

ESSB 6069 - H AMD  
By Representative Santos

ADOPTED AND ENGROSSED 03/01/2024

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

3 "PART I  
4 WASHINGTON SAVES

5 NEW SECTION. **Sec. 1.** ESTABLISHMENT. (1) Washington saves is  
6 established to serve as a vehicle through which covered employees  
7 may, on a voluntary basis, provide for additional retirement security  
8 through a state-facilitated retirement savings program in a  
9 convenient, cost-effective, and portable manner.

10 (2) Washington saves is intended as a public-private partnership  
11 that will encourage, not replace or compete with, employer-sponsored  
12 retirement plans.

13 (3) Washington saves must be designed in consultation with  
14 covered employers and covered employees to ensure that the businesses  
15 and workers intended to benefit from the program are provided ample  
16 opportunity to learn about and give input on the program design and  
17 timeline for implementation before the program is made publicly  
18 available.

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

22 (1) "Administrative account" means the Washington saves  
23 administrative treasury trust account created in section 11 of this  
24 act.

25 (2) "Complainant" means a covered employee, or that employee's  
26 designee who has written or legal authority to act on behalf of the  
27 employee, who files a complaint alleging an employer administrative  
28 violation of section 3 of this act who learned of the alleged  
29 violation by way of their employment with a covered employer.

1 (3) "Consumer price index" means the consumer price index for all  
2 urban consumers, all items, for the Seattle area as calculated by the  
3 United States bureau of labor statistics or its successor agency.

4 (4) "Covered employee" means an individual who is 18 years of age  
5 or older, who is employed by a covered employer.

6 (5) "Covered employer" means any employer that:

7 (a) Has been in business in this state for at least two years as  
8 of the immediately preceding calendar year;

9 (b) Maintains a physical presence;

10 (c) Does not offer a qualified retirement plan to their covered  
11 employees who have had continuous employment of one year or more; and

12 (d) Employs, and at any point during the immediately preceding  
13 calendar year employed, employees working a combined minimum of  
14 10,400 hours.

15 (6) "Department" means the department of labor and industries.

16 (7) "Employer" means a person or entity engaged in a business,  
17 profession, trade, or other enterprise in the state, whether for  
18 profit or not for profit. "Employer" does not include federal or  
19 state entities, agencies, or instrumentalities, or any political  
20 subdivision thereof.

21 (8) "Employer administrative duties" include all requirements of  
22 covered employers under section 3 of this act that do not involve  
23 amounts due to the employee.

24 (9) "Employment" has the same meaning as in RCW 50.04.100.

25 (10) "Governing board" means the board created in section 4 of  
26 this act.

27 (11) "Individual account" means an IRA established by or for an  
28 individual participant and owned by the individual participant  
29 pursuant to this chapter.

30 (12) "Individual participant" means any individual who is  
31 contributing to, or has a balance credited in, an IRA through the  
32 program.

33 (13) "Internal revenue code" means the federal internal revenue  
34 code of 1986, as amended, or any successor law.

35 (14) "IRA" means a traditional or Roth individual retirement  
36 account or individual retirement annuity described in section 408(a),  
37 408(b), or 408A of the internal revenue code.

38 (15) "Payroll deduction IRA agreement" means an arrangement by  
39 which a participating employer makes payroll deductions authorized by

1 this chapter and remits amounts deducted as contributions to IRAs on  
2 behalf of individual participants.

3 (16) "Program" means the Washington saves program established  
4 under this chapter.

5 (17) "Qualified retirement plan" means a retirement plan in  
6 compliance with applicable federal law for employees including those  
7 described in section 401(a), 401(k), 403(a), 403(b), 408(k), or  
8 408(p) of the internal revenue code. A qualified retirement plan may  
9 require continuous employment of up to one year to be eligible for  
10 employee participation.

11 (18) "Wages" means any commission, compensation, salary, or other  
12 remuneration, as defined by section 219(f)(1) of the internal revenue  
13 code, received by a covered employee from a covered employer.

14 NEW SECTION. **Sec. 3.** GENERAL PROVISIONS. (1) The program:

15 (a) Allows covered employees to contribute to an IRA through  
16 automatic payroll deductions or additional retirement savings  
17 vehicles;

18 (b) Requires covered employers to fulfill the requirements  
19 provided in subsection (3) of this section;

20 (c) Facilitates automatic enrollment for covered employees and  
21 allows for covered employees to opt out of the plan at any time;

22 (d) Has a default contribution rate, set by the governing board  
23 by rule. The default contribution rate may not be less than three  
24 percent or more than seven percent of wages; and

25 (e) Has a default escalation rate, set by the governing board by  
26 rule. The default escalation rate may not exceed one percent per  
27 year. The maximum contribution rate based on the default escalation  
28 rate may not exceed 10 percent of wages.

29 (2)(a) Covered employees, who do not opt out of the program, are  
30 automatically enrolled in the program at the default rate or at an  
31 amount expressly specified by the employee in connection with the  
32 payroll deduction IRA agreement. Individual participants may modify  
33 their contribution rates or amounts or terminate their participation  
34 in the program at any time, subject to procedure defined by rule by  
35 the governing board. All contribution amounts are subject to the  
36 dollar limits on contributions provided by federal law.

37 (b) Contributions must be invested in the default investment  
38 option unless the individual participant affirmatively elects to  
39 invest some or all balances in one or more approved investment

1 options offered by the program. An individual participant must have  
2 the opportunity to change investments for either future contributions  
3 or existing balances, or both, subject to requirements defined by  
4 rule by the governing board.

5 (c) Individual accounts are portable. A former individual  
6 participant who is either unemployed, or is employed by a noncovered  
7 employer, must be permitted to contribute to their individual  
8 account.

9 (d) An individual participant's and former individual  
10 participant's ability to withdraw, roll over, or transfer account  
11 balances is subject to, and liable for, all fees, penalties, and  
12 taxes under applicable law.

13 (e) An individual participant's or former individual  
14 participant's ability to receive distributions of contributions and  
15 earnings is subject to applicable law.

16 (3) (a) Each covered employer must facilitate the opportunity for  
17 covered employees to participate in the program by fulfilling the  
18 following administrative duties, as defined by rule by the governing  
19 board:

20 (i) Register with the program and provide the program  
21 administrator relevant information about covered employees;

22 (ii) (A) Assist the program by offering all covered employees the  
23 choice to either participate by voluntarily contributing to an IRA or  
24 opt out; or

25 (B) Automatically enroll covered employees in a qualified  
26 retirement plan offered by a trade association or chamber of commerce  
27 and permit covered employees to opt out;

28 (iii) Timely remit participant contributions; and

29 (iv) Distribute program information and disclosures to covered  
30 employees, as provided in section 4(14) of this act.

31 (b) The employers' role in the program is solely ministerial. In  
32 accordance with federal law, employers are prohibited from  
33 contributing funds to the IRAs through the program.

34 (c) Employers are not fiduciaries with respect to, or are liable  
35 for, the program, related information, educational materials, or  
36 forms or disclosures approved by the governing board, or the  
37 selection or performance of vendors selected by the governing board.  
38 An employer is not responsible for or obligated to monitor a covered  
39 employee's or individual participant's decision to participate in or  
40 opt out of the program, for contribution decisions, investment

1 decisions, or failure to comply with the statutory eligibility  
2 conditions or limits on IRA contributions. An employer does not  
3 guarantee any investment, rate of return, or interest on assets in  
4 any individual participant account or the administrative account or  
5 is liable for any market losses, failure to realize gains, or any  
6 other adverse consequences, including the loss of favorable tax  
7 treatment or public assistance benefits, incurred by any person as a  
8 result of participating in the program. Nothing in this section  
9 relieves an employer from liability for criminal, fraudulent,  
10 tortious, or otherwise actionable conduct including liability related  
11 to the failure to remit employee contributions.

12 (4) (a) The governing board must determine the type or types of  
13 IRA accounts available under the program.

14 (b) An individual participant's contributions and earnings may be  
15 combined for investment and custodial purposes only. Separate records  
16 and accounting are required for individual accounts. Reports on the  
17 status of individual accounts must be provided to each individual  
18 participant at least annually. Individual participants must have  
19 online access to their accounts.

20 (c) Any moneys placed in these accounts may not be counted as  
21 assets for the purposes of state or local means-tested program  
22 eligibility or levels of state means-tested program eligibility.

23 NEW SECTION. **Sec. 4.** GOVERNING BOARD—RESPONSIBILITIES. (1) The  
24 governing board shall design and administer the program for the  
25 exclusive benefit of individual participants and beneficiaries with  
26 the care and skill of a knowledgeable, prudent individual.

27 (2) The governing board is comprised of 15 members as follows:

28 (a) The president of the senate shall appoint one member from  
29 each of the two largest caucuses of the senate;

30 (b) The speaker of the house of representatives shall appoint one  
31 member from each of the two largest caucuses of the house of  
32 representatives;

33 (c) The state treasurer;

34 (d) The director of the department or the director's designee;  
35 and

36 (e) The following members representing the diversity and  
37 geography of the state, appointed by the governor:

38 (i) One member representing the securities industry;

39 (ii) One member representing the insurance industry;

1 (iii) One member who is a certified financial planner recommended  
2 by the national association of insurance and financial advisors of  
3 Washington;

4 (iv) One member representing the interests of small, independent  
5 businesses in Washington;

6 (v) One member representing the interests of minority-owned and  
7 women-owned businesses in Washington;

8 (vi) One member representing the Washington asset building  
9 coalition;

10 (vii) One member representing a retirement advocacy organization;

11 (viii) One member representing covered employees; and

12 (ix) One member representing covered employers.

13 (3) (a) The legislative member from the majority caucus of the  
14 house of representatives shall convene the initial meeting of the  
15 governing board. The governing board shall choose cochairs selected  
16 from the legislative membership for the design stage of the program  
17 until July 1, 2027. The governing board shall provide recommendations  
18 in the legislative report about who should be the chair of the  
19 governing board once the program is operational after July 1, 2027.

20 (b) After July 1, 2027, the legislative members of the governing  
21 board serve in an ex officio, advisory role to the governing board.

22 (4) Members who are appointed by the governor serve three-year  
23 terms and may be appointed for a second three-year term at the  
24 discretion of the governor. Members who are appointed by the governor  
25 may serve up to two terms over the course of their lifetime. The  
26 governor may stagger the terms of the appointed members.

27 (5) The governing board may appoint work groups to support the  
28 design and administration of the program. Work groups do not serve a  
29 voting function on the governing board and may include individuals  
30 who are not members of the governing board. Any work group  
31 established by the governing board is a class one group under RCW  
32 43.03.220. Work group members receive compensation accordingly.

33 (6) Other state agencies must provide appropriate and reasonable  
34 assistance to the program as needed, including gathering data and  
35 information, in order for the governing board to carry out the  
36 purposes of this chapter. The governing board may reimburse the other  
37 state agencies from the administrative account for reasonable  
38 expenses incurred in providing appropriate and reasonable assistance.

39 (7) (a) The governing board must begin meeting in 2025.

1 (b) The governing board may conduct meetings remotely by  
2 teleconference or videoconference, including to obtain a quorum and  
3 to take votes on any measure.

4 (c) Each voting governing board member has one vote. The powers  
5 of the governing board must be exercised by a majority of all voting  
6 members present at the meeting of the governing board, whether in  
7 person or remotely. A quorum is required to convene a meeting of the  
8 governing board and to act on any measure before the governing board.

9 (8) The governing board shall establish, design, develop,  
10 implement, maintain, and oversee the program in accordance with this  
11 chapter and best practices for retirement saving vehicles.

12 (9) The office of financial management shall staff the governing  
13 board and shall provide administrative support to the governing  
14 board.

15 (10) The governing board shall conduct an outreach and education  
16 initiative regarding the design and implementation of the program.  
17 The governing board shall consult, educate, and receive feedback from  
18 covered employers and covered employees regarding the program design  
19 and implementation. The outreach and education initiative must ensure  
20 that diverse employer and employee communities are consulted, that  
21 interpreters are provided, and that written documents and materials  
22 are translated. In order to facilitate accessibility for diverse  
23 affected businesses and employees, the governing board shall work  
24 with the various state commissions to develop culturally and  
25 linguistically responsive outreach and education plans.

26 (11) Regarding investments, the governing board:

27 (a) Has the sole responsibility for contracting with outside  
28 firms to provide investment management for the program funds and  
29 manage the performance of investment managers under those contracts;

30 (b) Must adopt an investment policy statement and ensure that the  
31 investment options offered, including default investment options, are  
32 consistent with the objectives of the program. The menu of investment  
33 options may encompass a range of risk and return opportunities and  
34 must take the following into account:

35 (i) The nature and objectives of the program;

36 (ii) The diverse needs of individual participants;

37 (iii) The desirability of limiting investment choices under the  
38 program to a reasonable number; and

39 (iv) The extensive investment choices available to participants  
40 outside of the program.

1 (12) Regarding the design of the program, the governing board  
2 must:

3 (a) Ensure the program is designed and operated in a manner that  
4 will not cause it to be subject to or preempted by the federal  
5 employment retirement income security act of 1974, as amended, and  
6 that any employer that is not a covered employer shall have no  
7 reporting or registration obligation or requirement to take any  
8 action under the program other than to claim an exemption from  
9 coverage by the program;

10 (b) Design and operate the program to:

11 (i) Minimize costs to individual participants, covered employers,  
12 and the state;

13 (ii) Minimize the risk that covered employees will exceed  
14 applicable annual contribution limits;

15 (iii) Facilitate and encourage employee participation in the  
16 program and participant saving;

17 (iv) Maximize simplicity, including ease of administration for  
18 covered employers and ease of use for individual participants;

19 (v) Provide a simple process for covered employees to opt out of  
20 the program at any time or modify their payroll deductions;

21 (vi) Maximize portability of individual accounts;

22 (vii) Maximize financial security in retirement; and

23 (viii) Maximize the availability of funds to individual  
24 participants with a goal of having funds available within three  
25 business days following the remittance of payroll deductions by  
26 covered employers, if feasible;

27 (c) Design the program to be compliant with all applicable  
28 requirements under the internal revenue code, including requirements  
29 for favorable tax treatment of IRAs, and any other applicable law or  
30 regulation;

31 (d) Consult with the department of financial institutions, the  
32 department, the office of minority and women's business enterprises,  
33 and the office of the secretary of state to create a strategy to  
34 educate and inform covered employers about employer administrative  
35 duties under this chapter, including the development of culturally  
36 relevant and responsive approaches centered in cultural humility with  
37 outreach to employers that are considered socially vulnerable,  
38 historically marginalized, or face cultural or language barriers to  
39 participate in workplace retirement savings programs;



1 (e) Launch the program by July 1, 2027. The board may stagger  
2 implementation in stages after that date, which may include phasing  
3 in implementation based on the size of employers, or other factors.

4 (13) The governing board may adopt rules to govern the program,  
5 including to govern the following:

6 (a) Employee registration and enrollment process;

7 (b) Employee alternative election procedure including, but not  
8 limited to, the method in which a participating individual may opt  
9 out of participation at any time, change their contribution rate, opt  
10 out of auto-escalation, make nonpayroll contributions, and make  
11 withdrawals;

12 (c) Contribution limits, the initial automatic default  
13 contribution rate, and the automatic default escalation rate;

14 (d) Outreach, marketing, and educational initiatives or  
15 publication of online resources, encouragement of participation,  
16 retirement savings, and sound investment practices. Outreach,  
17 marketing, and educational initiatives must promote cultural humility  
18 and engage culturally relevant and responsive approaches while  
19 including special consideration for socially vulnerable communities  
20 historically, or are known to often be, excluded from, marginalized  
21 by, or face barriers to participation in workplace retirement savings  
22 programs; and

23 (e) A process in which individuals who are not covered employees  
24 may participate in the program, including unemployed individuals,  
25 self-employed individuals, and other independent contractors.

26 (14) The governing board shall develop:

27 (a) Information regarding the program;

28 (b) The following disclosures:

29 (i) A description of the benefits and risks associated with  
30 making contributions under the program;

31 (ii) Instructions about how to obtain additional information  
32 about the program;

33 (iii) A description of the tax consequences of an IRA, which may  
34 consist of or include the disclosure statement required to be  
35 distributed by the trustee under the internal revenue code and  
36 treasury regulations thereunder;

37 (iv) A statement that covered employees seeking financial advice  
38 should contact their own financial advisers, that covered employers  
39 are not in a position to provide financial advice, and that covered

1 employers are not liable for decisions covered employees make under  
2 this chapter;

3 (v) A statement that the program is not an employer-sponsored  
4 retirement plan;

5 (vi) A statement that the covered employee's IRA established  
6 under the program is not guaranteed by the state;

7 (vii) A statement that the program is voluntary for covered  
8 employees, and a covered employee may opt out of the program at any  
9 time; and

10 (viii) A statement that neither a covered employer nor the state  
11 will monitor or has an obligation to monitor the covered employee's  
12 eligibility under the internal revenue code to make contributions to  
13 an IRA or to monitor whether the covered employee's contributions to  
14 the IRA established for the covered employee exceed the maximum  
15 permissible IRA contribution; that it is the covered employee's  
16 responsibility to monitor such matters; and that the state, the  
17 program, and the covered employer have no liability with respect to  
18 any failure of the covered employee to be eligible to make IRA  
19 contributions or any contribution in excess of the maximum IRA  
20 contribution;

21 (c) Information, forms, and instructions to be furnished to  
22 covered employees, at such times as the governing board determines,  
23 that provide the covered employee with the procedures for:

24 (i) Making contributions to the covered employee's IRA  
25 established under the program, including a description of the  
26 automatic enrollment rate, the automatic escalation rate and  
27 frequency, the right to elect to make no contribution or to change  
28 the contribution rate under the program, and how to opt out of the  
29 program at any time;

30 (ii) Making an investment election with respect to the covered  
31 employee's IRA established under the program, including a description  
32 of the default investment fund; and

33 (iii) Making transfers, rollovers, withdrawals including  
34 instructions on how to access funds, and other distributions from the  
35 covered employee's IRA.

36 (15) The governing board must evaluate options to assist covered  
37 employees and employers to identify private sector providers of  
38 financial advice, to the extent feasible and unless prohibited by  
39 state or federal laws. The governing board must consider options

1 including, but not limited to, a website established and maintained  
2 by the governing board.

3 (16) The governing board may create or enter into, on behalf of  
4 the program, a consortium, alliance, joint venture, partnership,  
5 compact, or contract with another state or states or their programs  
6 or boards.

7 (17) The governing board must collect administrative fees to  
8 defray the costs of administering the program. If the governing board  
9 creates or enters into a joint program agreement, as provided in  
10 subsection (16) of this section, the rate of the administrative fee  
11 for covered employees may not exceed the rate charged to covered  
12 employees of another state participating in the same program.

13 (18) Members of the governing board and the office of financial  
14 management are not an insurer of the funds or assets of the  
15 investment fund or individual accounts. Neither of these two entities  
16 are liable for the action or inaction of the other.

17 (19) Members of the governing board and the office of financial  
18 management are not liable to the state, to the fund, or to any other  
19 person as a result of their activities as members, whether  
20 ministerial or discretionary, except for willful dishonesty or  
21 intentional violation of law. Members of the governing board and the  
22 office of financial management may purchase liability insurance.

23 (20) The governing board shall submit progress reports to the  
24 appropriate committees of the legislature, in accordance with RCW  
25 43.01.036.

26 (a) The first preliminary report is due December 1, 2025, and  
27 must include feedback to the legislature on the proposed timeline set  
28 forth under this chapter and progress on outreach initiatives and  
29 program implementation.

30 (b) The final report on program design and implementation  
31 recommendations is due December 1, 2026, and must include the  
32 following:

33 (i) A comprehensive summary of outreach activities conducted by  
34 the governing board to receive feedback on design elements and  
35 implementation for the program, including:

36 (A) Types of outreach conducted;

37 (B) Specific calendar dates and time frames in which outreach  
38 occurred;

39 (C) Covered employers and covered employees who were contacted;

1 (D) Subject matters discussed regarding the program and proposed  
2 program structure;

3 (E) The types of retirement account programs covered employers  
4 and covered employees preferred;

5 (F) Explanations of concerns received during the outreach  
6 activities and how those concerns were addressed;

7 (ii) Recommendations on whether the legislature should make  
8 changes to the program's structure or whether any statutory changes  
9 need to occur; and

10 (iii) Recommendations regarding the governing board structure,  
11 including who should chair the governing board and who should staff  
12 the governing board once the program is established and operational,  
13 with consideration for a potential new agency, an existing state  
14 agency, or the office of a standalone statewide elected official.

15 (c) Annual reports including program updates and program  
16 information must begin December 1, 2028, and include information on:

17 (i) Participation;

18 (ii) Account performance;

19 (iii) Board decisions; and

20 (iv) Any recommendations to the legislature regarding the  
21 program.

22 (21) The governing board may consult with the state investment  
23 board and the department of financial institutions regarding program  
24 design and implementation.

25 (22) The governing board shall assure any administrative contract  
26 services for the program provide culturally responsive and relevant  
27 supports rooted in cultural humility while including special  
28 considerations for socially vulnerable communities historically, or  
29 are known to often be, excluded from, marginalized by, or face  
30 barriers to participation in workplace retirement savings programs.

31 NEW SECTION. **Sec. 5.** INVESTMENT MANAGER—RESPONSIBILITIES.

32 (1)(a) After consultation with the governing board, the investment  
33 manager may invest funds associated with the program. The investment  
34 manager, after consultation with the governing board regarding any  
35 recommendations, must provide a set of options for eligible  
36 individuals to choose from for self-directed investment. Any self-  
37 directed investment options must comply with the internal revenue  
38 code.

1 (b) All investment and operating costs of the investment manager  
2 associated with making self-directed investments must be paid by  
3 participants and recovered under procedures agreed to by the  
4 governing board and the investment manager. All other expenses caused  
5 by self-directed investments must be paid by the participant in  
6 accordance with the rules established by the governing board. With  
7 the exception of these expenses, all earnings from self-directed  
8 investments accrue to the individual accounts.

9 (2) The investment manager must invest and manage the assets  
10 entrusted to it:

11 (a) With reasonable care, skill, prudence, and diligence under  
12 circumstances then prevailing which a prudent person acting in a like  
13 capacity and familiar with such matters would use to conduct of an  
14 activity of like character and purpose; and

15 (b) In accordance with the investment policy established by the  
16 governing board.

17 (3) The authority to establish all policies relating to  
18 implementation, design, and management of the program resides with  
19 the governing board.

20 (4) The investment manager must routinely consult and communicate  
21 with the governing board on the investment policy, performance of the  
22 accounts, and related needs of the program.

23 NEW SECTION. **Sec. 6.** LABOR AND INDUSTRIES—RESPONSIBILITIES. (1)  
24 The department has the following responsibilities related to covered  
25 employers, as provided in this chapter:

26 (a) Educate participating employers of their administrative  
27 duties under this chapter;

28 (b) In the case of noncompliance with employer administrative  
29 duties, investigate complaints, educate employers about how to come  
30 into compliance, and, in the case of willful violations, issue  
31 citations and collect penalties;

32 (c) In the case of impermissible withholding of amounts due to  
33 employees, investigate and enforce the complaint as an alleged  
34 violation of a wage payment requirement, as defined in RCW 49.48.082;  
35 and

36 (d) Facilitate a process in which employers may appeal  
37 complaints.

1 (2) Collections of unpaid citations assessing civil penalties by  
2 the department under this chapter must be made pursuant to RCW  
3 49.48.086.

4 NEW SECTION. **Sec. 7.** LABOR AND INDUSTRIES—COMPLIANCE WITH  
5 EMPLOYER ADMINISTRATIVE DUTIES. (1) Covered employers shall comply  
6 with employer administrative duties provided under this chapter.

7 (2) If a complainant files a complaint with the department  
8 alleging any administrative violation, the department shall  
9 investigate the complaint and:

10 (a) If the complaint is filed before January 1, 2030, offer  
11 technical assistance to the employer to bring them into compliance.  
12 Civil penalties may not be assessed before January 1, 2030;

13 (b) If the complaint is filed on or after January 1, 2030,  
14 educate the employer on how to come into compliance and, if necessary  
15 and as provided in this section, enforce penalties for willful  
16 violations.

17 (3) The department may not investigate any alleged violation of  
18 rights that occurred more than three years before the date that the  
19 complainant filed the complaint.

20 (4) (a) If the department finds an employer administrative  
21 violation, the department must first provide an educational letter  
22 outlining the violations and provide 90 days for the employer to  
23 remedy the violations. The employer may ask for an extension for good  
24 cause. The department may extend the period by providing written  
25 notice to the employee and the employer, specifying the duration of  
26 the extension. If the employer fails to remedy the violation within  
27 90 days, the department may issue a citation and notice of assessment  
28 with a civil penalty.

29 (b) Except as provided otherwise in this chapter, the maximum  
30 penalty for a first-time willful violation is \$100 and \$250 for a  
31 second willful violation. For the purposes of this section, "willful"  
32 means a knowing and intentional action that is neither accidental nor  
33 the result of a bona fide dispute. For each subsequent willful  
34 violation, the employer is subject to a maximum penalty amount of  
35 \$500 for each violation.

36 (c) The department may not assess a civil penalty if the employer  
37 reasonably relied on: (i) A rule related to any of the requirements  
38 of this chapter; (ii) a written order, ruling, approval, opinion,  
39 advice, determination, or interpretation of the director of the

1 department; or (iii) an interpretive or administrative policy issued  
2 by the department and filed pursuant to chapter 34.05 RCW. In  
3 accordance with the department's retention schedule obligations under  
4 chapter 40.14 RCW, the department shall maintain a complete and  
5 accurate record of all written orders, rulings, approvals, opinions,  
6 advice, determinations, and interpretations for purposes of  
7 determining whether an employer is immune from civil penalties under  
8 (b) of this subsection.

9 (5) The department may, at any time, waive or reduce a civil  
10 penalty assessed under this section if the director of the department  
11 determines that the employer has taken corrective action to resolve  
12 the violation.

13 (6) The department shall deposit all civil penalties paid under  
14 this section in the supplemental pension fund established under RCW  
15 51.44.033.

16 NEW SECTION. **Sec. 8.** LABOR AND INDUSTRIES—ADMINISTRATIVE  
17 CITATION APPEALS. (1) A person, firm, or corporation aggrieved by a  
18 citation and notice of assessment by the department under this  
19 chapter may appeal the citation and notice of assessment to the  
20 director of the department by filing a notice of appeal with the  
21 director within 30 days of the department's issuance of the citation  
22 and notice of assessment. A citation and notice of assessment not  
23 appealed within 30 days is final and binding, and not subject to  
24 further appeal.

25 (2) A notice of appeal filed with the director of the department  
26 under this section must state the effectiveness of the citation and  
27 notice of assessment pending final review of the appeal by the  
28 director as provided for in chapter 34.05 RCW.

29 (3) Upon receipt of a notice of appeal, the director of the  
30 department must assign the hearing to an administrative law judge of  
31 the office of administrative hearings to conduct the hearing and  
32 issue an initial order. The hearing and review procedures must be  
33 conducted in accordance with chapter 34.05 RCW, and the standard of  
34 review by the administrative law judge of an appealed citation and  
35 notice of assessment must be de novo. Any party who seeks to  
36 challenge an initial order must file a petition for administrative  
37 review with the director within 30 days after service of the initial  
38 order. The director must conduct administrative review in accordance  
39 with chapter 34.05 RCW.

1 (4) The director of the department must issue all final orders  
2 after appeal of the initial order. The final order of the director is  
3 subject to judicial review in accordance with chapter 34.05 RCW.

4 (5) Orders that are not appealed within the time period specified  
5 in this section and chapter 34.05 RCW are final and binding, and not  
6 subject to further appeal.

7 (6) An employer who fails to allow adequate inspection of records  
8 in an investigation by the department under this section within a  
9 reasonable time period may not use such records in any appeal under  
10 this section to challenge the correctness of any determination by the  
11 department of the penalty assessed.

12 NEW SECTION. **Sec. 9.** LABOR AND INDUSTRIES—ENFORCEMENT OF  
13 AMOUNTS DUE. (1) Employers may not impermissibly withhold any amounts  
14 due to the employee related to the employer's obligations under  
15 section 3 of this act. If any employee files a complaint with the  
16 department alleging that the employer impermissibly withheld any  
17 amounts due to the employee related to the employer's obligations  
18 under section 3 of this act, the department shall investigate and  
19 otherwise enforce the complaint as an alleged violation of a wage  
20 payment requirement, as defined in RCW 49.48.082.

21 (2) During an investigation, if the department discovers  
22 information suggesting additional violations of impermissibly  
23 withheld amounts due to the employees related to the employer's  
24 obligations under section 3 of this act, the department may  
25 investigate and take appropriate enforcement action without any  
26 additional complaint. The department may also initiate an  
27 investigation on behalf of one or more employees for any such  
28 violation when the director otherwise has reason to believe that a  
29 violation has occurred or will occur.

30 (3) The department may conduct a consolidated investigation for  
31 any alleged withheld amounts due to the employees related to the  
32 employer's obligations under section 3 of this act when there are  
33 common questions of law or fact involving the employees. If the  
34 department consolidates such matters into a single investigation, it  
35 shall provide notice to the employer.

36 (4) The department may, for the purposes of enforcing this  
37 section, issue subpoenas to compel the attendance of witnesses or  
38 parties and the production of documents, administer oaths and examine  
39 witnesses under oath, take depositions, and seek affidavits or other



1 verifications. The department may require the employer perform a  
2 self-audit of any records. The results or conclusions of the self-  
3 audit must be provided to the department within a reasonable time.  
4 The department must specify the timelines in the self-audit request.  
5 The records examined by the employer in order to perform the self-  
6 audit must be made available to the department upon request.

7 (5) Any citation or determination of compliance issued under this  
8 section is subject to RCW 49.48.083, 49.48.084, 49.48.085, and  
9 49.48.086.

10 NEW SECTION. **Sec. 10.** PRIVATE AND CONFIDENTIAL INFORMATION. (1)

11 Any information or records concerning an individual or employer  
12 obtained by the office of financial management or the governing board  
13 to administer this chapter are private and confidential, except as  
14 otherwise provided in this section.

15 (a) If information provided to the office of financial management  
16 or the governing board by a governmental agency is held private and  
17 confidential by state or federal law, the department of financial  
18 institutions and the governing board may not release such  
19 information, unless otherwise provided in this section.

20 (b) Information provided to the office of financial management or  
21 the governing board by a governmental entity conditioned upon privacy  
22 and confidentiality under a provision of law is to be held private  
23 and confidential according to the agreement between the office of  
24 financial management or the governing board and the other  
25 governmental agency, unless otherwise provided in this title.

26 (2) Persons requesting disclosure of information held by the  
27 office of financial management or the governing board under this  
28 section must request such disclosure from the governmental agency  
29 that provided the information to the office of financial management  
30 or the governing board, rather than from the office of financial  
31 management or the governing board.

32 (3) If the governing board creates or enters into, on behalf of  
33 the program, a consortium, alliance, joint venture, partnership,  
34 compact, or contract with another state or states or their programs  
35 or boards, the laws of the state that is most protective of  
36 individual and employer confidentiality governs.

37 (4) The governing board has the authority to adopt, amend, or  
38 rescind rules interpreting and implementing this chapter.

1 (5) (a) An individual must have access to all records and  
2 information concerning that individual held by the office of  
3 financial management or the governing board.

4 (b) An employer must have access to its own records relating to  
5 their compliance with the program and any audit conducted or penalty  
6 assessed under this chapter.

7 (c) The office of financial management or the governing board may  
8 disclose information and records deemed confidential under this  
9 chapter to a third party acting on behalf of an individual or  
10 employer that would otherwise be eligible to receive records under  
11 this section when the office of financial management or the governing  
12 board receives a signed release from the individual or employer. The  
13 release must include a statement:

14 (i) Specifically identifying the information that is to be  
15 disclosed;

16 (ii) The acknowledgment that state government files will be  
17 assessed to obtain that information;

18 (iii) The specific purpose for which the information is sought  
19 and a statement that information obtained under the release will only  
20 be used for that purpose; and

21 (iv) Indicating all parties who will receive the information  
22 disclosed.

23 (d) The office of financial management or the governing board may  
24 disclose information or records deemed private and confidential under  
25 this chapter to any private person or organization, including the  
26 trustee, and, by extension, the agents of any private person or  
27 organization, when the disclosure is necessary to permit private  
28 contracting parties to assist in the operation, management, and  
29 implementation of the program. The private person or organization may  
30 only use the information or records solely for the purpose for which  
31 the information was disclosed and are bound by the same rules of  
32 privacy and confidentiality as the office of financial management and  
33 the governing board.

34 (6) (a) A decision under this chapter by the office of financial  
35 management, the department, the governing board, or the appeals  
36 tribunal may not be deemed private and confidential under this  
37 section, unless the decision is based on information obtained in a  
38 closed hearing.

39 (b) Information or records deemed private and confidential under  
40 this section must be available to parties to judicial or formal

1 administrative proceedings only upon a written finding by the  
2 presiding officer that the need for the information or records in the  
3 proceeding outweighs any reasons for the privacy and confidentiality  
4 of the information on record.

5 (7) (a) All private persons, governmental agencies, and  
6 organizations authorized to receive information from the office of  
7 financial management or the governing board under this chapter have  
8 an affirmative duty to prevent unauthorized disclosure of  
9 confidential information and are prohibited from disclosing  
10 confidential information unless expressly permitted by this section.

11 (b) If misuse of an unauthorized disclosure of confidential  
12 records or information occurs, all parties who are aware of the  
13 violation must inform the office of financial management immediately  
14 and must take all reasonable available actions to rectify the  
15 disclosure to the office of financial management's standards.

16 (c) The misuse or unauthorized release of records or information  
17 deemed private and confidential under this chapter by any private  
18 person, governmental agency, or organization will subject the person,  
19 governmental agency, or organization to a civil penalty up to \$20,000  
20 in the first year of the program. Beginning the December of the  
21 second year of the program and each December thereafter, the office  
22 of financial management must adjust the maximum civil penalty amount  
23 by multiplying the current maximum civil penalty by one plus the  
24 percentage by which the most current consumer price index available  
25 on December 1st of the current year exceeds the consumer price index  
26 for the prior 12-month period, and rounding the result to the nearest  
27 \$1,000. If an adjustment under this subsection (7)(c) would reduce  
28 the maximum civil penalty, the office of financial management must  
29 not adjust the maximum civil penalty for use in the following year.  
30 Other applicable sanctions under state and federal law also apply.

31 (d) Suit to enforce this section must be brought by the attorney  
32 general and the amount of any penalties collected must be paid into  
33 the administrative account created in section 11 of this act. The  
34 attorney general may recover reasonable attorneys' fees for any  
35 action brought to enforce this section.

36 (8) This section does not contain a rule of evidence.

37 NEW SECTION. **Sec. 11.** WASHINGTON SAVES ADMINISTRATIVE TREASURY  
38 TRUST ACCOUNT. (1) The Washington saves administrative treasury trust  
39 account is created in the custody of the state treasurer.

1 (2) Expenditures from the account may be used only for the  
2 purposes of administrative and operating expenses of the program  
3 established under this chapter.

4 (3) Only the director of the office of financial management or  
5 the director's designee may authorize expenditures from the account.  
6 The account is exempt from appropriation and allotment provisions  
7 under chapter 43.88 RCW.

8 (4) The account may receive grants, gifts, or other moneys  
9 appropriated for administrative purposes from the state and the  
10 federal government.

11 (5) Any interest incurred by the account will be retained within  
12 the account.

13 NEW SECTION. **Sec. 12.** INVESTMENT ACCOUNT. (1) The Washington  
14 saves investment account is established as a trust, with the  
15 governing board created under this chapter as its trustee.

16 (2) (a) Moneys in the account consist of moneys received from  
17 individual participants and participating employers pursuant to  
18 automatic payroll deductions and contributions to savings made under  
19 this chapter. The governing board shall determine how the account  
20 operates, provided that the account is operated so that the  
21 individual accounts established under the program meet the  
22 requirements for IRAs under the internal revenue code.

23 (b) The assets of the account are not state money, common cash,  
24 or revenue to the state. Amounts in the account may not be commingled  
25 with state funds and the state has no claim to or against, or  
26 interest in, such funds.

27 (3) Disbursements from the account are exempt from appropriations  
28 and the allotment provisions of chapter 43.88 RCW. An appropriation  
29 is not required for expenditures.

30 (4) Only the governing board or the governing board's designee  
31 may authorize expenditures from the account.

32 **PART II**  
33 **RETIREMENT MARKETPLACE**

34 NEW SECTION. **Sec. 13.** RCW 43.330.730 (Finding—2015 c 296) is  
35 decodified.

1       **Sec. 14.** RCW 43.330.732 and 2015 c 296 s 2 are each amended to  
2 read as follows:

3       The definitions in this section apply throughout this subchapter  
4 unless the context clearly requires otherwise.

5       (1) "Approved plans" means retirement plans offered by private  
6 sector financial services firms that meet the requirements of this  
7 chapter to participate in the marketplace.

8       (2) "Balanced fund" means a mutual fund that has an investment  
9 mandate to balance its portfolio holdings. The fund generally  
10 includes a mix of stocks and bonds in varying proportions according  
11 to the fund's investment outlook.

12       (3) "Eligible employer" means a self-employed individual, sole  
13 proprietor, or an employer with (~~fewer than~~) at least one  
14 (~~hundred~~) qualified employee(~~s~~) at the time of enrollment.

15       (4) "Enrollee" means any employee who is voluntarily enrolled in  
16 an approved plan offered by an eligible employer through the  
17 Washington small business retirement marketplace.

18       (5) (~~"myRA" means the myRA retirement program administered by~~  
19 ~~the United States department of the treasury that is available to all~~  
20 ~~employers and employees with no fees or no minimum contribution~~  
21 ~~requirements. A myRA is a Roth IRA option and investments in these~~  
22 ~~accounts are backed by the United States department of the treasury.~~

23       ~~(6))~~ "Participating employer" means any eligible employer with  
24 employees enrolled in an approved plan offered through the Washington  
25 small business retirement marketplace who chooses to participate in  
26 the marketplace and offers approved plans to employees for voluntary  
27 enrollment.

28       (~~(7))~~ (6) "Private sector financial services firms" or  
29 "financial services firms" mean persons or entities licensed or  
30 holding a certificate of authority and in good standing by either the  
31 department of financial institutions or the office of the insurance  
32 commissioner and meeting all federal laws and regulations to offer  
33 retirement plans.

34       (~~(8))~~ (7) "Qualified employee" means those workers who are  
35 defined by the federal internal revenue service to be eligible to  
36 participate in a specific qualified plan.

37       (~~(9))~~ (8) "Target date or other similar fund" means a hybrid  
38 mutual fund that automatically resets the asset mix of stocks, bonds,  
39 and cash equivalents in its portfolio according to a selected time

1 frame that is appropriate for a particular investor. A target date is  
2 structured to address a projected retirement date.

3 ~~((10))~~ (9) "Washington small business retirement marketplace"  
4 or "marketplace" means the retirement savings program created to  
5 connect eligible employers and their employees with approved plans to  
6 increase retirement savings.

7 **Sec. 15.** RCW 43.330.735 and 2017 c 69 s 1 are each amended to  
8 read as follows:

9 (1) The Washington small business retirement marketplace is  
10 created.

11 (2) Prior to connecting any eligible employer with an approved  
12 plan in the marketplace, the director shall design a plan for the  
13 operation of the marketplace.

14 (3) The director shall consult with the Washington state  
15 department of retirement systems, the Washington state investment  
16 board, and the department of financial institutions in designing and  
17 managing the marketplace.

18 (4) The director shall approve for participation in the  
19 marketplace all private sector financial services firms ~~((that meet~~  
20 ~~the requirements of))~~, as defined in RCW 43.330.732~~((7))~~.

21 (5) A range of investment options must be provided to meet the  
22 needs of investors with various levels of risk tolerance and various  
23 ages. The director must approve a diverse array of private retirement  
24 plan options that are available to employers on a voluntary basis,  
25 including but not limited to life insurance plans that are designed  
26 for retirement purposes, and plans for eligible employer  
27 participation such as ~~((a) A)~~ a SIMPLE IRA-type plan that provides  
28 for employer contributions to participating enrollee accounts ~~((; and~~  
29 ~~(b) a payroll deduction individual retirement account type plan or~~  
30 ~~workplace-based individual retirement accounts open to all workers in~~  
31 ~~which the employer does not contribute to the employees' account))~~.

32 (6) (a) Prior to approving a plan to be offered on the  
33 marketplace, the department must receive verification from the  
34 department of financial institutions or the office of the insurance  
35 commissioner:

36 (i) That the private sector financial services firm offering the  
37 plan meets the ~~((requirements of))~~ definition in RCW  
38 43.330.732~~((7))~~; and

1 (ii) That the plan meets the requirements of this section  
2 excluding subsection (9) of this section which is subject to federal  
3 laws and regulations.

4 (b) If the plan includes either life insurance or annuity  
5 products, or both, the office of the insurance commissioner may  
6 request that the department of financial institutions conduct the  
7 plan review as provided in (a)(ii) of this subsection prior to  
8 submitting its verification to the department.

9 (c) The director may remove approved plans that no longer meet  
10 the requirements of this chapter.

11 (7) The financial services firms participating in the marketplace  
12 must offer a minimum of two product options: (a) A target date or  
13 other similar fund, with asset allocations and maturities designed to  
14 coincide with the expected date of retirement and (b) a balanced  
15 fund. (~~The marketplace must offer myRA.~~)

16 (8) In order for the marketplace to operate, there must be at  
17 least two approved plans on the marketplace; however, nothing in this  
18 subsection shall be construed to limit the number of private sector  
19 financial services firms with approved plans from participating in  
20 the marketplace.

21 (9) Approved plans must meet federal law or regulation for  
22 internal revenue service approved retirement plans.

23 (10) The approved plans must include the option for enrollees to  
24 roll pretax contributions into a different individual retirement  
25 account or another eligible retirement plan after ceasing  
26 participation in a plan approved by the Washington small business  
27 retirement marketplace.

28 (11) Financial services firms selected by the department to offer  
29 approved plans on the marketplace may not charge the participating  
30 employer an administrative fee and may not charge enrollees more than  
31 one hundred basis points in total annual fees and must provide  
32 information about their product's historical investment performance.  
33 Financial services firms may charge enrollees a de minimis fee for  
34 new and/or low balance accounts in amounts negotiated and agreed upon  
35 by the department and financial services firms. The director shall  
36 limit plans to those with total fees the director considers  
37 reasonable based on all the facts and circumstances.

38 (12) Participation in the Washington small business retirement  
39 marketplace is voluntary for both eligible employers and qualified  
40 employees.

1 (13) Enrollment in any approved plan offered in the marketplace  
2 is not an entitlement.

3 **PART III**

4 **WASHINGTON SAVES - ADMINISTRATIVE ACCOUNT - RETAIN OWN INTEREST**

5 **Sec. 16.** RCW 43.79A.040 and 2023 c 389 s 8, 2023 c 387 s 2, 2023  
6 c 380 s 6, 2023 c 213 s 9, 2023 c 170 s 19, and 2023 c 12 s 2 are  
7 each reenacted and amended to read as follows:

8 (1) Money in the treasurer's trust fund may be deposited,  
9 invested, and reinvested by the state treasurer in accordance with  
10 RCW 43.84.080 in the same manner and to the same extent as if the  
11 money were in the state treasury, and may be commingled with moneys  
12 in the state treasury for cash management and cash balance purposes.

13 (2) All income received from investment of the treasurer's trust  
14 fund must be set aside in an account in the treasury trust fund to be  
15 known as the investment income account.

16 (3) The investment income account may be utilized for the payment  
17 of purchased banking services on behalf of treasurer's trust funds  
18 including, but not limited to, depository, safekeeping, and  
19 disbursement functions for the state treasurer or affected state  
20 agencies. The investment income account is subject in all respects to  
21 chapter 43.88 RCW, but no appropriation is required for payments to  
22 financial institutions. Payments must occur prior to distribution of  
23 earnings set forth in subsection (4) of this section.

24 (4)(a) Monthly, the state treasurer must distribute the earnings  
25 credited to the investment income account to the state general fund  
26 except under (b), (c), and (d) of this subsection.

27 (b) The following accounts and funds must receive their  
28 proportionate share of earnings based upon each account's or fund's  
29 average daily balance for the period: The 24/7 sobriety account, the  
30 Washington promise scholarship account, the Gina Grant Bull memorial  
31 legislative page scholarship account, the Rosa Franklin legislative  
32 internship program scholarship account, the Washington advanced  
33 college tuition payment program account, the Washington college  
34 savings program account, the accessible communities account, the  
35 Washington achieving a better life experience program account, the  
36 Washington career and college pathways innovation challenge program  
37 account, the community and technical college innovation account, the  
38 agricultural local fund, the American Indian scholarship endowment



1 fund, the behavioral health loan repayment program account, the Billy  
2 Frank Jr. national statutory hall collection fund, the foster care  
3 scholarship endowment fund, the foster care endowed scholarship trust  
4 fund, the contract harvesting revolving account, the Washington state  
5 combined fund drive account, the commemorative works account, the  
6 county 911 excise tax account, the county road administration board  
7 emergency loan account, the toll collection account, the  
8 developmental disabilities endowment trust fund, the energy account,  
9 the energy facility site evaluation council account, the fair fund,  
10 the family and medical leave insurance account, the fish and wildlife  
11 federal lands revolving account, the natural resources federal lands  
12 revolving account, the food animal veterinarian conditional  
13 scholarship account, the forest health revolving account, the fruit  
14 and vegetable inspection account, the educator conditional  
15 scholarship account, the game farm alternative account, the GET ready  
16 for math and science scholarship account, the Washington global  
17 health technologies and product development account, the grain  
18 inspection revolving fund, the Washington history day account, the  
19 industrial insurance rainy day fund, the juvenile accountability  
20 incentive account, the law enforcement officers' and firefighters'  
21 plan 2 expense fund, the local tourism promotion account, the low-  
22 income home rehabilitation account, the medication for people living  
23 with HIV rebate revenue account, the homeowner recovery account, the  
24 multiagency permitting team account, the northeast Washington wolf-  
25 livestock management account, the pollution liability insurance  
26 program trust account, the produce railcar pool account, the public  
27 use general aviation airport loan revolving account, the regional  
28 transportation investment district account, the rural rehabilitation  
29 account, the Washington sexual assault kit account, the stadium and  
30 exhibition center account, the youth athletic facility account, the  
31 self-insurance revolving fund, the children's trust fund, the  
32 Washington horse racing commission Washington bred owners' bonus fund  
33 and breeder awards account, the Washington horse racing commission  
34 class C purse fund account, the individual development account  
35 program account, the Washington horse racing commission operating  
36 account, the life sciences discovery fund, the Washington state  
37 library-archives building account, the reduced cigarette ignition  
38 propensity account, the center for deaf and hard of hearing youth  
39 account, the school for the blind account, the Millersylvania park  
40 trust fund, the public employees' and retirees' insurance reserve

1 fund, the school employees' benefits board insurance reserve fund,  
2 the public employees' and retirees' insurance account, the school  
3 employees' insurance account, the long-term services and supports  
4 trust account, the radiation perpetual maintenance fund, the Indian  
5 health improvement reinvestment account, the department of licensing  
6 tuition recovery trust fund, the student achievement council tuition  
7 recovery trust fund, the tuition recovery trust fund, the industrial  
8 insurance premium refund account, the mobile home park relocation  
9 fund, the natural resources deposit fund, the Washington state health  
10 insurance pool account, the federal forest revolving account, the  
11 Washington saves administrative treasury trust account, and the  
12 library operations account.

13 (c) The following accounts and funds must receive 80 percent of  
14 their proportionate share of earnings based upon each account's or  
15 fund's average daily balance for the period: The advance right-of-way  
16 revolving fund, the advanced environmental mitigation revolving  
17 account, the federal narcotics asset forfeitures account, the high  
18 occupancy vehicle account, the local rail service assistance account,  
19 and the miscellaneous transportation programs account.

20 (d) Any state agency that has independent authority over accounts  
21 or funds not statutorily required to be held in the custody of the  
22 state treasurer that deposits funds into a fund or account in the  
23 custody of the state treasurer pursuant to an agreement with the  
24 office of the state treasurer shall receive its proportionate share  
25 of earnings based upon each account's or fund's average daily balance  
26 for the period.

27 (5) In conformance with Article II, section 37 of the state  
28 Constitution, no trust accounts or funds shall be allocated earnings  
29 without the specific affirmative directive of this section.

30 **Sec. 17.** RCW 43.79A.040 and 2023 c 389 s 8, 2023 c 387 s 2, 2023  
31 c 380 s 6, 2023 c 213 s 9, and 2023 c 12 s 2 are each reenacted and  
32 amended to read as follows:

33 (1) Money in the treasurer's trust fund may be deposited,  
34 invested, and reinvested by the state treasurer in accordance with  
35 RCW 43.84.080 in the same manner and to the same extent as if the  
36 money were in the state treasury, and may be commingled with moneys  
37 in the state treasury for cash management and cash balance purposes.

1 (2) All income received from investment of the treasurer's trust  
2 fund must be set aside in an account in the treasury trust fund to be  
3 known as the investment income account.

4 (3) The investment income account may be utilized for the payment  
5 of purchased banking services on behalf of treasurer's trust funds  
6 including, but not limited to, depository, safekeeping, and  
7 disbursement functions for the state treasurer or affected state  
8 agencies. The investment income account is subject in all respects to  
9 chapter 43.88 RCW, but no appropriation is required for payments to  
10 financial institutions. Payments must occur prior to distribution of  
11 earnings set forth in subsection (4) of this section.

12 (4)(a) Monthly, the state treasurer must distribute the earnings  
13 credited to the investment income account to the state general fund  
14 except under (b), (c), and (d) of this subsection.

15 (b) The following accounts and funds must receive their  
16 proportionate share of earnings based upon each account's or fund's  
17 average daily balance for the period: The 24/7 sobriety account, the  
18 Washington promise scholarship account, the Gina Grant Bull memorial  
19 legislative page scholarship account, the Rosa Franklin legislative  
20 internship program scholarship account, the Washington advanced  
21 college tuition payment program account, the Washington college  
22 savings program account, the accessible communities account, the  
23 Washington achieving a better life experience program account, the  
24 Washington career and college pathways innovation challenge program  
25 account, the community and technical college innovation account, the  
26 agricultural local fund, the American Indian scholarship endowment  
27 fund, the behavioral health loan repayment program account, the Billy  
28 Frank Jr. national statutory hall collection fund, the foster care  
29 scholarship endowment fund, the foster care endowed scholarship trust  
30 fund, the contract harvesting revolving account, the Washington state  
31 combined fund drive account, the commemorative works account, the  
32 county 911 excise tax account, the county road administration board  
33 emergency loan account, the toll collection account, the  
34 developmental disabilities endowment trust fund, the energy account,  
35 the energy facility site evaluation council account, the fair fund,  
36 the family and medical leave insurance account, the fish and wildlife  
37 federal lands revolving account, the natural resources federal lands  
38 revolving account, the food animal veterinarian conditional  
39 scholarship account, the forest health revolving account, the fruit  
40 and vegetable inspection account, the educator conditional

1 scholarship account, the game farm alternative account, the GET ready  
2 for math and science scholarship account, the Washington global  
3 health technologies and product development account, the grain  
4 inspection revolving fund, the Washington history day account, the  
5 industrial insurance rainy day fund, the juvenile accountability  
6 incentive account, the law enforcement officers' and firefighters'  
7 plan 2 expense fund, the local tourism promotion account, the low-  
8 income home rehabilitation account, the medication for people living  
9 with HIV rebate revenue account, the homeowner recovery account, the  
10 multiagency permitting team account, the northeast Washington wolf-  
11 livestock management account, the produce railcar pool account, the  
12 public use general aviation airport loan revolving account, the  
13 regional transportation investment district account, the rural  
14 rehabilitation account, the Washington sexual assault kit account,  
15 the stadium and exhibition center account, the youth athletic  
16 facility account, the self-insurance revolving fund, the children's  
17 trust fund, the Washington horse racing commission Washington bred  
18 owners' bonus fund and breeder awards account, the Washington horse  
19 racing commission class C purse fund account, the individual  
20 development account program account, the Washington horse racing  
21 commission operating account, the life sciences discovery fund, the  
22 Washington state library-archives building account, the reduced  
23 cigarette ignition propensity account, the center for deaf and hard  
24 of hearing youth account, the school for the blind account, the  
25 Millersylvania park trust fund, the public employees' and retirees'  
26 insurance reserve fund, the school employees' benefits board  
27 insurance reserve fund, the public employees' and retirees' insurance  
28 account, the school employees' insurance account, the long-term  
29 services and supports trust account, the radiation perpetual  
30 maintenance fund, the Indian health improvement reinvestment account,  
31 the department of licensing tuition recovery trust fund, the student  
32 achievement council tuition recovery trust fund, the tuition recovery  
33 trust fund, the industrial insurance premium refund account, the  
34 mobile home park relocation fund, the natural resources deposit fund,  
35 the Washington state health insurance pool account, the federal  
36 forest revolving account, the Washington saves administrative  
37 treasury trust account, and the library operations account.

38 (c) The following accounts and funds must receive 80 percent of  
39 their proportionate share of earnings based upon each account's or  
40 fund's average daily balance for the period: The advance right-of-way

1 revolving fund, the advanced environmental mitigation revolving  
2 account, the federal narcotics asset forfeitures account, the high  
3 occupancy vehicle account, the local rail service assistance account,  
4 and the miscellaneous transportation programs account.

5 (d) Any state agency that has independent authority over accounts  
6 or funds not statutorily required to be held in the custody of the  
7 state treasurer that deposits funds into a fund or account in the  
8 custody of the state treasurer pursuant to an agreement with the  
9 office of the state treasurer shall receive its proportionate share  
10 of earnings based upon each account's or fund's average daily balance  
11 for the period.

12 (5) In conformance with Article II, section 37 of the state  
13 Constitution, no trust accounts or funds shall be allocated earnings  
14 without the specific affirmative directive of this section.

15 **PART IV**  
16 **MISCELLANEOUS**

17 NEW SECTION. **Sec. 18.** Section 16 of this act expires July 1,  
18 2030.

19 NEW SECTION. **Sec. 19.** (1) Section 16 of this act takes effect  
20 July 1, 2024.

21 (2) Section 17 of this act takes effect July 1, 2030.

22 NEW SECTION. **Sec. 20.** Sections 1 through 12 of this act  
23 constitute a new chapter in Title 19 RCW.

24 NEW SECTION. **Sec. 21.** If any part of this act is found to be in  
25 conflict with federal requirements that are a prescribed condition to  
26 the allocation of federal funds to the state or the eligibility of  
27 employers in this state for federal unemployment tax credits, the  
28 conflicting part of this act is inoperative solely to the extent of  
29 the conflict, and the finding or determination does not affect the  
30 operation of the remainder of this act. Rules adopted under this act  
31 must meet federal requirements that are a necessary condition to the  
32 receipt of federal funds by the state or the granting of federal  
33 unemployment tax credits to employers in this state."

1 Correct the title.

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