
ENGROSSED SECOND SUBSTITUTE SENATE BILL 5188

State of Washington

67th Legislature

2021 Regular Session

By Senate Ways & Means (originally sponsored by Senators Kuderer, Nguyen, Conway, Darneille, Das, Dhingra, Hasegawa, Hunt, Lias, Lovelett, Stanford, Van De Wege, Wellman, and Wilson, C.)

READ FIRST TIME 02/22/21.

1 AN ACT Relating to the creation of the Washington state public
2 financial cooperative; amending RCW 39.59.040, 42.56.270, 42.56.400,
3 43.10.067, and 43.84.080; reenacting and amending RCW 43.56.400;
4 adding a new section to chapter 43.190 RCW; adding a new chapter to
5 Title 43 RCW; creating a new section; providing an effective date;
6 and providing an expiration date.

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

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

20 It is the policy of the state of Washington to encourage self-
21 reliance by local and tribal governments in meeting their public

1 works and economic development needs, and to assist in the financing
2 of critical public works and economic development projects by
3 providing effective mechanisms for making and financing loans and
4 providing financing guarantees that do not create state debt. It is
5 also the policy of the state to provide technical assistance to
6 government entities for these projects.

7 It is further the policy of the state to foster and promote by
8 all reasonable means the provision of adequate capital markets and
9 facilities for borrowing money by local governments in the state to
10 finance infrastructure improvements, and to the greatest extent
11 possible to reduce costs of borrowed money to taxpayers and residents
12 of the state.

13 The legislature finds that a Washington state public financial
14 cooperative would provide opportunities for local and tribal
15 government entities to competitively finance a broad array of public
16 infrastructure and economic development projects, including housing,
17 at competitive rates with low administrative costs. A state public
18 financial cooperative will complement the existing banking system by
19 filling gaps that the system cannot or will not fill, and it will be
20 uniquely positioned to provide specialized technical assistance to
21 the diverse needs of local and tribal government entities.

22 It is the purpose of this chapter to establish a Washington state
23 public financial cooperative to act as a financial conduit that,
24 without creating state debt, can receive funds from state, local, and
25 tribal government entities, issue and make loans to those entities,
26 and issue bonds in a manner that does not create state debt, to help
27 facilitate access to needed capital by local and tribal government
28 entities on reasonable terms and rates.

29 The state public financial cooperative will have full powers to
30 borrow money and to issue its bonds and notes in a manner that does
31 not create state debt in order to make capital funds available for
32 borrowing by local and tribal government entities, and those powers
33 will enable the state public financial cooperative to carry out the
34 declared policies of this act, which are in the public interest of
35 the state and its taxpayers and residents.

36 NEW SECTION. **Sec. 2.** DEFINITIONS. The definitions in this
37 section apply throughout this chapter unless the context clearly
38 requires otherwise.

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

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

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

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

16 (5) "Financial assistance" means the infusion of capital to a
17 borrower for use in the planning, acquisition, construction, repair,
18 replacement, rehabilitation, development, and expansion of
19 infrastructure and economic development projects.

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

24 (7) "Financing document" means an instrument executed by the
25 cooperative and one or more borrowers pertaining to the issuance of
26 or security for bonds, or the application of the proceeds of bonds or
27 other funds of, or payable to, the cooperative. A financing document
28 may include, but need not be limited to, a lease, installment sale
29 agreement, conditional sale agreement, mortgage, loan agreement,
30 trust agreement or indenture, security agreement, letter or line of
31 credit, reimbursement agreement, insurance policy, guaranty
32 agreement, or currency or interest rate swap agreement. A financing
33 document also may be an agreement between the cooperative and an
34 eligible banking organization which has agreed to make a loan to a
35 borrower.

36 (8) "Infrastructure projects" means undertakings for the
37 planning, acquisition, construction, repair, replacement,
38 rehabilitation, or improvement of streets and roads, bridges, water
39 systems, storm and sanitary sewage systems, solid waste handling,
40 pollution control facilities, schools, communications systems, docks

1 and wharves, mass transportation facilities and equipment, public
2 housing, fire suppressing and emergency services equipment and
3 facilities, energy generating, conservation, or transmission
4 facilities, and other public infrastructure deemed eligible by the
5 board.

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

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

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

13 (a) Acquisition, lease, construction, reconstruction, remodeling,
14 refurbishing, rehabilitation, extension, and enlargement of land,
15 rights to land, buildings, structures, docks, wharves, fixtures,
16 machinery, equipment, excavations, paving, landscaping, utilities,
17 approaches, roadways and parking, handling and storage areas, and
18 similar ancillary facilities, and any other real or personal property
19 included in an infrastructure project;

20 (b) Architectural, engineering, consulting, accounting, and legal
21 costs related directly to the development, financing, acquisition,
22 lease, construction, reconstruction, remodeling, refurbishing,
23 rehabilitation, extension, and enlargement of an infrastructure
24 project, including costs of studies assessing the feasibility of an
25 infrastructure project;

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

29 (d) Start-up costs, working capital, capitalized research and
30 development costs, capitalized interest during construction and
31 during the 18 months after estimated completion of construction, and
32 capitalized debt service or repair and replacement or other
33 appropriate reserves;

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

36 (f) Other costs incidental to any of the costs listed in this
37 subsection.

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

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

3 NEW SECTION. **Sec. 3.** ESTABLISHMENT. (1) The Washington state
4 public financial cooperative is established as a public body
5 corporate and politic, with perpetual corporate succession,
6 constituting an instrumentality of the state of Washington exercising
7 essential governmental functions. The cooperative is a public body
8 within the meaning of RCW 39.53.010.

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

10 (i) The state treasurer completes a study that provides
11 recommendations on staffing and operational needs for the cooperative
12 to be administered by the Washington state housing finance
13 commission. The state treasurer shall contract with a consultant with
14 expertise in developing detailed operating plans for financial
15 institutions using an appropriation from the general fund to complete
16 the study. The study must ensure that the administration of the
17 cooperative does not interfere with the core mission of the
18 Washington state housing finance commission;

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

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

24 (b) The cooperative is deemed to have been formed as of the date
25 of filing articles of activation under (a)(iii) of this subsection.
26 The articles of activation must be approved by the legislative
27 authority of each of the member local or tribal governments that
28 subsequently becomes a member. Each member local or tribal government
29 must provide to the cooperative a contribution of an amount approved
30 by the state finance committee, and the board may subsequently adjust
31 the minimum contribution level for current and new members. Any
32 amendments to the articles of activation must be filed with the
33 secretary of state and will become effective on the date of filing.

34 (3) A duplicate of the original articles of activation and
35 amended articles of activation must be filed with the department of
36 financial institutions. The filing of amended articles of activation
37 must include the text of each amendment adopted and the date of its
38 adoption. The cooperative must also file the following with the
39 department of financial institutions:

1 (a) The address of the location of the main office of the
2 cooperative;

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

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

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

9 (e) Any other information the director of the department of
10 financial institutions deems necessary to perform a review of the
11 funds placed with the cooperative and the accounts and transactions
12 of the cooperative in carrying out the cooperative's duties, as
13 provided in this section.

14 (4)(a) The operating board of the cooperative consists of nine
15 directors. Terms of directors are four years, with half of the
16 initial directors other than the initial chair serving two-year terms
17 as determined by lot, with those positions being filled for four-year
18 terms thereafter.

19 (b) Five member-appointed directors must be selected by a
20 majority of the members of the cooperative. Member-appointed
21 directors must be elected local or tribal government officials. Three
22 public directors must be appointed by the governor and confirmed by
23 the senate. The public directors must be residents of the state
24 appointed by the governor on the basis of their interest and
25 expertise in finance, accounting, budgeting, economic development,
26 infrastructure planning, design, construction, or project management.
27 The state treasurer shall serve as an ex officio director.

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

34 (d) In the event of a vacancy on the board due to death,
35 resignation, lack of qualification to serve as a director, or
36 otherwise, a successor for the remainder of the unexpired term shall
37 be selected in the same manner as the selection of the director whose
38 position has become vacant. Any independent member of the cooperative
39 may be removed by the governor for misfeasance, malfeasance, or
40 willful neglect of duty after notice and a public hearing, unless

1 such notice and hearing are expressly waived in writing by the
2 affected public member.

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

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

8 (g) The directors of the cooperative serve without compensation
9 but are entitled to reimbursement, solely from the funds of the
10 cooperative, for expenses incurred in the discharge of their duties
11 under this chapter.

12 (5) The state finance committee serves as the oversight board of
13 the cooperative. In that capacity, the state finance committee must
14 carry out the responsibilities specified in this chapter. In
15 addition, the state finance committee may at its discretion require
16 independent audits of the accounts and transactions of the
17 cooperative and the methods, procedures, and operation of the
18 cooperative in carrying out its duties.

19 (6) The cooperative is a state agency subject to audit by the
20 state auditor under chapter 43.09 RCW. In addition, the department of
21 financial institutions may, at the discretion of the director of
22 financial institutions, review the funds placed with the cooperative
23 and the accounts and transactions of the cooperative in carrying out
24 the cooperative's duties. Nothing in this subsection establishes that
25 the cooperative is an institution or entity otherwise subject to the
26 jurisdiction of the department of financial institutions.

27 (7) The board has the authority to hire and fire an executive
28 director. The executive director shall be funded in the Washington
29 state housing finance commission budget and shall administer and
30 operate the Washington state public financial cooperative.

31 (8) The cooperative's administration and operation must be
32 performed by employees of the Washington state housing finance
33 commission, subject to the terms of one or more agreements between
34 the cooperative and the commission concerning responsibilities of the
35 commission's staff and compensation of the commission.

36 (9) The board must approve the budget of the cooperative
37 annually.

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

39 (11) The cooperative shall have a goal of providing 35 percent of
40 the amount it lends on an annual basis to support housing in low to

1 moderate-income areas, beginning five years after the cooperative has
2 been activated as provided in this section.

3 (12) The cooperative must not be or constitute a bank or trust
4 company within the jurisdiction or under the control of the director
5 of financial institutions, the comptroller of the currency of the
6 United States of America, or the United States department of the
7 treasury.

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

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

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

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

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

18 (2) Adopt and alter an official seal;

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

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

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

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

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

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

1 (9) Open and maintain accounts in qualified public depositories;
2 in the federal reserve bank of San Francisco, in the national
3 cooperative bank, in a federal home loan bank, or in any other
4 federal financing entity, and otherwise provide for the investment of
5 any funds not required for immediate disbursement and provide for the
6 selection of investments. The cooperative may participate in and use
7 the federal reserve banks payments systems and account services;

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

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

16 (12) Accept gifts or grants from the United States, or from any
17 governmental unit or person, firm, or corporation, carry out the
18 terms or provisions or make agreements with respect to the gifts or
19 grants, and do all things necessary, useful, desirable, or convenient
20 in connection with procuring, accepting, or disposing of the gifts or
21 grants;

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

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

30 (15) For the purpose of facilitating the financing of
31 infrastructure and economic development activity in the state of
32 Washington by the state or local or tribal governments, develop and
33 conduct a program or programs to make loans to borrowers for project
34 costs of infrastructure and economic development projects. Those
35 loans may be made from the proceeds of bonds issued by the
36 cooperative, from funds held by the cooperative, and from other
37 assets of the cooperative including contributions. The cooperative
38 may develop and conduct a program that will stimulate and encourage
39 the development of infrastructure and economic development projects

1 by the infusion of financial assistance for state, local, or tribal
2 governments;

3 (16) Establish guidelines for the engagement by state, local, or
4 tribal governments in programs conducted by the cooperative under
5 this chapter. The cooperative may prescribe the form of application
6 or procedure required of a borrower for a loan, fix the terms and
7 conditions of the loan or purchase, and enter into financing
8 agreements and other financing documents with borrowers with respect
9 to loans and other forms of financial assistance;

10 (17) Establish, revise, and collect such member contributions and
11 such fees and charges as the cooperative deems necessary, useful, or
12 convenient to accomplish its purposes. Members are authorized to make
13 such contributions, and state, local, and tribal governments are
14 authorized to pay such fees and charges;

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

18 (19) Establish such reserves and special funds, including but not
19 limited to debt service and sinking funds, reserve funds, project
20 funds, and such other special funds as the cooperative deems
21 necessary, useful, or convenient, and controls on funds to and from
22 them, as the cooperative deems necessary, useful, or convenient to
23 accomplish its purposes;

24 (20) Provide financial assistance and other forms of assistance
25 to state, local, or tribal governments by providing information,
26 advice, guidelines, forms, and procedures for implementing their
27 financing programs;

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

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

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

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

38 NEW SECTION. **Sec. 5.** FINANCING POWERS. (1) Bonds issued under
39 this chapter must be issued in the name of the cooperative. The bonds

1 are not obligations of the state of Washington, may not create state
2 debt, and are obligations only of the cooperative payable from the
3 special fund or funds created by the cooperative for their payment.
4 Such funds are not public moneys or funds of the state of Washington
5 and at all times must be kept segregated and set apart from other
6 funds.

7 (2) Bonds issued under this chapter must contain a recital on
8 their face to the effect that payment of the principal of, interest
9 on, and prepayment premium, if any, on the bonds, is a valid claim
10 only as against the special fund or funds relating thereto, that
11 neither the faith and credit nor the taxing power of the state or any
12 municipal corporation, subdivision, or agency of the state, other
13 than the cooperative as set forth in this chapter, is pledged to the
14 payment of the principal of, interest on, and prepayment premium, if
15 any, on the bonds. Contracts entered into by the cooperative must be
16 entered into in the name of the cooperative and not in the name of
17 the state of Washington. The obligations of the cooperative under the
18 contracts must be obligations only of the cooperative and are not in
19 any way obligations of the state of Washington.

20 (3) The cooperative's bonds must bear such date or dates, mature
21 at such time or times, be in such denominations, be in such form, be
22 registered or registrable in such manner, be made transferable,
23 exchangeable, and interchangeable, be payable in such medium of
24 payment, at such place or places, be subject to such terms of
25 redemption, bear such fixed or variable rate or rates of interest, be
26 payable at such time or times, and be sold in such manner and at such
27 price or prices, as the cooperative determines. The bonds shall be
28 executed by the chair, by either its duly elected secretary or its
29 treasurer, and by the trustee or paying agent if the cooperative
30 determines to use a trustee or paying agent for the bonds. Execution
31 of the bonds may be by manual or facsimile signature. The bonds of
32 the cooperative may be negotiable instruments under Title 62A RCW.

33 (4) The bonds of the cooperative are subject to such terms,
34 conditions, covenants, and protective provisions as are found
35 necessary or desirable by the cooperative including, but not limited
36 to, pledges of the cooperative's assets, setting aside of reserves,
37 limitations on additional forms of indebtedness, and the mortgaging
38 of all or any part of the cooperative's real or personal property,
39 then owned or thereafter acquired, and other provisions the

1 cooperative finds are necessary or desirable for the security of bond
2 owners.

3 (5) Any bonds issued under this chapter may be secured by a
4 financing document between the cooperative and the purchasers or
5 owners of such bonds or between the cooperative and a corporate
6 trustee appointed by the cooperative, which may be any trust company
7 or bank having the powers of a trust company within or without the
8 state. The financing document may pledge or assign, in whole or in
9 part, the revenues and funds held or to be received by the
10 cooperative, any present or future contract or other rights to
11 receive the same, and the proceeds thereof. The financing document
12 may contain such provisions for protecting and enforcing the rights,
13 security, and remedies of bond owners as may be reasonable and proper
14 including, without limiting the generality of the foregoing,
15 provisions defining defaults and providing for remedies in the event
16 of default which may include the acceleration of maturities,
17 restrictions on the individual rights of action by bond owners, and
18 covenants setting forth duties of and limitations on the cooperative
19 in conduct of its programs and the management of its property. In
20 addition to other security provided in this chapter or otherwise by
21 law, bonds issued by the cooperative may be secured, in whole or in
22 part, by a pledge of the assets of the cooperative, including
23 contributions of the members, or by financial guaranties, insurance
24 or letters of credit issued to the cooperative or a trustee or any
25 other person, by any bank, trust company, insurance or surety
26 company, or other financial institution, within or without the state.
27 The cooperative may pledge or assign, in whole or in part, the
28 revenues and funds held or to be received by the cooperative, any
29 present or future contract or other rights to receive the same, and
30 the proceeds thereof, as security for such guaranties or insurance or
31 for the reimbursement by the cooperative to any issuer of such letter
32 of credit of any payments made under such letter of credit. No
33 individual member is liable to the cooperative, to the cooperative's
34 trustee, or to any other person in amounts exceeding the member's
35 contribution unless authorized by a majority of the members of the
36 cooperative.

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

1 (a) Pay the borrower's share of the fees established by the
2 cooperative;

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

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

11 (7) Any security interest created in the unexpended bond proceeds
12 and in the special funds created by the cooperative must be
13 immediately valid and binding against such moneys and any securities
14 in which such moneys may be invested without cooperative or trustee
15 possession thereof, and the security interest is prior to any party
16 having any competing claim in such moneys or securities, without
17 filing or recording pursuant to chapter 62A.9A RCW and regardless of
18 whether the party has notice of the security interest.

19 (8) When issuing bonds, the cooperative may provide for the
20 future issuance of additional bonds or parity debt on a parity with
21 outstanding bonds, and the terms and conditions of their issuance.
22 The cooperative may refund or advance refund any bond of the
23 cooperative in accordance with chapter 39.53 RCW or issue bonds with
24 a subordinate lien against the fund or funds securing outstanding
25 bonds. Bonds issued for refunding purposes may be combined with bonds
26 issued for the financing or refinancing of new projects. Pending the
27 application of the proceeds of the refunding bonds to the redemption
28 of the bonds to be redeemed, the cooperative may enter into an
29 agreement or agreements with a corporate trustee regarding the
30 interim investment of the proceeds and the application of the
31 proceeds and the earnings on the proceeds to the payment of the
32 principal of and interest on, and the redemption of, the bonds to be
33 redeemed.

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

1 (a) Perform all or any part of the obligations of the cooperative
2 with respect to: (i) Bonds issued by it; (ii) the receipt,
3 investment, and application of the proceeds of the bonds and money
4 paid by a participant or available from other sources for the payment
5 of the bonds; (iii) the enforcement of the obligations of a borrower
6 in connection with the financing or refinancing of any project; and
7 (iv) other matters relating to the exercise of the cooperative's
8 powers under this chapter;

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

12 (c) Act on behalf of the cooperative or the owners of bonds of
13 the cooperative for purposes of assuring or enforcing the payment of
14 the bonds, when due.

15 (10) The cooperative may purchase its bonds with any of its funds
16 available for the purchase. The cooperative may hold, pledge, cancel,
17 or resell the bonds subject to and in accordance with agreements with
18 bond owners.

19 (11) The chair of the state finance cooperative or the chair's
20 designee must be notified in advance of the issuance of bonds by the
21 cooperative in order to promote the orderly offering of obligations
22 in the financial markets.

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

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

30 (14) Any owner of bonds of the cooperative issued under this
31 chapter, and the trustee under any trust agreement or indenture, may,
32 either at law or in equity, by suit, action, mandamus, or other
33 proceeding, protect and enforce any of their respective rights, and
34 may become the purchaser at any foreclosure sale if the person is the
35 highest bidder, except to the extent the rights given are restricted
36 by the cooperative in any bond resolution or trust agreement or
37 indenture authorizing the issuance of the bonds.

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

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

7 (17) The bonds of the cooperative are securities in which all
8 public officers and bodies of this state and all counties, cities,
9 municipal corporations, and political subdivisions, all banks,
10 eligible banking organizations, bankers, trust companies, savings
11 banks and institutions, building and loan associations, savings and
12 loan associations, investment companies, insurance companies and
13 associations, and all executors, administrators, guardians, trustees,
14 and other fiduciaries may legally invest any sinking funds, moneys,
15 or other funds belonging to them or within their control.

16 (18) This section provides a complete, additional, and
17 alternative method for accomplishing the purposes of this chapter and
18 shall be regarded as supplemental and additional to powers conferred
19 by other laws. The issuance of bonds and refunding bonds under this
20 chapter need not comply with the requirements of any other law
21 applicable to the issuance of bonds. Insofar as the provisions of
22 this chapter are inconsistent with the provisions of any general or
23 special law, or parts thereof, the provisions of this chapter are
24 controlling.

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

27 Employees of the Washington state housing finance commission
28 shall primarily administer and operate the Washington state public
29 financial cooperative, as provided by section 3(8) of this act. The
30 cooperative may consult with other state agencies at its discretion
31 and without the approval of the Washington state housing finance
32 commission.

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

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

36 (1) Bonds of the state of Washington and any local government in
37 the state of Washington;

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

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

8 (4) Certificates, notes, or bonds of the United States, or other
9 obligations of the United States or its agencies, or of any
10 corporation wholly owned by the government of the United States; or
11 United States dollar denominated bonds, notes, or other obligations
12 that are issued or guaranteed by supranational institutions, provided
13 that, at the time of investment, the institution has the United
14 States government as its largest shareholder;

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

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

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

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

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

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

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

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

1 (2) Financial information supplied by or on behalf of a person,
2 firm, or corporation for the purpose of qualifying to submit a bid or
3 proposal for (a) a ferry system construction or repair contract as
4 required by RCW 47.60.680 through 47.60.750; (b) highway construction
5 or improvement as required by RCW 47.28.070; or (c) alternative
6 public works contracting procedures as required by RCW 39.10.200
7 through 39.10.905;

8 (3) Financial and commercial information and records supplied by
9 private persons pertaining to export services provided under chapters
10 43.163 and 53.31 RCW, and by persons pertaining to export projects
11 under RCW 43.23.035;

12 (4) Financial and commercial information and records supplied by
13 businesses or individuals during application for loans or program
14 services provided by chapters 43.325, 43.163, 43.160, 43.330, 43.---
15 (the new chapter created in section 15 of this act), and 43.168 RCW,
16 or during application for economic development loans or program
17 services provided by any local agency;

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

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

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

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

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

35 (10)(a) Financial information, including but not limited to
36 account numbers and values, and other identification numbers supplied
37 by or on behalf of a person, firm, corporation, limited liability
38 company, partnership, or other entity related to an application for a
39 horse racing license submitted pursuant to RCW 67.16.260(1)(b),

1 marijuana producer, processor, or retailer license, liquor license,
2 gambling license, or lottery retail license;

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

8 (c) Valuable formulae or financial or proprietary commercial
9 information records received during a consultative visit or while
10 providing consultative services to a licensed marijuana business in
11 accordance with RCW 69.50.561;

12 (11) Proprietary data, trade secrets, or other information that
13 relates to: (a) A vendor's unique methods of conducting business; (b)
14 data unique to the product or services of the vendor; or (c)
15 determining prices or rates to be charged for services, submitted by
16 any vendor to the department of social and health services or the
17 health care authority for purposes of the development, acquisition,
18 or implementation of state purchased health care as defined in RCW
19 41.05.011;

20 (12)(a) When supplied to and in the records of the department of
21 commerce:

22 (i) Financial and proprietary information collected from any
23 person and provided to the department of commerce pursuant to RCW
24 43.330.050(8); and

25 (ii) Financial or proprietary information collected from any
26 person and provided to the department of commerce or the office of
27 the governor in connection with the siting, recruitment, expansion,
28 retention, or relocation of that person's business and until a siting
29 decision is made, identifying information of any person supplying
30 information under this subsection and the locations being considered
31 for siting, relocation, or expansion of a business;

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

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

37 (d) If there is no written contact for a period of sixty days to
38 the department of commerce from a person connected with siting,
39 recruitment, expansion, retention, or relocation of that person's

1 business, information described in (a)(ii) of this subsection will be
2 available to the public under this chapter;

3 (13) Financial and proprietary information submitted to or
4 obtained by the department of ecology or the authority created under
5 chapter (~~(70.95N)~~) 70A.500 RCW to implement chapter (~~(70.95N)~~)
6 70A.500 RCW;

7 (14) Financial, commercial, operations, and technical and
8 research information and data submitted to or obtained by the life
9 sciences discovery fund authority in applications for, or delivery
10 of, grants under RCW 43.330.502, to the extent that such information,
11 if revealed, would reasonably be expected to result in private loss
12 to the providers of this information;

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

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

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

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

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

34 (19) Information gathered under chapter 19.85 RCW or RCW
35 34.05.328 that can be identified to a particular business;

36 (20) Financial and commercial information submitted to or
37 obtained by the University of Washington, other than information the
38 university is required to disclose under RCW 28B.20.150, when the
39 information relates to investments in private funds, to the extent
40 that such information, if revealed, would reasonably be expected to

1 result in loss to the University of Washington consolidated endowment
2 fund or to result in private loss to the providers of this
3 information;

4 (21) Market share data submitted by a manufacturer under RCW
5 (~~70.95N.190~~) 70A.500.190(4);

6 (22) Financial information supplied to the department of
7 financial institutions, when filed by or on behalf of an issuer of
8 securities for the purpose of obtaining the exemption from state
9 securities registration for small securities offerings provided under
10 RCW 21.20.880 or when filed by or on behalf of an investor for the
11 purpose of purchasing such securities;

12 (23) Unaggregated or individual notices of a transfer of crude
13 oil that is financial, proprietary, or commercial information,
14 submitted to the department of ecology pursuant to RCW
15 90.56.565(1)(a), and that is in the possession of the department of
16 ecology or any entity with which the department of ecology has shared
17 the notice pursuant to RCW 90.56.565;

18 (24) Financial institution and retirement account information,
19 and building security plan information, supplied to the liquor and
20 cannabis board pursuant to RCW 69.50.325, 69.50.331, 69.50.342, and
21 69.50.345, when filed by or on behalf of a licensee or prospective
22 licensee for the purpose of obtaining, maintaining, or renewing a
23 license to produce, process, transport, or sell marijuana as allowed
24 under chapter 69.50 RCW;

25 (25) Marijuana transport information, vehicle and driver
26 identification data, and account numbers or unique access identifiers
27 issued to private entities for traceability system access, submitted
28 by an individual or business to the liquor and cannabis board under
29 the requirements of RCW 69.50.325, 69.50.331, 69.50.342, and
30 69.50.345 for the purpose of marijuana product traceability.
31 Disclosure to local, state, and federal officials is not considered
32 public disclosure for purposes of this section;

33 (26) Financial and commercial information submitted to or
34 obtained by the retirement board of any city that is responsible for
35 the management of an employees' retirement system pursuant to the
36 authority of chapter 35.39 RCW, when the information relates to
37 investments in private funds, to the extent that such information, if
38 revealed, would reasonably be expected to result in loss to the
39 retirement fund or to result in private loss to the providers of this
40 information except that (a) the names and commitment amounts of the

1 private funds in which retirement funds are invested and (b) the
2 aggregate quarterly performance results for a retirement fund's
3 portfolio of investments in such funds are subject to disclosure;

4 (27) Proprietary financial, commercial, operations, and technical
5 and research information and data submitted to or obtained by the
6 liquor and cannabis board in applications for marijuana research
7 licenses under RCW 69.50.372, or in reports submitted by marijuana
8 research licensees in accordance with rules adopted by the liquor and
9 cannabis board under RCW 69.50.372;

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

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

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

23 (31) Records filed with the department of ecology under chapter
24 ((~~70.375~~) 70A.515 RCW that a court has determined are confidential
25 valuable commercial information under RCW ((~~70.375.130~~) 70A.515.130;
26 and

27 (32) Unaggregated financial, proprietary, or commercial
28 information submitted to or obtained by the liquor and cannabis board
29 in applications for licenses under RCW 66.24.140 or 66.24.145, or in
30 any reports or remittances submitted by a person licensed under RCW
31 66.24.140 or 66.24.145 under rules adopted by the liquor and cannabis
32 board under chapter 66.08 RCW.

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

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

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

1 (2) Information obtained and exempted or withheld from public
2 inspection by the health care authority under RCW 41.05.026, whether
3 retained by the authority, transferred to another state purchased
4 health care program by the authority, or transferred by the authority
5 to a technical review committee created to facilitate the
6 development, acquisition, or implementation of state purchased health
7 care under chapter 41.05 RCW;

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

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

12 (5) Information provided under RCW 48.05.510 through 48.05.535,
13 48.43.200 through 48.43.225, 48.44.530 through 48.44.555, and
14 48.46.600 through 48.46.625;

15 (6) Examination reports and information obtained by the
16 department of financial institutions from banks under RCW 30A.04.075,
17 from savings banks under RCW 32.04.220, from savings and loan
18 associations under RCW 33.04.110, from credit unions under RCW
19 31.12.565, from chapter 43.--- RCW (the new chapter created in
20 section 15 of this act), from check cashers and sellers under RCW
21 31.45.030(3), and from securities brokers and investment advisers
22 under RCW 21.20.100, all of which is confidential and privileged
23 information;

24 (7) Information provided to the insurance commissioner under RCW
25 48.110.040(3);

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

29 (9) Documents, materials, or information obtained or provided by
30 the insurance commissioner under RCW 48.31B.015(2) (l) and (m),
31 48.31B.025, 48.31B.030, 48.31B.035, and 48.31B.036, all of which are
32 confidential and privileged;

33 (10) Data filed under RCW 48.140.020, 48.140.030, 48.140.050, and
34 7.70.140 that, alone or in combination with any other data, may
35 reveal the identity of a claimant, health care provider, health care
36 facility, insuring entity, or self-insurer involved in a particular
37 claim or a collection of claims. For the purposes of this subsection:

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

39 (b) "Health care facility" has the same meaning as in RCW
40 48.140.010(6).

1 (c) "Health care provider" has the same meaning as in RCW
2 48.140.010(7).

3 (d) "Insuring entity" has the same meaning as in RCW
4 48.140.010(8).

5 (e) "Self-insurer" has the same meaning as in RCW 48.140.010(11);
6 (11) Documents, materials, or information obtained by the
7 insurance commissioner under RCW 48.135.060;
8 (12) Documents, materials, or information obtained by the
9 insurance commissioner under RCW 48.37.060;
10 (13) Confidential and privileged documents obtained or produced
11 by the insurance commissioner and identified in RCW 48.37.080;
12 (14) Documents, materials, or information obtained by the
13 insurance commissioner under RCW 48.37.140;
14 (15) Documents, materials, or information obtained by the
15 insurance commissioner under RCW 48.17.595;
16 (16) Documents, materials, or information obtained by the
17 insurance commissioner under RCW 48.102.051(1) and 48.102.140 (3) and
18 (7) (a) (ii);
19 (17) Documents, materials, or information obtained by the
20 insurance commissioner in the commissioner's capacity as receiver
21 under RCW 48.31.025 and 48.99.017, which are records under the
22 jurisdiction and control of the receivership court. The commissioner
23 is not required to search for, log, produce, or otherwise comply with
24 the public records act for any records that the commissioner obtains
25 under chapters 48.31 and 48.99 RCW in the commissioner's capacity as
26 a receiver, except as directed by the receivership court;
27 (18) Documents, materials, or information obtained by the
28 insurance commissioner under RCW 48.13.151;
29 (19) Data, information, and documents provided by a carrier
30 pursuant to section 1, chapter 172, Laws of 2010;
31 (20) Information in a filing of usage-based insurance about the
32 usage-based component of the rate pursuant to RCW 48.19.040(5)(b);
33 (21) Data, information, and documents that are submitted to the
34 office of the insurance commissioner by an entity providing health
35 care coverage pursuant to RCW 28A.400.275;
36 (22) Data, information, and documents obtained by the insurance
37 commissioner under RCW 48.29.017;
38 (23) Information not subject to public inspection or public
39 disclosure under RCW 48.43.730(5);

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

3 (25) Documents, materials, or information obtained by the
4 insurance commissioner under RCW 48.74.025, 48.74.028, 48.74.100(6),
5 48.74.110(2) (b) and (c), and 48.74.120 to the extent such documents,
6 materials, or information independently qualify for exemption from
7 disclosure as documents, materials, or information in possession of
8 the commissioner pursuant to a financial conduct examination and
9 exempt from disclosure under RCW 48.02.065;

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

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

15 (28) Documents, materials, or other information, including the
16 corporate annual disclosure obtained by the insurance commissioner
17 under RCW 48.195.020;

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

20 (30) All claims data, including health care and financial related
21 data received under RCW 41.05.890, received and held by the health
22 care authority.

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

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

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

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

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

1 (4) Information provided under RCW 48.30A.045 through 48.30A.060;
2 (5) Information provided under RCW 48.05.510 through 48.05.535,
3 48.43.200 through 48.43.225, 48.44.530 through 48.44.555, and
4 48.46.600 through 48.46.625;
5 (6) Examination reports and information obtained by the
6 department of financial institutions from banks under RCW 30A.04.075,
7 from savings banks under RCW 32.04.220, from savings and loan
8 associations under RCW 33.04.110, from credit unions under RCW
9 31.12.565, from chapter 43.--- RCW (the new chapter created in
10 section 15 of this act), from check cashers and sellers under RCW
11 31.45.030(3), and from securities brokers and investment advisers
12 under RCW 21.20.100, all of which is confidential and privileged
13 information;
14 (7) Information provided to the insurance commissioner under RCW
15 48.110.040(3);
16 (8) Documents, materials, or information obtained by the
17 insurance commissioner under RCW 48.02.065, all of which are
18 confidential and privileged;
19 (9) Documents, materials, or information obtained or provided by
20 the insurance commissioner under RCW 48.31B.015(2) (l) and (m),
21 48.31B.025, 48.31B.030, 48.31B.035, and 48.31B.036, all of which are
22 confidential and privileged;
23 (10) Data filed under RCW 48.140.020, 48.140.030, 48.140.050, and
24 7.70.140 that, alone or in combination with any other data, may
25 reveal the identity of a claimant, health care provider, health care
26 facility, insuring entity, or self-insurer involved in a particular
27 claim or a collection of claims. For the purposes of this subsection:
28 (a) "Claimant" has the same meaning as in RCW 48.140.010(2).
29 (b) "Health care facility" has the same meaning as in RCW
30 48.140.010(6).
31 (c) "Health care provider" has the same meaning as in RCW
32 48.140.010(7).
33 (d) "Insuring entity" has the same meaning as in RCW
34 48.140.010(8).
35 (e) "Self-insurer" has the same meaning as in RCW 48.140.010(11);
36 (11) Documents, materials, or information obtained by the
37 insurance commissioner under RCW 48.135.060;
38 (12) Documents, materials, or information obtained by the
39 insurance commissioner under RCW 48.37.060;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

6 (28) Documents, materials, or other information, including the
7 corporate annual disclosure obtained by the insurance commissioner
8 under RCW 48.195.020;

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

11 (30) All claims data, including health care and financial related
12 data received under RCW 41.05.890, received and held by the health
13 care authority; and

14 (31) Contracts not subject to public disclosure under RCW
15 48.200.040 and 48.43.731.

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

18 No officer, director, administrative agency, board, or commission
19 of the state, other than the attorney general, shall employ, appoint
20 or retain in employment any attorney for any administrative body,
21 department, commission, agency, or tribunal or any other person to
22 act as attorney in any legal or quasi legal capacity in the exercise
23 of any of the powers or performance of any of the duties specified by
24 law to be performed by the attorney general, except where it is
25 provided by law to be the duty of the judge of any court or the
26 prosecuting attorney of any county to employ or appoint such persons:
27 PROVIDED, That RCW 43.10.040, and 43.10.065 through 43.10.080 shall
28 not apply to the administration of the commission on judicial
29 conduct, the state law library, the law school of the state
30 university, the administration of the state bar act by the Washington
31 State Bar Association, (~~or~~) the representation of an estate
32 administered by the director of the department of revenue or the
33 director's designee pursuant to chapter 11.28 RCW, or the state
34 public financial cooperative to the extent provided in section 4(22)
35 of this act.

36 The authority granted by chapter 1.08 RCW, RCW 44.28.065, and
37 47.01.061 shall not be affected hereby.

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

3 Wherever there is in any fund or in cash balances in the state
4 treasury more than sufficient to meet the current expenditures
5 properly payable therefrom, the state treasurer may invest or
6 reinvest such portion of such funds or balances as the state
7 treasurer deems expedient in the following:

8 (1) Certificates, notes, or bonds of the United States, or other
9 obligations of the United States or its agencies, or of any
10 corporation wholly owned by the government of the United States or
11 United States dollar denominated bonds, notes, or other obligations
12 that are issued or guaranteed by supranational institutions, provided
13 that, at the time of investment, the institution has the United
14 States government as its largest shareholder;

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

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

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

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

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

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

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

3 NEW SECTION. **Sec. 13.** 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.

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

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

12 NEW SECTION. **Sec. 16.** Section 9 of this act expires January 1,
13 2022.

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

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