.02.065;

26 (26) Nonpublic personal health information obtained by, disclosed
27 to, or in the custody of the insurance commissioner, as provided in
28 RCW 48.02.068;

29 (27) Data, information, and documents obtained by the insurance
30 commissioner under RCW 48.02.230;

31 (28) Documents, materials, or other information, including the
32 corporate annual disclosure obtained by the insurance commissioner
33 under RCW 48.195.020;

34 (29) Findings and orders disapproving acquisition of a trust
35 institution under RCW 30B.53.100(3);

36 (30) All claims data, including health care and financial related
37 data received under RCW 41.05.890, received and held by the health
38 care authority; and

39 (31) Contracts not subject to public disclosure under RCW
40 48.200.040 and 48.43.731.

1 **Sec. 11.** RCW 43.10.067 and 1997 c 41 s 9 are each amended to
2 read as follows:

3 No officer, director, administrative agency, board, or commission
4 of the state, other than the attorney general, shall employ, appoint
5 or retain in employment any attorney for any administrative body,
6 department, commission, agency, or tribunal or any other person to
7 act as attorney in any legal or quasi legal capacity in the exercise
8 of any of the powers or performance of any of the duties specified by
9 law to be performed by the attorney general, except where it is
10 provided by law to be the duty of the judge of any court or the
11 prosecuting attorney of any county to employ or appoint such persons:
12 PROVIDED, That RCW 43.10.040, and 43.10.065 through 43.10.080 shall
13 not apply to the administration of the commission on judicial
14 conduct, the state law library, the law school of the state
15 university, the administration of the state bar act by the Washington
16 State Bar Association, (~~(or)~~) the representation of an estate
17 administered by the director of the department of revenue or the
18 director's designee pursuant to chapter 11.28 RCW, or the state
19 public financial cooperative to the extent provided in section 4(22)
20 of this act.

21 The authority granted by chapter 1.08 RCW, RCW 44.28.065, and
22 47.01.061 shall not be affected hereby.

23 **Sec. 12.** RCW 43.84.080 and 2016 c 152 s 18 are each amended to
24 read as follows:

25 Wherever there is in any fund or in cash balances in the state
26 treasury more than sufficient to meet the current expenditures
27 properly payable therefrom, the state treasurer may invest or
28 reinvest such portion of such funds or balances as the state
29 treasurer deems expedient in the following:

30 (1) Certificates, notes, or bonds of the United States, or other
31 obligations of the United States or its agencies, or of any
32 corporation wholly owned by the government of the United States or
33 United States dollar denominated bonds, notes, or other obligations
34 that are issued or guaranteed by supranational institutions, provided
35 that, at the time of investment, the institution has the United
36 States government as its largest shareholder;

37 (2) In state, county, municipal, or school district bonds, notes,
38 or in warrants of taxing districts of the state. Such bonds and
39 warrants shall be only those found to be within the limit of

1 indebtedness prescribed by law for the taxing district issuing them
2 and to be general obligations. The state treasurer may purchase such
3 bonds or warrants directly from the taxing district or in the open
4 market at such prices and upon such terms as it may determine, and
5 may sell them at such times as it deems advisable;

6 (3) In federal home loan bank notes and bonds, federal land bank
7 bonds and federal national mortgage association notes, debentures and
8 guaranteed certificates of participation, or the obligations of any
9 other government sponsored corporation whose obligations are or may
10 become eligible as collateral for advances to member banks as
11 determined by the board of governors of the federal reserve system;

12 (4) Bankers' acceptances purchased on the secondary market;

13 (5) Commercial paper purchased on the secondary market, provided
14 that the state treasurer adheres to the investment policies and
15 procedures adopted by the state investment board;

16 (6) General obligation bonds of any state and general obligation
17 bonds of local governments of other states, which bonds have at the
18 time of investment one of the three highest credit ratings of a
19 nationally recognized rating agency; (~~and~~)

20 (7) Corporate notes purchased on the secondary market, provided
21 that the state treasurer adheres to the investment policies and
22 procedures adopted by the state investment board; and

23 (8) Contributions to a cooperative as defined in section 2 of
24 this act.

25 NEW SECTION. **Sec. 13.** If any provision of this act or its
26 application to any person or circumstance is held invalid, the
27 remainder of the act or the application of the provision to other
28 persons or circumstances is not affected.

29 NEW SECTION. **Sec. 14.** This act, being necessary for the welfare
30 of the state and its inhabitants, shall be liberally construed to
31 effect the purposes thereof.

32 NEW SECTION. **Sec. 15.** Sections 1 through 5 of this act
33 constitute a new chapter in Title 43 RCW.

34 NEW SECTION. **Sec. 16.** Section 9 of this act expires January 1,
35 2022.

1 NEW SECTION. **Sec. 17.** Section 10 of this act takes effect
2 January 1, 2022."

3 Correct the title.

EFFECT: Requires a financing document used to secure bonds issued by the cooperative to contain provisions for protecting and enforcing the rights, security, and remedy of bond owners.

--- **END** ---