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SENATE BILL 5971

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State of Washington

64th Legislature

2015 Regular Session

By Senators Hasegawa, Chase, Darneille, Conway, and Frockt

Read first time 02/13/15. Referred to Committee on Financial Institutions & Insurance.

1 AN ACT Relating to establishing the Washington publicly owned  
2 trust in order to create a financing infrastructure to implement  
3 Initiative Measure No. 502 that complies with the United States  
4 attorney general's guidance letter of August 29, 2013, thereby  
5 providing resources for public infrastructure and other public  
6 purposes; amending RCW 30A.04.020, 42.56.400, 43.08.135, and  
7 43.84.080; reenacting and amending RCW 42.56.270 and 42.56.400;  
8 adding a new section to chapter 39.58 RCW; adding a new section to  
9 chapter 41.06 RCW; adding a new chapter to Title 43 RCW; creating a  
10 new section; providing effective dates; providing expiration dates;  
11 and declaring an emergency.

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

13 NEW SECTION. **Sec. 1.** FINDINGS—INTENT. (1) The legislature finds  
14 that there are significant public infrastructure needs of the state  
15 that are unmet, and that the level of unmet need has been exacerbated  
16 by the economic downturn. The legislature further finds that there  
17 are opportunities to use the state's depository assets to generate  
18 additional benefit for the people and the economy of the state.  
19 Therefore, the legislature intends the state of Washington to engage  
20 in the business of banking under the name of the Washington publicly

1 owned trust, as a legacy institution that amasses sufficient capital  
2 reserves to address opportunities now and in the future.

3 (2) The legislature intends that the trust may:

4 (a) Facilitate investment in, and financing of, public  
5 infrastructure systems that will increase public health, safety, and  
6 quality of life, improve environmental conditions, and promote  
7 community vitality and economic growth; and

8 (b) Leverage receipts from marijuana sales and from public  
9 resources, and work in partnership with financial institutions,  
10 community-based organizations, economic development organizations,  
11 guaranty agencies, and other stakeholder groups.

12 (3) The mission of the trust is to act as the sole depository for  
13 in-state marijuana producers, processors, and retailers and to use  
14 taxable earnings from those deposits for the benefit of the people  
15 and economy of the state. The legislature intends for the trust to  
16 apply business strategies to manage the deposits while concurrently  
17 meeting identified needs and strategic opportunities across the  
18 state. In achieving its purpose of improving public infrastructure or  
19 otherwise providing for the public benefit, the legislature intends  
20 for the trust to adhere to the following priorities:

21 (a) Institutional safety and soundness;

22 (b) Long-term viability;

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

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

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

26 and

27 (f) Insulation from political influence.

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

31 (1) "Board" means the advisory board of the Washington publicly  
32 owned trust.

33 (2) "Commission" means the Washington publicly owned trust  
34 commission.

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

36 (4) "Director" means the director of the department of financial  
37 institutions.

38 (5) "Marijuana" means all parts of the plant cannabis, whether  
39 growing or not, with a THC concentration greater than 0.3 percent on

1 a dry weight basis; the seeds thereof; the resin extracted from any  
2 part of the plant; and every compound, manufacture, salt, derivative,  
3 mixture, or preparation of the plant, its seeds or resin. "Marijuana"  
4 does not include the mature stalks of the plant, fiber produced from  
5 the stalks, oil, or cake made from the seeds of the plant, any other  
6 compound, manufacture, salt, derivative, mixture, or preparation of  
7 the mature stalks (except the resin extracted therefrom), fiber, oil,  
8 or cake, or the sterilized seed of the plant which is incapable of  
9 germination.

10 (6) "Marijuana processor" means a person licensed by the state  
11 liquor control board to process marijuana into useable marijuana and  
12 marijuana-infused products, package and label useable marijuana and  
13 marijuana-infused products for sale in retail outlets, and sell  
14 useable marijuana and marijuana-infused products at wholesale to  
15 marijuana retailers.

16 (7) "Marijuana producer" means a person licensed by the state  
17 liquor control board to produce and sell marijuana at wholesale to  
18 marijuana processors and other marijuana producers.

19 (8) "Marijuana-infused products" means products that contain  
20 marijuana or marijuana extracts and are intended for human use. The  
21 term "marijuana-infused products" does not include useable marijuana.

22 (9) "Marijuana retailer" means a person licensed by the state  
23 liquor control board to sell useable marijuana and marijuana-infused  
24 products in a retail outlet.

25 (10) "Public infrastructure system" means a system of a local  
26 government or political subdivision, a special purpose district, a  
27 public school district, an institution of higher education as defined  
28 in RCW 28B.10.016, a federally recognized Indian tribe, or the state,  
29 including but not limited to a system involving: Wastewater  
30 treatment; storm water management; solid waste disposal; drinking  
31 water treatment; flood control levees; energy efficiency  
32 enhancements; roads, streets, and bridges; transportation  
33 infrastructure, including freight rail and transit; broadband and  
34 telecommunications infrastructure; outdoor recreation and habitat  
35 protection facilities; community, social service, or public safety  
36 facilities; schools and educational facilities; affordable housing as  
37 defined in RCW 43.63A.510; or other public purposes that provide  
38 public benefit or public utility.

39 (11) "State moneys" has the same meaning as in RCW 43.85.200.

40 (12) "Treasurer" means the treasurer of the state of Washington.

1 (13) "Trust" means the Washington publicly owned trust.

2 NEW SECTION. **Sec. 3.** CREATION. The Washington publicly owned  
3 trust is created.

4 NEW SECTION. **Sec. 4.** COMMISSION. (1) The Washington publicly  
5 owned trust commission is created as the primary governing authority  
6 of the trust. The commission shall consist of the governor, the  
7 lieutenant governor, the secretary of state, the attorney general,  
8 and the superintendent of public instruction.

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

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

11 (b) Transparency requirements for trust operations;

12 (c) Ethics and conflict of interest requirements for the  
13 commission, the board, and officers and employees of the trust,  
14 including rules to ensure that they perform their functions in  
15 compliance with chapter 42.52 RCW; and

16 (d) Other topics as needed for efficient administration of the  
17 trust.

18 (3) The commission shall commence trust operations by July 1,  
19 2016.

20 (4) The commission may delegate to the trust president such  
21 duties and powers as deemed necessary to carry on the business of the  
22 trust and enforce this chapter efficiently and effectively. The  
23 commission may not delegate its rule-making or policy-making  
24 authority.

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

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

30 NEW SECTION. **Sec. 5.** ORGANIZING COMMITTEE. (1)(a) The trust  
31 organizing committee is established, with members as provided in this  
32 subsection.

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

35 (ii) The speaker of the house of representatives shall appoint  
36 one member from each of the two largest caucuses of the house of  
37 representatives.

1 (iii) The president of the senate and the speaker of the house of  
2 representatives jointly shall appoint seven citizen members with a  
3 background in financial issues.

4 (b) The president of the senate and the speaker of the house of  
5 representatives jointly shall select the chair from among the citizen  
6 membership. The chair shall convene the initial meeting of the trust  
7 organizing committee within forty-five days after the effective date  
8 of this section.

9 (2) The trust organizing committee shall develop and recommend  
10 the following to the commission within the timeline established by  
11 the commission:

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

15 (b) Initial capital requirements of the trust;

16 (c) Options for capitalizing the trust including but not limited  
17 to: Federal transportation funds, Taft-Hartley trust funds, revenue  
18 bond proceeds, state reserves, and other core capital reserves not  
19 needed for liquidity; and

20 (d) Other items requested by the commission in order to commence  
21 trust operations by July 1, 2016.

22 (3) Legislative members of the trust organizing committee must be  
23 reimbursed for travel expenses in accordance with RCW 44.04.120.  
24 Nonlegislative members, except those representing an employer or  
25 organization, are entitled to be reimbursed for expenses incurred in  
26 the discharge of their duties under chapter 43.--- RCW (the new  
27 chapter created in section 26 of this act) in accordance with RCW  
28 43.03.050 and 43.03.060.

29 (4) The trust organizing committee may appoint an interim  
30 president and other necessary staff who are exempt from the  
31 provisions of chapter 41.06 RCW, and who serve at the committee's  
32 pleasure on such terms and conditions as the committee determines but  
33 subject to chapter 42.52 RCW. The department must provide technical  
34 assistance to the trust organizing committee. The committee may also  
35 contract with additional persons who have specific technical  
36 expertise if the expertise is necessary to carry out the requirements  
37 of this section.

38 (5) This section expires July 1, 2016.

1        NEW SECTION.    **Sec. 6.**    DEPOSIT OF FUNDS. (1) All deposits in the  
2 trust are guaranteed by the state rather than insured by the federal  
3 deposit insurance corporation.

4        (2) All income earned by the trust on state moneys that are  
5 deposited in or invested with the trust constitute income of the  
6 trust and must be credited to the trust except as otherwise required  
7 by law.

8        (3) The trust may accept deposits from marijuana producers,  
9 marijuana processors, and marijuana retailers, but is exempt from the  
10 requirements of chapter 39.58 RCW.

11        (4) The trust may accept funds from any state or local public  
12 source.

13        (5)(a) Administrative and strategic planning expenses of the  
14 trust are funded from the earnings of the trust, subject to  
15 legislative authorization, and from any other appropriations provided  
16 by the legislature.

17        (b) The commission shall establish a separate administrative  
18 account within the trust from which its administrative and strategic  
19 planning costs must be funded. In each biennial operating budget, the  
20 legislature shall authorize the commission to incur a maximum  
21 expenditure from the administrative account.

22        (c) In an amount not to exceed the authorized expenditures, the  
23 commission shall proportionally allocate interest earnings from  
24 accounts and moneys under its management and shall transfer this  
25 amount to the administrative fund. This transfer shall precede the  
26 distribution of remaining earnings under applicable statutes.

27        NEW SECTION.    **Sec. 7.**    INVESTMENT OF DEPOSITED FUNDS. The trust  
28 may invest all moneys deposited in the trust.

29        NEW SECTION.    **Sec. 8.**    FEDERAL RESERVE SYSTEM MEMBERSHIP. The  
30 trust may become a member of the federal reserve system.

31        NEW SECTION.    **Sec. 9.**    PUBLIC PURPOSE FUNDING. The trust is  
32 authorized to manage and invest state moneys in order to facilitate  
33 investment in, and financing of, construction, rehabilitation,  
34 replacement, and improvement of new and existing public  
35 infrastructure systems, and for any other public purpose as  
36 authorized by the commission. By November 1, 2015, the commission  
37 must present an implementation plan and any necessary legislation to

1 the governor and appropriate legislative committees that demonstrates  
2 how the trust plans to maximize revenues and public benefit.

3 NEW SECTION. **Sec. 10.** MANAGEMENT. (1) The commission shall  
4 appoint a trust president. The president is exempt from the  
5 provisions of chapter 41.06 RCW. The president shall serve at the  
6 commission's pleasure, on such terms and conditions as the commission  
7 determines, but subject to chapter 42.52 RCW.

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

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

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

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

18 NEW SECTION. **Sec. 11.** ADVISORY BOARD. (1)(a) A publicly owned  
19 trust advisory board consisting of eleven members is created to  
20 review the trust's operations and make recommendations relating to  
21 the trust's management, services, policies, and procedures.

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

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

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

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

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

6 NEW SECTION. **Sec. 12.** FINANCIAL OVERSIGHT AND AUDIT. (1) The  
7 trust must maintain capital adequacy and other standard indicators of  
8 safety and soundness as are appropriate for a publicly owned  
9 financial institution.

10 (2) The director shall examine the trust, taking into  
11 consideration the unique circumstances of a publicly owned financial  
12 institution. The trust shall pay the director for the reasonable  
13 costs of examinations.

14 (3) The state auditor shall conduct an annual post-audit on all  
15 accounts and financial transactions of the trust.

16 NEW SECTION. **Sec. 13.** 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. 14.** 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  
25 42.52 RCW and in rules, policies, and procedures adopted by the  
26 commission, which shall endeavor to maintain the highest standards  
27 and best practices for accountability, transparency, and ethical  
28 conduct.

29 NEW SECTION. **Sec. 15.** FEES AND TAXES. The trust is exempt from  
30 payment of all fees and taxes levied by the state or any of its  
31 subdivisions.

32 NEW SECTION. **Sec. 16.** TRUST RECORDS. (1) Under RCW 42.56.270  
33 and 42.56.400, certain trust business records and records of the  
34 department relating to the trust are exempt from public disclosure.

1 (2) Financial and commercial information and records submitted to  
2 either the department or the commission for the purpose of  
3 administering this chapter may be shared between the department and  
4 the treasurer. These records may also be used in any suit or  
5 administrative hearing involving any provision of this chapter.

6 (3) This section does not prohibit:

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

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

13 NEW SECTION. **Sec. 17.** CAPITALIZATION. The treasurer shall  
14 deposit all moneys received by the state liquor control board or any  
15 employee thereof from marijuana-related activities into the trust.  
16 Nondedicated funds may be used by the commission for capitalization  
17 of the trust.

18 NEW SECTION. **Sec. 18.** A new section is added to chapter 39.58  
19 RCW to read as follows:

20 The Washington publicly owned trust created in section 3 of this  
21 act may accept deposits of public funds, but is not a public  
22 depository and is not subject to the requirements of this chapter.

23 NEW SECTION. **Sec. 19.** A new section is added to chapter 41.06  
24 RCW to read as follows:

25 In addition to the exemptions under RCW 41.06.070, the provisions  
26 of this chapter do not apply to the president of the Washington  
27 publicly owned trust in section 10 of this act.

28 **Sec. 20.** RCW 30A.04.020 and 2014 c 37 s 103 are each amended to  
29 read as follows:

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

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

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

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

17 (2) A foreign corporation or other foreign domiciled legal  
18 person, whose name contains the words "bank," "banker," "banking,"  
19 "bancorporation," "bancorp," or "trust," or the foreign language  
20 equivalent thereof, or whose articles of incorporation empower it to  
21 engage in banking or to engage in a trust business, may not engage in  
22 banking or in a trust business in this state unless the corporation  
23 or other legal person (a) is expressly authorized to do so under this  
24 title, under federal law, or by the director, and (b) complies with  
25 all applicable requirements of Washington state law regarding foreign  
26 corporations and other foreign legal persons. If an activity would  
27 not constitute "transacting business" within the meaning of RCW  
28 23B.15.010(1) or chapter 23B.18 RCW, then the activity shall not  
29 constitute banking or engaging in a trust business. Nothing in this  
30 subsection shall prevent operations by an alien bank in compliance  
31 with chapter 30A.42 RCW.

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

1       (4) This section does not prevent the Washington publicly owned  
2 trust created in section 3 of this act from being called a trust or  
3 from providing banking services without being called a bank.

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

7       **Sec. 21.** RCW 42.56.270 and 2014 c 192 s 6, 2014 c 174 s 5, and  
8 2014 c 144 s 6 are each reenacted and amended to read as follows:

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

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

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

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

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

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

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

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

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

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

8 (10)(a) Financial information, including but not limited to  
9 account numbers and values, and other identification numbers supplied  
10 by or on behalf of a person, firm, corporation, limited liability  
11 company, partnership, or other entity related to an application for a  
12 horse racing license submitted pursuant to RCW 67.16.260(1)(b),  
13 marijuana producer, processor, or retailer license, liquor license,  
14 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  
18 pursuant to rules adopted under chapter 9.46 RCW; or (ii) submitted  
19 by tribes 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  
25 purposes of the development, acquisition, or implementation of state  
26 purchased 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  
30 person 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  
33 person and provided to the department of commerce or the office of  
34 the 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  
3 product 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  
12 obtained by the department of ecology or the authority created under  
13 chapter 70.95N RCW to implement chapter 70.95N RCW;

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

25 (16) Any production records, mineral assessments, and trade  
26 secrets submitted by a permit holder, mine operator, or landowner to  
27 the 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  
33 the federal clean water act, 33 U.S.C. Sec. 1251 et seq., are subject  
34 to RCW 42.56.610 and 90.64.190;

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

1 (19) Information gathered under chapter 19.85 RCW or RCW  
2 34.05.328 that can be identified to a particular business;

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

11 (21) Market share data submitted by a manufacturer under RCW  
12 70.95N.190(4); and

13 (22) Financial information supplied to the department of  
14 financial institutions or to a portal under RCW 21.20.883, when filed  
15 by or on behalf of an issuer of securities for the purpose of  
16 obtaining the exemption from state securities registration for small  
17 securities offerings provided under RCW 21.20.880 or when filed by or  
18 on behalf of an investor for the purpose of purchasing such  
19 securities.

20 **Sec. 22.** RCW 42.56.400 and 2013 c 277 s 5 and 2013 c 65 s 5 are  
21 each reenacted and amended to read as follows:

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

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

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

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

37 (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  
3 48.46.600 through 48.46.625;

4 (6) Examination reports and information obtained by the  
5 department of financial institutions from banks under RCW  
6 (~~30.04.075~~) 30A.04.075, from savings banks under RCW 32.04.220,  
7 from savings and loan associations under RCW 33.04.110, from credit  
8 unions under RCW 31.12.565, from the Washington publicly owned trust  
9 under chapter 43.--- RCW (the new chapter created in section 26 of  
10 this act), from check cashers and sellers under RCW 31.45.030(3), and  
11 from securities brokers and investment advisers under RCW 21.20.100,  
12 all of which is confidential and privileged information;

13 (7) Information provided to the insurance commissioner under RCW  
14 48.110.040(3);

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

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

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

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

27 (b) "Health care facility" has the same meaning as in RCW  
28 48.140.010(6).

29 (c) "Health care provider" has the same meaning as in RCW  
30 48.140.010(7).

31 (d) "Insuring entity" has the same meaning as in RCW  
32 48.140.010(8).

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

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

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

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

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

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

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

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

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

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

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

22 (21) Data, information, and documents, other than those described  
23 in RCW 48.02.210(2), that are submitted to the office of the  
24 insurance commissioner by an entity providing health care coverage  
25 pursuant to RCW 28A.400.275 and 48.02.210; (~~and~~)

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

28 (23) Information not subject to public inspection or public  
29 disclosure under RCW 48.43.730(5).

30 **Sec. 23.** RCW 42.56.400 and 2013 c 65 s 5 are each amended to  
31 read as follows:

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

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

37 (2) Information obtained and exempted or withheld from public  
38 inspection by the health care authority under RCW 41.05.026, whether  
39 retained by the authority, transferred to another state purchased

1 health care program by the authority, or transferred by the authority  
2 to a technical review committee created to facilitate the  
3 development, acquisition, or implementation of state purchased health  
4 care under chapter 41.05 RCW;

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

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

9 (5) Information provided under RCW 48.05.510 through 48.05.535,  
10 48.43.200 through 48.43.225, 48.44.530 through 48.44.555, and  
11 48.46.600 through 48.46.625;

12 (6) Examination reports and information obtained by the  
13 department of financial institutions from banks under RCW  
14 (~~30.04.075~~) 30A.04.075, from savings banks under RCW 32.04.220,  
15 from savings and loan associations under RCW 33.04.110, from credit  
16 unions under RCW 31.12.565, from the Washington publicly owned trust  
17 under chapter 43.--- RCW (the new chapter created in section 26 of  
18 this act, from check cashers and sellers under RCW 31.45.030(3), and  
19 from securities brokers and investment advisers under RCW 21.20.100,  
20 all of which is confidential and privileged information;

21 (7) Information provided to the insurance commissioner under RCW  
22 48.110.040(3);

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

26 (9) Confidential proprietary and trade secret information  
27 provided to the commissioner under RCW 48.31C.020 through 48.31C.050  
28 and 48.31C.070;

29 (10) Data filed under RCW 48.140.020, 48.140.030, 48.140.050, and  
30 7.70.140 that, alone or in combination with any other data, may  
31 reveal the identity of a claimant, health care provider, health care  
32 facility, insuring entity, or self-insurer involved in a particular  
33 claim or a collection of claims. For the purposes of this subsection:

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

35 (b) "Health care facility" has the same meaning as in RCW  
36 48.140.010(6).

37 (c) "Health care provider" has the same meaning as in RCW  
38 48.140.010(7).

39 (d) "Insuring entity" has the same meaning as in RCW  
40 48.140.010(8).

- 1 (e) "Self-insurer" has the same meaning as in RCW 48.140.010(11);  
2 (11) Documents, materials, or information obtained by the  
3 insurance commissioner under RCW 48.135.060;  
4 (12) Documents, materials, or information obtained by the  
5 insurance commissioner under RCW 48.37.060;  
6 (13) Confidential and privileged documents obtained or produced  
7 by the insurance commissioner and identified in RCW 48.37.080;  
8 (14) Documents, materials, or information obtained by the  
9 insurance commissioner under RCW 48.37.140;  
10 (15) Documents, materials, or information obtained by the  
11 insurance commissioner under RCW 48.17.595;  
12 (16) Documents, materials, or information obtained by the  
13 insurance commissioner under RCW 48.102.051(1) and 48.102.140 (3) and  
14 (7)(a)(ii);  
15 (17) Documents, materials, or information obtained by the  
16 insurance commissioner in the commissioner's capacity as receiver  
17 under RCW 48.31.025 and 48.99.017, which are records under the  
18 jurisdiction and control of the receivership court. The commissioner  
19 is not required to search for, log, produce, or otherwise comply with  
20 the public records act for any records that the commissioner obtains  
21 under chapters 48.31 and 48.99 RCW in the commissioner's capacity as  
22 a receiver, except as directed by the receivership court;  
23 (18) Documents, materials, or information obtained by the  
24 insurance commissioner under RCW 48.13.151;  
25 (19) Data, information, and documents provided by a carrier  
26 pursuant to section 1, chapter 172, Laws of 2010;  
27 (20) Information in a filing of usage-based insurance about the  
28 usage-based component of the rate pursuant to RCW 48.19.040(5)(b);  
29 (21) Data, information, and documents, other than those described  
30 in RCW 48.02.210(2), that are submitted to the office of the  
31 insurance commissioner by an entity providing health care coverage  
32 pursuant to RCW 28A.400.275 and 48.02.210; and  
33 (22) Data, information, and documents obtained by the insurance  
34 commissioner under RCW 48.29.017.

35 **Sec. 24.** RCW 43.08.135 and 2009 c 549 s 5044 are each amended to  
36 read as follows:

37 The state treasurer shall maintain at all times cash, or demand  
38 deposits in the Washington publicly owned trust created in section 3  
39 of this act or qualified public depositories in an amount needed to

1 meet the operational needs of state government: PROVIDED, That the  
2 state treasurer shall not be considered in violation of RCW  
3 9A.56.060(1) if he or she maintains demand accounts in public  
4 depositories in an amount less than all treasury warrants issued and  
5 outstanding.

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

8 Subject to the limitations in section 7 of this act, wherever  
9 there is in any fund or in cash balances in the state treasury more  
10 than sufficient to meet the current expenditures properly payable  
11 therefrom, the state treasurer may invest or reinvest such portion of  
12 such funds or balances as the state treasurer deems expedient in the  
13 following defined securities or classes of investments:

14 (1) Certificates, notes, or bonds of the United States, or other  
15 obligations of the United States or its agencies, or of any  
16 corporation wholly owned by the government of the United States;

17 (2) In state, county, municipal, or school district bonds, or in  
18 warrants of taxing districts of the state. Such bonds and warrants  
19 shall be only those found to be within the limit of indebtedness  
20 prescribed by law for the taxing district issuing them and to be  
21 general obligations. The state treasurer may purchase such bonds or  
22 warrants directly from the taxing district or in the open market at  
23 such prices and upon such terms as it may determine, and may sell  
24 them at such times as it deems advisable;

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

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

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

36 (6) Negotiable certificates of deposit of any national or state  
37 commercial or mutual savings bank or savings and loan association  
38 doing business in the United States: PROVIDED, That the treasurer

1 shall adhere to the investment policies and procedures adopted by the  
2 state investment board;

3 (7) Commercial paper: PROVIDED, That the treasurer shall adhere  
4 to the investment policies and procedures adopted by the state  
5 investment board.

6 NEW SECTION. **Sec. 26.** Sections 1 through 4 and 6 through 17 of  
7 this act constitute a new chapter in Title 43 RCW.

8 NEW SECTION. **Sec. 27.** Section 22 of this act expires July 1,  
9 2017.

10 NEW SECTION. **Sec. 28.** Section 23 of this act takes effect July  
11 1, 2017.

12 NEW SECTION. **Sec. 29.** Sections 1 through 22, 24 and 25 of this  
13 act are necessary for the immediate preservation of the public peace,  
14 health, or safety, or support of the state government and its  
15 existing public institutions, and take effect immediately.

16 NEW SECTION. **Sec. 30.** If any provision of this act or its  
17 application to any person or circumstance is held invalid, the  
18 remainder of the act or the application of the provision to other  
19 persons or circumstances is not affected.

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