
HOUSE BILL 2434

State of Washington

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By Representatives Hasegawa, Hudgins, Kenney, Goodman, Appleton, Santos, Ryu, Ladenburg, Dickerson, Sullivan, Green, Pollet, Haigh, Springer, Pettigrew, Cody, Orwall, Fitzgibbon, Roberts, Seaquist, Tharinger, Darneille, Moeller, Jinkins, Miloscia, Eddy, Van De Wege, Stanford, Reykdal, Takko, Ormsby, Maxwell, Kagi, Kirby, Sells, McCoy, Clibborn, Moscoso, Wylie, Lytton, Hunt, Liias, Upthegrove, and Blake

Read first time 01/13/12. Referred to Committee on Business & Financial Services.

1 AN ACT Relating to establishing the Washington investment trust;
2 amending RCW 30.04.020, 42.56.270, 42.56.400, 43.08.135, and 43.84.080;
3 reenacting and amending RCW 42.56.400; adding a new section to chapter
4 39.58 RCW; adding a new section to chapter 41.06 RCW; adding a new
5 chapter to Title 43 RCW; creating a new section; providing an effective
6 date; providing expiration dates; and declaring an emergency.

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

8 NEW SECTION. **Sec. 1.** FINDINGS--INTENT. (1) The legislature finds
9 that there are significant public infrastructure and higher education
10 needs of the state that are unmet, and that the level of unmet need has
11 been exacerbated by the economic downturn. The legislature further
12 finds that there are opportunities to use the state's depository assets
13 to generate additional benefit for the people and the economy of the
14 state. Therefore, the legislature intends to create the Washington
15 investment trust as a legacy institution that amasses sufficient
16 capital reserves to address opportunities now and in the future.

17 (2) The legislature intends that the investment trust may:

18 (a) Facilitate investment in, and financing of, public

1 infrastructure systems that will increase public health, safety, and
2 quality of life, improve environmental conditions, and promote
3 community vitality and economic growth;

4 (b) Assist students who are in need of additional low-cost student
5 loans in order to finance the cost of higher education; and

6 (c) Leverage Washington's financial capital and resources, and work
7 in partnership with financial institutions, community-based
8 organizations, economic development organizations, guaranty agencies,
9 and other stakeholder groups.

10 (3) The mission of the trust is to use Washington's depository
11 assets in ways that afford most efficient use of taxpayer revenues and
12 public resources for the benefit of the people and economy of the
13 state. The legislature intends for the trust to apply business
14 strategies to manage taxpayer revenues while concurrently meeting
15 identified needs and strategic opportunities across the state. In
16 achieving its purpose of improving public infrastructure and increasing
17 access to higher education, the legislature intends for the trust to
18 adhere to the following priorities:

19 (a) Institutional safety and soundness;

20 (b) Long-term viability;

21 (c) Social return and monetary return on investments;

22 (d) Prudent and best banking and business practices;

23 (e) Highest ethical, accountability, and transparency standards;

24 and

25 (f) Insulation from political influence.

26 NEW SECTION. **Sec. 2.** DEFINITIONS. The definitions in this
27 section apply throughout this chapter unless the context clearly
28 requires otherwise.

29 (1) "Board" means the advisory board of the Washington investment
30 trust.

31 (2) "Commission" means the Washington investment trust commission.

32 (3) "Department" means the department of financial institutions.

33 (4) "Director" means the director of the department of financial
34 institutions.

35 (5) "Public infrastructure system" means a system of a local
36 government or political subdivision, a special purpose district, a
37 public school district, an institution of higher education as defined

1 in RCW 28B.10.016, a federally recognized Indian tribe, or the state,
2 including but not limited to a system involving: Wastewater treatment;
3 storm water management; solid waste disposal; drinking water treatment;
4 flood control levees; energy efficiency enhancements; roads, streets,
5 and bridges; transportation infrastructure, including freight rail and
6 transit; broadband and telecommunications infrastructure; outdoor
7 recreation and habitat protection facilities; community, social
8 service, or public safety facilities; schools and educational
9 facilities; and affordable housing as defined in RCW 43.63A.510.

10 (6) "State-chartered bank" means any corporation organized under
11 the laws of this state that is engaged in banking, other than a trust
12 company, savings association, or a mutual savings bank. It does not
13 include the Washington investment trust.

14 (7) "State moneys" has the same meaning as in RCW 43.85.200.

15 (8) "Treasurer" means the treasurer of the state of Washington.

16 (9) "Trust" means the Washington investment trust.

17 NEW SECTION. **Sec. 3.** CREATION. The Washington investment trust
18 is created.

19 NEW SECTION. **Sec. 4.** COMMISSION. (1) The Washington investment
20 trust commission is created as the primary governing authority of the
21 trust. The commission shall consist of the governor, the lieutenant
22 governor, and the state treasurer.

23 (2) The commission may adopt rules regarding the:

24 (a) Safety and soundness standards of the trust;

25 (b) Criteria for evaluating, approving, and monitoring loans;

26 (c) Eligibility requirements and limits for borrowing;

27 (d) Transparency requirements for trust operations;

28 (e) Ethics and conflict of interest requirements for the
29 commission, the board, and officers and employees of the trust,
30 including rules to ensure that they perform their functions in
31 compliance with chapter 42.52 RCW; and

32 (f) Other topics as needed for efficient administration of the
33 trust.

34 (3) The commission shall commence trust operations by July 1, 2013.

35 (4) The commission may delegate to the trust president such duties

1 and powers as deemed necessary to carry on the business of the trust
2 and enforce this chapter efficiently and effectively. The commission
3 may not delegate its rule-making or policy-making authority.

4 (5) The commission may adopt policies and procedures for its own
5 governance.

6 (6) The commission may establish technical advisory committees or
7 consult with public and private sector experts in substantive areas
8 related to the trust's mission, objectives, and duties.

9 NEW SECTION. **Sec. 5.** TRANSITION BOARD. (1)(a) The trust
10 transition board is established, with members as provided in this
11 subsection.

12 (i) The president of the senate shall appoint one member from each
13 of the two largest caucuses of the senate.

14 (ii) The speaker of the house of representatives shall appoint one
15 member from each of the two largest caucuses of the house of
16 representatives.

17 (iii) The president of the senate and the speaker of the house of
18 representatives jointly shall appoint seven citizen members with a
19 background in banking or financial issues.

20 (b) The president of the senate and speaker of the house of
21 representatives jointly shall select the chair from among the citizen
22 membership. The chair shall convene the initial meeting of the trust
23 transition board within forty-five days after the effective date of
24 this section.

25 (2) The trust transition board shall develop and recommend the
26 following to the commission within the timeline established by the
27 commission:

28 (a) A start-up business plan for the trust that includes plans and
29 timelines for functions that are new and functions transitioning to the
30 trust that were previously performed by another entity;

31 (b) Initial capital requirements of the trust;

32 (c) Options for capitalizing the trust; and

33 (d) Other items requested by the commission in order to commence
34 trust operations by July 1, 2013.

35 (3) Legislative members of the trust transition board must be
36 reimbursed for travel expenses in accordance with RCW 44.04.120.
37 Nonlegislative members, except those representing an employer or

1 organization, are entitled to be reimbursed for expenses incurred in
2 the discharge of their duties under chapter 43.--- RCW (the new chapter
3 created in section 27 of this act) in accordance with RCW 43.03.050 and
4 43.03.060.

5 (4) The trust transition board may appoint an interim president and
6 other necessary staff who are exempt from the provisions of chapter
7 41.06 RCW, and who serve at the board's pleasure on such terms and
8 conditions as the board determines but subject to chapter 42.52 RCW.
9 The department must provide technical assistance to the trust
10 transition board. The board may also contract with additional persons
11 who have specific technical expertise if the expertise is necessary to
12 carry out the requirements of this section.

13 (5) This section expires July 1, 2013.

14 NEW SECTION. **Sec. 6.** DEPOSIT OF PUBLIC FUNDS. (1)(a) The trust
15 shall serve as the depository for state moneys once the trust has built
16 sufficient capacity to accept and manage state moneys, as determined by
17 the commission. The commission shall establish a process and time
18 frame for the deposit of state moneys into the trust. In determining
19 whether the trust has built sufficient capacity, the commission shall
20 consider the minimum leverage capital requirements specified in 12
21 C.F.R. Sec. 325.3 (2011).

22 (b) The treasurer shall deposit state moneys in the trust in
23 accordance with the time frame and guidelines determined by the
24 commission under this subsection.

25 (2) All deposits in the trust are guaranteed by the state.

26 (3) All income earned by the trust on state moneys that are
27 deposited in or invested with the trust must be credited to and become
28 a part of the revenues and income of the trust.

29 (4) The trust may accept deposits of public funds, but is exempt
30 from the requirements of chapter 39.58 RCW.

31 (5) The trust may accept funds from any source, including federal
32 funds or other public funds.

33 (6) The commission shall review state accounts that contain public
34 funds that are not state moneys, and make recommendations to the
35 governor and the appropriate committees of the legislature as to which
36 accounts should be deposited in the trust.

1 (7) The trust must return earnings, beyond those necessary for
2 continued sound operation of the trust as determined by the commission,
3 to the state general fund.

4 NEW SECTION. **Sec. 7.** INVESTMENT OF STATE MONEYS. The trust may
5 invest state moneys deposited in the trust that are not reasonably
6 expected to be necessary to meet the short or intermediate-term
7 liquidity needs of the state. The state treasurer retains authority to
8 manage and invest the amount of funds necessary to meet the operational
9 needs of state government.

10 NEW SECTION. **Sec. 8.** INFRASTRUCTURE LOANS. The trust is
11 authorized to facilitate investment in, and financing of, construction,
12 rehabilitation, replacement, and improvement of new and existing public
13 infrastructure systems. Before initiating operations, the commission
14 must present an implementation plan and any necessary legislation to
15 the governor and appropriate legislative committees, that:

16 (1) Identifies the public infrastructure systems that the trust
17 plans to target initially;

18 (2) Identifies any existing state programs that the trust
19 recommends be transferred under its umbrella, and the steps and
20 timelines for the transitions;

21 (3) Describes additional financing products and services the trust
22 plans to offer, the target markets, anticipated rates, terms, and
23 conditions;

24 (4) Demonstrates how trust products and services will increase
25 access to capital for public infrastructure systems and complement
26 those of existing public and private sources; and

27 (5) Demonstrates how the trust plans to maximize revenues and
28 public benefit.

29 NEW SECTION. **Sec. 9.** STUDENT LOANS. The trust is authorized to
30 administer a state guarantee loan program to assist students in need of
31 low-cost student loans and related loan benefits to address educational
32 needs as necessary to support student success. Before initiating
33 operations, the commission must present an implementation plan and any
34 necessary legislation to the governor and appropriate legislative
35 committees that:

1 (1) Identifies the needs and benefits to selected students that the
2 program will target initially;

3 (2) Demonstrates how the trust plans to maximize revenues and
4 public benefit while minimizing public risk;

5 (3) Demonstrates how the trust will coordinate with the office of
6 student financial assistance; and

7 (4) Identifies the ways that the program will address the following
8 issues related to loans:

9 (a) Qualification criteria for students;

10 (b) Obligations and options for loan repayment;

11 (c) Requirements for loan guarantees and reserves;

12 (d) Fee and interest rate structure;

13 (e) Maximum loan amounts; and

14 (f) Ensuring student awareness of grants, federal loans, and other
15 financial aid programs.

16 NEW SECTION. **Sec. 10.** TREASURY AND BANKING SERVICES. (1) For
17 financial institutions that make the trust a reserve depository, the
18 trust may serve as a clearinghouse, including all facilities for
19 providing domestic and foreign exchange, and may rediscount paper, on
20 terms the commission provides. For purposes of this subsection,
21 "financial institutions" means banks as defined in RCW 30.04.010,
22 savings banks as defined in RCW 32.04.020, savings and loan
23 associations as defined in RCW 33.04.005, and credit unions as defined
24 in RCW 31.12.005.

25 (2) The trust may provide corporate trust services for the state
26 and its political subdivisions including trustee, escrow agent, paying
27 agent, bond registrar, and transfer agent.

28 (3) The trust may buy and sell federal funds; issue letters of
29 credit for public deposits; and provide a safekeeping service for
30 United States treasury securities, federal agency securities, corporate
31 bonds, tax-free bonds, money market investments, and mortgage-backed
32 securities.

33 (4) The trust may become a member of the federal reserve system.

34 (5) The trust may perform services currently contracted out by the
35 department of social and health services regarding electronic benefits
36 transfer cards.

1 NEW SECTION. **Sec. 11.** MANAGEMENT. (1) The commission shall
2 appoint a trust president with demonstrated experience in banking. The
3 president is exempt from the provisions of chapter 41.06 RCW. The
4 president shall serve at the commission's pleasure, on such terms and
5 conditions as the commission determines, but subject to chapter 42.52
6 RCW.

7 (2) The president shall provide support to the commission and the
8 advisory board, carry out trust policies and programs, and exercise
9 additional authority as may be delegated by the commission.

10 (3) Subject to available funding and consistent with commission
11 direction, the trust president:

12 (a) May employ such additional personnel as are necessary to the
13 bank's operations. This employment shall be in accordance with the
14 state civil service law, chapter 41.06 RCW; and

15 (b) May contract with persons who have the technical expertise
16 needed to carry out a specific, time-limited project.

17 NEW SECTION. **Sec. 12.** ADVISORY BOARD. (1)(a) An investment trust
18 advisory board consisting of eleven members is created to review the
19 trust's operations and make recommendations relating to the trust's
20 management, services, policies, and procedures.

21 (b) The governor shall appoint members of the advisory board,
22 subject to confirmation by the senate. The members of the advisory
23 board must be knowledgeable in banking or finance and must represent a
24 diversity of experience relevant to activities of the trust. Six or
25 more of the members must have expertise in banking or finance.
26 Advisory board members serve at the pleasure of the governor.

27 (c) The board shall choose its chair from among its membership.

28 (2) The term of the members is three years. Five of the initial
29 board members must be appointed to serve an initial term of three
30 years, three must be appointed to serve an initial term of two years,
31 and the three remaining members must be appointed to serve an initial
32 term of one year. All subsequent terms are three years. To ensure
33 that the board can continue to act, a member whose term expires shall
34 continue to serve until his or her replacement is appointed. In the
35 case of any vacancy on the board for any reason, the governor shall
36 appoint a new member to serve out the term of the person whose position

1 has become vacant. A board member may be removed for cause by the
2 governor.

3 (3) Members of the advisory board are entitled to reimbursement for
4 expenses incurred in the discharge of their duties under this chapter,
5 as provided in RCW 43.03.050 and 43.03.060.

6 NEW SECTION. **Sec. 13.** FINANCIAL REGULATION. (1) The trust must
7 maintain capital adequacy and other standard indicators of safety and
8 soundness as is appropriate for a publicly owned financial institution.

9 (2) The director may examine the trust in the same manner as a
10 state-chartered financial institution under RCW 30.04.060. The
11 director shall take into consideration the unique circumstances of a
12 publicly owned financial institution when examining the trust. The
13 trust shall pay the director for the reasonable costs of examinations.

14 (3) The trust must undergo independent audits on the same basis as
15 state-chartered banks.

16 NEW SECTION. **Sec. 14.** REPORTING REQUIREMENTS. (1) The trust
17 shall submit quarterly reports to the commission in a manner and form
18 prescribed by the commission.

19 (2) The commission shall make a report to the legislature on the
20 affairs of the trust by December 1st of each year.

21 NEW SECTION. **Sec. 15.** ETHICAL REQUIREMENTS. The trust may not
22 make a loan to any advisory board member, the president, or employees
23 of the trust. Advisory board members, the president, and employees of
24 the trust must follow applicable ethical requirements in chapter 42.52
25 RCW and in rules, policies, and procedures adopted by the commission.

26 NEW SECTION. **Sec. 16.** FEES AND TAXES. The trust is exempt from
27 payment of all fees and taxes levied by the state or any of its
28 subdivisions.

29 NEW SECTION. **Sec. 17.** TRUST RECORDS. (1) Under RCW 42.56.270 and
30 42.56.400, certain trust business records and records of the department
31 relating to the trust are exempt from public disclosure.

32 (2) Financial and commercial information and records submitted to
33 either the department or the commission for the purpose of

1 administering this chapter may be shared between the department and the
2 treasurer. These records may also be used in any suit or
3 administrative hearing involving any provision of this chapter.

4 (3) This section does not prohibit:

5 (a) The issuance of general statements based on the reports of
6 persons subject to this chapter as long as the statements do not
7 identify the information furnished by any person; or

8 (b) The publication by the director or the commission of the name
9 of any person violating this chapter and a statement of the manner of
10 the violation of that person.

11 NEW SECTION. **Sec. 18.** CAPITALIZATION. The commission must make
12 recommendations to the appropriate fiscal committees of the legislature
13 on options for capitalization of the trust. Any recommendations must
14 include draft legislation for consideration by the legislature.

15 NEW SECTION. **Sec. 19.** A new section is added to chapter 39.58 RCW
16 to read as follows:

17 The Washington investment trust created in section 3 of this act
18 may accept deposits of public funds, but is not a public depository and
19 is not subject to the requirements of this chapter.

20 NEW SECTION. **Sec. 20.** A new section is added to chapter 41.06 RCW
21 to read as follows:

22 In addition to the exemptions under RCW 41.06.070, the provisions
23 of this chapter do not apply to the president of the Washington
24 investment trust in section 11 of this act.

25 **Sec. 21.** RCW 30.04.020 and 2010 c 88 s 4 are each amended to read
26 as follows:

27 (1) The name of every bank shall contain the word "bank" and the
28 name of every trust company shall contain the word "trust," or the word
29 "bank." Except as provided in RCW 33.08.030 or as otherwise authorized
30 by this section or approved by the director, only a national bank,
31 federal savings bank, a bank or trust company authorized by this title,
32 savings bank under Title 32 RCW, bank holding company or financial
33 holding company, a holding company authorized by this title or Title 32

1 RCW, or a foreign or alien corporation or other legal person authorized
2 by this title to do so, shall:

3 (a) Use as a part of his (~~for her~~) or her or its name or other
4 business designation, as a prominent syllable within a word comprising
5 all or a portion of its name or other business designation, or in any
6 manner as if connected with his (~~for her~~) or her or its business or
7 place of business any of the following words or the plural thereof, to
8 wit: "bank," "banking," "banker," "bancorporation," "bancorp," or
9 "trust," or any foreign language designations thereof, including, by
10 way of example, "banco" or "banque."

11 (b) Use any sign, logo, or marketing message, in any media, or use
12 any letterhead, billhead, note, receipt, certificate, blank, form, or
13 any written, printed, electronic or internet-based instrument or
14 material representation whatsoever, directly or indirectly indicating
15 that the business of such person is that of a bank or trust company.

16 (2) A foreign corporation or other foreign domiciled legal person,
17 whose name contains the words "bank," "banker," "banking,"
18 "bancorporation," "bancorp," or "trust," or the foreign language
19 equivalent thereof, or whose articles of incorporation empower it to
20 engage in banking or to engage in a trust business, may not engage in
21 banking or in a trust business in this state unless the corporation or
22 other legal person (a) is expressly authorized to do so under this
23 title, under federal law, or by the director, and (b) complies with all
24 applicable requirements of Washington state law regarding foreign
25 corporations and other foreign legal persons. If an activity would not
26 constitute "transacting business" within the meaning of RCW
27 23B.15.010(1) or chapter 23B.18 RCW, then the activity shall not
28 constitute banking or engaging in a trust business. Nothing in this
29 subsection shall prevent operations by an alien bank in compliance with
30 chapter 30.42 RCW.

31 (3) This section shall not prevent a lender approved by the United
32 States secretary of housing and urban development for participation in
33 any mortgage insurance program under the National Housing Act from
34 using the words "mortgage banker" or "mortgage banking" in the conduct
35 of its business, but only if both words are used together in either of
36 the forms which appear in quotations in this sentence.

37 (4) This section does not prevent the Washington investment trust

1 created in section 3 of this act from being called a trust or from
2 providing banking services without being called a bank.

3 (5) Any individual or legal person, or director, officer(~~(+)~~), or
4 manager of such legal person, who knowingly violates any provision of
5 this section shall be guilty of a gross misdemeanor.

6 **Sec. 22.** RCW 42.56.270 and 2011 1st sp.s. c 14 s 15 are each
7 amended to read as follows:

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

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

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

19 (3) Financial and commercial information and records supplied by
20 private persons pertaining to export services provided under chapters
21 43.163 and 53.31 RCW, and by persons pertaining to export projects
22 under RCW 43.23.035;

23 (4) Financial and commercial information and records supplied by
24 businesses or individuals during application for loans or program
25 services provided by chapters 43.325, 43.163, 43.160, 43.330, 43.---
26 (the new chapter created in section 27 of this act), and 43.168 RCW, or
27 during application for economic development loans or program services
28 provided by any local agency;

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

33 (6) Financial and commercial information supplied to the state
34 investment board by any person when the information relates to the
35 investment of public trust or retirement funds and when disclosure
36 would result in loss to such funds or in private loss to the providers
37 of this information;

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

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

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

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

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

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

27 (12)(a) When supplied to and in the records of the department of
28 commerce:

29 (i) Financial and proprietary information collected from any person
30 and provided to the department of commerce pursuant to RCW
31 43.330.050(8); and

32 (ii) Financial or proprietary information collected from any person
33 and provided to the department of commerce or the office of the
34 governor in connection with the siting, recruitment, expansion,
35 retention, or relocation of that person's business and until a siting
36 decision is made, identifying information of any person supplying
37 information under this subsection and the locations being considered
38 for siting, relocation, or expansion of a business;

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

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

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

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

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

20 (15) Financial and commercial information provided as evidence to
21 the department of licensing as required by RCW 19.112.110 or
22 19.112.120, except information disclosed in aggregate form that does
23 not permit the identification of information related to individual fuel
24 licensees;

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

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

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

35 (18) Financial, commercial, operations, and technical and research
36 information and data submitted to or obtained by a health sciences and
37 services authority in applications for, or delivery of, grants under

1 RCW 35.104.010 through 35.104.060, to the extent that such information,
2 if revealed, would reasonably be expected to result in private loss to
3 providers of this information;

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

6 (20) Financial and commercial information submitted to or obtained
7 by the University of Washington, other than information the university
8 is required to disclose under RCW 28B.20.150, when the information
9 relates to investments in private funds, to the extent that such
10 information, if revealed, would reasonably be expected to result in
11 loss to the University of Washington consolidated endowment fund or to
12 result in private loss to the providers of this information; and

13 (21) Financial, commercial, operations, and technical and research
14 information and data submitted to or obtained by innovate Washington in
15 applications for, or delivery of, grants and loans under chapter 43.333
16 RCW, to the extent that such information, if revealed, would reasonably
17 be expected to result in private loss to the providers of this
18 information.

19 **Sec. 23.** RCW 42.56.400 and 2010 c 172 s 2 and 2010 c 97 s 3 are
20 each reenacted and amended to 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 appeals
24 that are related to appeals of crime victims' compensation claims filed
25 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 development,
31 acquisition, or implementation of state purchased health care under
32 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 commissioner
35 under chapter 48.102 RCW;

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

1 (5) Information provided under RCW 48.05.510 through 48.05.535,
2 48.43.200 through 48.43.225, 48.44.530 through 48.44.555, and 48.46.600
3 through 48.46.625;

4 (6) Examination reports and information obtained by the department
5 of financial institutions from banks under RCW 30.04.075, from savings
6 banks under RCW 32.04.220, from savings and loan associations under RCW
7 33.04.110, from credit unions under RCW 31.12.565, from the Washington
8 investment trust under chapter 43.--- RCW (the new chapter created in
9 section 27 of this act), from check cashers and sellers under RCW
10 31.45.030(3), and from securities brokers and investment advisers under
11 RCW 21.20.100, all of which is confidential and privileged information;

12 (7) Information provided to the insurance commissioner under RCW
13 48.110.040(3);

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

17 (9) Confidential proprietary and trade secret information provided
18 to the commissioner under RCW 48.31C.020 through 48.31C.050 and
19 48.31C.070;

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

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

26 (b) "Health care facility" has the same meaning as in RCW
27 48.140.010(6).

28 (c) "Health care provider" has the same meaning as in RCW
29 48.140.010(7).

30 (d) "Insuring entity" has the same meaning as in RCW 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 insurance
33 commissioner under RCW 48.135.060;

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

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

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

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

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

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

15 (18) Data, information, and documents provided by a carrier
16 pursuant to section 1, chapter 172, Laws of 2010.

17 **Sec. 24.** RCW 42.56.400 and 2011 c 188 s 21 are each amended to
18 read as follows:

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

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

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

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

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

35 (5) Information provided under RCW 48.05.510 through 48.05.535,
36 48.43.200 through 48.43.225, 48.44.530 through 48.44.555, and 48.46.600
37 through 48.46.625;

1 (6) Examination reports and information obtained by the department
2 of financial institutions from banks under RCW 30.04.075, from savings
3 banks under RCW 32.04.220, from savings and loan associations under RCW
4 33.04.110, from credit unions under RCW 31.12.565, from the Washington
5 investment trust under chapter 43.--- RCW (the new chapter created in
6 section 27 of this act) from check cashers and sellers under RCW
7 31.45.030(3), and from securities brokers and investment advisers under
8 RCW 21.20.100, all of which is confidential and privileged information;

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

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

14 (9) Confidential proprietary and trade secret information provided
15 to the commissioner under RCW 48.31C.020 through 48.31C.050 and
16 48.31C.070;

17 (10) Data filed under RCW 48.140.020, 48.140.030, 48.140.050, and
18 7.70.140 that, alone or in combination with any other data, may reveal
19 the identity of a claimant, health care provider, health care facility,
20 insuring entity, or self-insurer involved in a particular claim or a
21 collection of claims. For the purposes of this subsection:

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

23 (b) "Health care facility" has the same meaning as in RCW
24 48.140.010(6).

25 (c) "Health care provider" has the same meaning as in RCW
26 48.140.010(7).

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

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

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

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

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

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

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

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

3 (17) Documents, materials, or information obtained by the insurance
4 commissioner in the commissioner's capacity as receiver under RCW
5 48.31.025 and 48.99.017, which are records under the jurisdiction and
6 control of the receivership court. The commissioner is not required to
7 search for, log, produce, or otherwise comply with the public records
8 act for any records that the commissioner obtains under chapters 48.31
9 and 48.99 RCW in the commissioner's capacity as a receiver, except as
10 directed by the receivership court;

11 (18) Documents, materials, or information obtained by the insurance
12 commissioner under RCW 48.13.151; and

13 (19) Data, information, and documents provided by a carrier
14 pursuant to section 1, chapter 172, Laws of 2010.

15 **Sec. 25.** RCW 43.08.135 and 2009 c 549 s 5044 are each amended to
16 read as follows:

17 The state treasurer shall maintain at all times cash, or demand
18 deposits in the Washington investment trust created in section 3 of
19 this act or qualified public depositaries in an amount needed to meet
20 the operational needs of state government: PROVIDED, That the state
21 treasurer shall not be considered in violation of RCW 9A.56.060(1) if
22 he or she maintains demand accounts in public depositaries in an amount
23 less than all treasury warrants issued and outstanding.

24 **Sec. 26.** RCW 43.84.080 and 1982 c 148 s 1 are each amended to read
25 as follows:

26 Subject to the limitations in section 7 of this act, wherever there
27 is in any fund or in cash balances in the state treasury more than
28 sufficient to meet the current expenditures properly payable therefrom,
29 the state treasurer may invest or reinvest such portion of such funds
30 or balances as the state treasurer deems expedient in the following
31 defined securities or classes of investments:

32 (1) Certificates, notes, or bonds of the United States, or other
33 obligations of the United States or its agencies, or of any corporation
34 wholly owned by the government of the United States;

35 (2) In state, county, municipal, or school district bonds, or in
36 warrants of taxing districts of the state. Such bonds and warrants

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

7 (3) In motor vehicle fund warrants when authorized by agreement
8 between the state treasurer and the department of transportation
9 requiring repayment of invested funds from any moneys in the motor
10 vehicle fund available for state highway construction;

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

17 (5) Bankers' acceptances purchased on the secondary market;

18 (6) Negotiable certificates of deposit of any national or state
19 commercial or mutual savings bank or savings and loan association doing
20 business in the United States: PROVIDED, That the treasurer shall
21 adhere to the investment policies and procedures adopted by the state
22 investment board;

23 (7) Commercial paper: PROVIDED, That the treasurer shall adhere to
24 the investment policies and procedures adopted by the state investment
25 board.

26 NEW SECTION. **Sec. 27.** Sections 1 through 4 and 6 through 18 of
27 this act constitute a new chapter in Title 43 RCW.

28 NEW SECTION. **Sec. 28.** Section 23 of this act expires July 1,
29 2012.

30 NEW SECTION. **Sec. 29.** Section 24 of this act takes effect July 1,
31 2012.

32 NEW SECTION. **Sec. 30.** Except for section 24 of this act, this act
33 is necessary for the immediate preservation of the public peace,

1 health, or safety, or support of the state government and its existing
2 public institutions, and takes effect immediately.

3 NEW SECTION. **Sec. 31.** If any provision of this act or its
4 application to any person or circumstance is held invalid, the
5 remainder of the act or the application of the provision to other
6 persons or circumstances is not affected.

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