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**SENATE BILL 5188**

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**State of Washington**

**67th Legislature**

**2021 Regular Session**

**By** Senators Kuderer, Nguyen, Conway, Darneille, Das, Dhingra, Hasegawa, Hunt, Liiias, Lovelett, Stanford, Van De Wege, Wellman, and Wilson, C.

Read first time 01/13/21. Referred to Committee on Business, Financial Services & Trade.

1 AN ACT Relating to the creation of the Washington state public  
2 bank; amending RCW 39.58.050, 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 section to  
5 chapter 39.58 RCW; adding a new chapter to Title 43 RCW; creating a  
6 new section; providing an effective date; and providing an expiration  
7 date.

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

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

1 It is the policy of the state of Washington to encourage self-  
2 reliance by local and tribal governments in meeting their public  
3 works and economic development needs, and to assist in the financing  
4 of critical public works and economic development projects by  
5 providing effective mechanisms for making and financing loans and  
6 providing financing guarantees that do not create state debt. It is  
7 also the policy of the state to provide technical assistance to  
8 government entities for these projects.

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

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

24 It is the purpose of this chapter to establish a cooperative  
25 Washington state public bank to act as a financial conduit that,  
26 without creating state debt, can receive deposits from state, local,  
27 and tribal government entities, issue and make loans to those  
28 entities, and issue bonds, to help facilitate access to needed  
29 capital by state, local, and tribal government entities on reasonable  
30 terms and rates.

31 The state public bank will have full powers to borrow money and  
32 to issue its bonds and notes to make capital funds available for  
33 borrowing by state, local, and tribal government entities, and those  
34 powers will enable the state public bank to carry out the declared  
35 policies of this act, which are in the public interest of the state  
36 and its taxpayers and residents.

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

1 (1) "Bank" means the Washington state public bank established in  
2 section 3 of this act, or any board, body, commission, department, or  
3 officer succeeding to the principal functions of the bank or to whom  
4 the powers conferred upon the bank are given by law.

5 (2) "Board" means the operating board of the bank established in  
6 section 3 of this act.

7 (3) "Bonds" means any bonds, notes, debentures, interim  
8 certificates, conditional sales or lease financing agreements, lines  
9 of credit, forward purchase agreements, investment agreements, and  
10 other banking or financial arrangements, guaranties, or other  
11 obligations issued by or entered into by the bank. Such bonds may be  
12 issued on either a tax-exempt or taxable basis.

13 (4) "Borrower" means one or more local or tribal governments or a  
14 state entity.

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

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

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

34 (8) "Infrastructure projects" means undertakings for the  
35 planning, acquisition, construction, repair, replacement,  
36 rehabilitation, or improvement of streets and roads, bridges, water  
37 systems, storm and sanitary sewage systems, solid waste handling,  
38 pollution control facilities, schools, communications systems, docks  
39 and wharves, mass transportation facilities and equipment, public  
40 housing, fire suppressing and emergency services equipment and

1 facilities, energy generating, conservation, or transmission  
2 facilities, and other public infrastructure deemed eligible by the  
3 board.

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

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

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

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

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

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

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

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

34 (f) Other costs incidental to any of the costs listed in this  
35 subsection.

36 (12) "State" means the state of Washington and any department,  
37 agency, or instrumentality thereof other than the bank.

38 (13) "Tribal government" means the governing body of a federally  
39 recognized Indian tribe as defined in RCW 43.376.010.

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

7        (2) The bank may be activated by an appropriation that is  
8 sufficient to capitalize the bank so that it can issue debt with a  
9 competitive rating and the submission of executed articles of  
10 activation in a form approved by the state finance committee to the  
11 secretary of state. The agreement must be filed with the secretary of  
12 state, and the bank shall be deemed to have been formed as of the  
13 date of that filing. The articles must be approved by the legislative  
14 authority of each of the member local or tribal governments that  
15 subsequently becomes a member. Each member local or tribal government  
16 must provide to the bank a contribution of an amount approved by the  
17 state finance committee, and the board may subsequently adjust the  
18 minimum contribution level for current and new members. Any  
19 amendments to the articles of activation must be filed with the  
20 secretary of state and will become effective on the date of filing.  
21 The secretary of state must, upon the filing of articles of  
22 activation, issue a charter to the bank in a form proposed by the  
23 board and approved by the state finance committee.

24        (3) (a) The operating board of the bank consists of nine  
25 directors. Terms of directors are four years, with half of the  
26 initial directors other than the initial chair serving two-year terms  
27 as determined by lot, with those positions being filled for four-year  
28 terms thereafter.

29        (b) Five member-appointed directors must be selected by a  
30 majority of the members of the bank. Member-appointed directors must  
31 be elected local or tribal government officials. Three public  
32 directors must be appointed by the governor and confirmed by the  
33 senate. The public directors must be residents of the state appointed  
34 by the governor on the basis of their interest and expertise in  
35 finance, accounting, budgeting, economic development, infrastructure  
36 planning, design, construction, or project management. The state  
37 treasurer shall serve as an ex officio director.

38        (c) One of the public members shall be appointed by the governor  
39 as chair of the board and shall serve as chair at the pleasure of the  
40 governor. The initial chair must serve a full four-year term. The

1 bank may select from its membership such other officers of the bank  
2 as it deems appropriate, including without limitation a secretary and  
3 a treasurer.

4 (d) In the event of a vacancy on the board due to death,  
5 resignation, lack of qualification to serve as a director, or  
6 otherwise, a successor for the remainder of the unexpired term shall  
7 be selected in the same manner as the selection of the director whose  
8 position has become vacant. Any independent member of the bank may be  
9 removed by the governor for misfeasance, malfeasance, or willful  
10 neglect of duty after notice and a public hearing, unless such notice  
11 and hearing are expressly waived in writing by the affected public  
12 member.

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

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

18 (g) The directors of the bank serve without compensation but are  
19 entitled to reimbursement, solely from the funds of the bank, for  
20 expenses incurred in the discharge of their duties under this  
21 chapter.

22 (4) The state finance committee serves as the oversight board of  
23 the bank. In that capacity, the state finance committee must carry  
24 out the responsibilities specified in this chapter. In addition, the  
25 state finance committee may at its discretion require independent  
26 audits of the accounts and transactions of the bank and the methods,  
27 procedures, and operation of the bank in carrying out its duties.

28 (5) The bank is a state agency subject to audit by the state  
29 auditor under chapter 43.09 RCW. In addition, the department of  
30 financial institutions may, at the discretion of the director of  
31 financial institutions, review the deposits with the bank and the  
32 accounts and transactions of the bank in carrying out the bank's  
33 duties. Nothing in this subsection establishes that the bank is an  
34 institution or entity otherwise subject to the jurisdiction of the  
35 department of financial institutions.

36 (6) The board has the authority to hire and fire an executive  
37 director. The executive director shall be funded in the Washington  
38 state housing finance commission budget and shall administer and  
39 operate the Washington state public bank.

1 (7) The bank's administration and operation must be performed by  
2 employees of the Washington state housing finance commission, subject  
3 to the terms of one or more agreements between the bank and the  
4 commission concerning responsibilities of the commission's staff and  
5 compensation of the commission.

6 (8) The board must approve the budget of the public bank  
7 annually.

8 (9) The board shall establish an internal audit committee.

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

13 (11) The bank must not be or constitute a bank or trust company  
14 within the jurisdiction or under the control of the director of  
15 financial institutions, the comptroller of the currency of the United  
16 States of America, or the United States department of the treasury.

17 (12) The bank must not be or constitute a bank, broker, or dealer  
18 in securities within the meaning of, or subject to the provisions of,  
19 any securities, securities exchange, or securities dealers' law of  
20 the United States of America or this state.

21 NEW SECTION. **Sec. 4.** POWERS. The bank is authorized to:

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

23 (2) Adopt and alter an official seal;

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

26 (4) Engage such independent consultants, attorneys, and advisers  
27 as the bank deems necessary, useful, or convenient to accomplish its  
28 purposes, and, subject to section 5(6) of this act, contract with  
29 federal, state, and local or tribal governmental entities for  
30 services;

31 (5) Make and execute all manner of contracts, agreements, and  
32 instruments and financing documents with public and private parties  
33 as the bank deems necessary, useful, or convenient to accomplish its  
34 purposes;

35 (6) Acquire, hold, use, and dispose of real or personal property,  
36 or any interest therein, in the name of the bank, and to sell,  
37 assign, lease, encumber, mortgage, or otherwise dispose of the same  
38 in such manner as the bank deems necessary, useful, or convenient to  
39 accomplish its purposes;

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

3 (8) Receive deposits of funds from state, local, or tribal  
4 governments, invest those deposits in lawful funds, including without  
5 limitation investments in loans made by the bank to borrowers;

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

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

16 (11) Procure such insurance of such types, in such amounts, and  
17 from such insurers as the bank deems desirable including, but not  
18 limited to, insurance against any loss or damage to its property or  
19 other assets, public liability insurance for injuries to persons or  
20 property, and directors and officers liability insurance;

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

27 (13) Apply for and accept grants, loans, advances, and  
28 contributions from any source of money, property, labor, or other  
29 things of value, to be held, used, and applied as the bank deems  
30 necessary, useful, or convenient to accomplish its purposes;

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

35 (15) For the purpose of facilitating the financing of  
36 infrastructure and economic development activity in the state of  
37 Washington by the state or local or tribal governments, develop and  
38 conduct a program or programs to make loans to borrowers for project  
39 costs of infrastructure and economic development projects. Those  
40 loans may be made from the proceeds of bonds issued by the bank, from



1 deposits held by the bank, and from other assets of the bank  
2 including contributions. The bank may develop and conduct a program  
3 that will stimulate and encourage the development of infrastructure  
4 and economic development projects by the infusion of financial  
5 assistance for state, local, or tribal governments;

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

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

18 (18) Make such expenditures as are appropriate for paying the  
19 administrative costs and expenses of the bank in carrying out the  
20 provisions of this chapter;

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

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

31 (21) When authorized by not less than two-thirds of the members  
32 of the board, make distributions to members of amounts that the board  
33 deems surplus to the needs of the bank;

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

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

38 (24) Exercise any other power the bank deems necessary, useful,  
39 or convenient to accomplish its purposes and exercise the powers  
40 expressly granted in this chapter.

1        NEW SECTION.    **Sec. 5.**    FINANCING POWERS. (1) Bonds issued under  
2 this chapter must be issued in the name of the bank. The bonds are  
3 not obligations of the state of Washington and are obligations only  
4 of the bank payable from the special fund or funds created by the  
5 bank for their payment. Such funds are not public moneys or funds of  
6 the state of Washington and at all times must be kept segregated and  
7 set apart from other funds.

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

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

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

1 and other provisions the bank finds are necessary or desirable for  
2 the security of bond owners.

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

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

39 (a) Pay the borrower's share of the fees established by the bank;

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

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

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

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

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

38 (a) Perform all or any part of the obligations of the bank with  
39 respect to: (i) Bonds issued by it; (ii) the receipt, investment, and  
40 application of the proceeds of the bonds and money paid by a

1 participant or available from other sources for the payment of the  
2 bonds; (iii) the enforcement of the obligations of a borrower in  
3 connection with the financing or refinancing of any project; and (iv)  
4 other matters relating to the exercise of the bank's powers under  
5 this chapter;

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

9 (c) Act on behalf of the bank or the owners of bonds of the bank  
10 for purposes of assuring or enforcing the payment of the bonds, when  
11 due.

12 (10) The bank may purchase its bonds with any of its funds  
13 available for the purchase. The bank may hold, pledge, cancel, or  
14 resell the bonds subject to and in accordance with agreements with  
15 bond owners.

16 (11) The chair of the state finance committee or the chair's  
17 designee must be notified in advance of the issuance of bonds by the  
18 bank in order to promote the orderly offering of obligations in the  
19 financial markets.

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

25 (13) The bank may, out of any fund available therefor, purchase  
26 its bonds in the open market.

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

35 (15) The bank may charge for its costs and services in review or  
36 consideration of a proposed loan to a state, local, or tribal  
37 government, whether or not the loan is made.

38 (16) To the extent permitted under its contracts with the owners  
39 of bonds of the bank, the bank may consent to modification of the  
40 rate of interest, time and payment of installment of principal or

1 interest, security, or any other term of a bond or note, loan to a  
2 state, local, or tribal government, contract, or agreement of any  
3 kind to which the bank authority is a party.

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

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

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

24 Employees of the Washington state housing finance commission  
25 shall primarily administer and operate the Washington state public  
26 bank, as provided by section 3(7) of this act. The bank may consult  
27 with other state agencies at its discretion and without the approval  
28 of the Washington state housing finance commission.

29 **Sec. 7.** RCW 39.58.050 and 2016 c 152 s 2 are each amended to  
30 read as follows:

31 (1) Every public depository shall complete a depository pledge  
32 agreement with the commission and a trustee, and shall at all times  
33 maintain, segregated from its other assets, eligible collateral  
34 having a value at least equal to its maximum liability and as  
35 otherwise prescribed in this chapter. Eligible securities used as  
36 collateral shall be segregated by deposit with the depository's  
37 trustee and shall be clearly designated as security for the benefit  
38 of public depositors under this chapter.

1 (2) Securities eligible as collateral shall be valued at market  
2 value, and the total market value of securities pledged in accordance  
3 with this chapter shall not be reduced by withdrawal or substitution  
4 of securities except by prior authorization, in writing, by the  
5 commission.

6 (3) The public depository shall have the right to make  
7 substitutions of an equal or greater amount of eligible securities at  
8 any time.

9 (4) The income from the securities which have been segregated as  
10 collateral shall belong to the public depository without restriction.

11 (5) Each of the following enumerated classes of securities,  
12 providing there has been no default in the payment of principal or  
13 interest thereon, shall be eligible to qualify as collateral:

14 (a) 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 (b) State, county, municipal, or school district bonds or  
18 warrants of taxing districts of the state of Washington or any other  
19 state of the United States, provided that such bonds and warrants  
20 shall be only those found to be within the limit of indebtedness  
21 prescribed by law for the taxing district issuing them and to be  
22 general obligations;

23 (c) The obligations of any United States government-sponsored  
24 corporation whose obligations are or may become eligible as  
25 collateral for advances to member banks as determined by the board of  
26 governors of the federal reserve system;

27 (d) Bonds, notes, or other securities or evidence of indebtedness  
28 constituting the direct and general obligation of a federal home loan  
29 bank or federal reserve bank;

30 (e) Revenue bonds of this state or any authority, board,  
31 commission, committee, or similar agency thereof, and any  
32 municipality or taxing district of this state;

33 (f) Direct and general obligation bonds and warrants of any city,  
34 town, county, school district, port district, or other political  
35 subdivision of any state, having the power to levy general taxes,  
36 which are payable from general ad valorem taxes;

37 (g) Bonds issued by public utility districts as authorized under  
38 the provisions of Title 54 RCW, as now or hereafter amended;

39 (h) Bonds of any city of the state of Washington for the payment  
40 of which the entire revenues of the city's water system, power and

1 light system, or both, less maintenance and operating costs, are  
2 irrevocably pledged, even though such bonds are not general  
3 obligations of such city.

4 (6) In addition to the securities enumerated in this section, the  
5 commission may also accept as collateral a letter of credit from a  
6 federal home loan bank or a federal reserve bank on behalf of a  
7 public depository, naming the commission as beneficiary. Such letters  
8 are not subject to a completed depository pledge agreement. As such,  
9 the commission must act as the safekeeping agent for letters of  
10 credit.

11 (7) A public depository may also segregate such bonds,  
12 securities, and other obligations as are designated to be authorized  
13 security for public deposits under the laws of this state.

14 (8) The commission may determine by rule or resolution whether  
15 any security, whether or not enumerated in this section, is or shall  
16 remain eligible as collateral when in the commission's judgment it is  
17 desirable or necessary to do so.

18 (9) The Washington state public bank established in section 3 of  
19 this act fulfills its collateralization requirement if public funds  
20 held by the bank are deposited in financial institutions that meet  
21 the requirements of this section.

22 **Sec. 8.** RCW 39.59.040 and 2016 c 152 s 11 are each amended to  
23 read as follows:

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

25 (1) Bonds of the state of Washington and any local government in  
26 the state of Washington;

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

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

34 (4) Certificates, notes, or bonds of the United States, or other  
35 obligations of the United States or its agencies, or of any  
36 corporation wholly owned by the government of the United States; or  
37 United States dollar denominated bonds, notes, or other obligations  
38 that are issued or guaranteed by supranational institutions, provided



1 that, at the time of investment, the institution has the United  
2 States government as its largest shareholder;

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

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

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

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

18 (9) A bank as defined in section 2 of this act.

19 **Sec. 9.** RCW 42.56.270 and 2020 c 238 s 11 are each amended to  
20 read as follows:

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

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

27 (2) Financial information supplied by or on behalf of a person,  
28 firm, or corporation for the purpose of qualifying to submit a bid or  
29 proposal for (a) a ferry system construction or repair contract as  
30 required by RCW 47.60.680 through 47.60.750; (b) highway construction  
31 or improvement as required by RCW 47.28.070; or (c) alternative  
32 public works contracting procedures as required by RCW 39.10.200  
33 through 39.10.905;

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

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

1 services provided by chapters 43.325, 43.163, 43.160, 43.330, 43.---  
2 (the new chapter created in section 17 of this act), and 43.168 RCW,  
3 or during application for economic development loans or program  
4 services provided by any local agency;

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

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

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

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

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

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

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

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

38 (11) Proprietary data, trade secrets, or other information that  
39 relates to: (a) A vendor's unique methods of conducting business; (b)  
40 data unique to the product or services of the vendor; or (c)

1 determining prices or rates to be charged for services, submitted by  
2 any vendor to the department of social and health services or the  
3 health care authority for purposes of the development, acquisition,  
4 or implementation of state purchased health care as defined in RCW  
5 41.05.011;

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

8 (i) Financial and proprietary information collected from any  
9 person and provided to the department of commerce pursuant to RCW  
10 43.330.050(8); and

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

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

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

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

28 (13) Financial and proprietary information submitted to or  
29 obtained by the department of ecology or the authority created under  
30 chapter ((70.95N)) 70A.500 RCW to implement chapter ((70.95N))  
31 70A.500 RCW;

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

38 (15) Financial and commercial information provided as evidence to  
39 the department of licensing as required by RCW 19.112.110 or  
40 19.112.120, except information disclosed in aggregate form that does

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1 (6) Examination reports and information obtained by the  
2 department of financial institutions from banks under RCW 30A.04.075,  
3 from savings banks under RCW 32.04.220, from savings and loan  
4 associations under RCW 33.04.110, from credit unions under RCW  
5 31.12.565, from chapter 43.--- RCW (the new chapter created in  
6 section 17 of this act), from check cashers and sellers under RCW  
7 31.45.030(3), and from securities brokers and investment advisers  
8 under RCW 21.20.100, all of which is confidential and privileged  
9 information;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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



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

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

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

9 **Sec. 11.** RCW 42.56.400 and 2020 c 243 s 4 and 2020 c 240 s 9 are  
10 each reenacted and amended to read as follows:

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

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

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

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

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

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

30 (6) Examination reports and information obtained by the  
31 department of financial institutions from banks under RCW 30A.04.075,  
32 from savings banks under RCW 32.04.220, from savings and loan  
33 associations under RCW 33.04.110, from credit unions under RCW  
34 31.12.565, from chapter 43.--- RCW (the new chapter created in  
35 section 17 of this act), from check cashers and sellers under RCW  
36 31.45.030(3), and from securities brokers and investment advisers  
37 under RCW 21.20.100, all of which is confidential and privileged  
38 information;

1 (7) Information provided to the insurance commissioner under RCW  
2 48.110.040(3);

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

6 (9) Documents, materials, or information obtained or provided by  
7 the insurance commissioner under RCW 48.31B.015(2) (l) and (m),  
8 48.31B.025, 48.31B.030, 48.31B.035, and 48.31B.036, all of which are  
9 confidential and privileged;

10 (10) Data filed under RCW 48.140.020, 48.140.030, 48.140.050, and  
11 7.70.140 that, alone or in combination with any other data, may  
12 reveal the identity of a claimant, health care provider, health care  
13 facility, insuring entity, or self-insurer involved in a particular  
14 claim or a collection of claims. For the purposes of this subsection:

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

16 (b) "Health care facility" has the same meaning as in RCW  
17 48.140.010(6).

18 (c) "Health care provider" has the same meaning as in RCW  
19 48.140.010(7).

20 (d) "Insuring entity" has the same meaning as in RCW  
21 48.140.010(8).

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

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

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

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

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

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

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

36 (17) Documents, materials, or information obtained by the  
37 insurance commissioner in the commissioner's capacity as receiver  
38 under RCW 48.31.025 and 48.99.017, which are records under the  
39 jurisdiction and control of the receivership court. The commissioner  
40 is not required to search for, log, produce, or otherwise comply with

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1       **Sec. 12.** RCW 43.10.067 and 1997 c 41 s 9 are each amended to  
2 read as follows:

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

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

22       **Sec. 13.** RCW 43.84.080 and 2016 c 152 s 18 are each amended to  
23 read as follows:

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

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

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

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

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

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

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

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

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

22 (8) Contributions to a bank as defined in section 2 of this act.

23 NEW SECTION. **Sec. 14.** A new section is added to chapter 39.58  
24 RCW to read as follows:

25 A bank as defined in section 2 of this act may collateralize  
26 government deposits in the bank.

27 NEW SECTION. **Sec. 15.** If any provision of this act or its  
28 application to any person or circumstance is held invalid, the  
29 remainder of the act or the application of the provision to other  
30 persons or circumstances is not affected.

31 NEW SECTION. **Sec. 16.** This act, being necessary for the welfare  
32 of the state and its inhabitants, shall be liberally construed to  
33 effect the purposes thereof.

34 NEW SECTION. **Sec. 17.** Sections 1 through 5 of this act  
35 constitute a new chapter in Title 43 RCW.

1        NEW SECTION.    **Sec. 18.**    Section 10 of this act expires January 1,  
2    2022.

3        NEW SECTION.    **Sec. 19.**    Section 11 of this act takes effect  
4    January 1, 2022.

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