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SENATE BILL 5029

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State of Washington                      63rd Legislature                      2013 Regular Session

By Senators Hasegawa, Chase, Shin, Conway, Rolfes, Darneille, Hargrove, Keiser, Kohl-Welles, Kline, and Frockt

Read first time 01/15/13. Referred to Committee on Financial Institutions, Housing & Insurance.

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

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

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

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

17            (a) Facilitate investment in, and financing of, public  
18 infrastructure systems that will increase public health, safety, and

1 quality of life, improve environmental conditions, and promote  
2 community vitality and economic growth; and

3 (b) Leverage Washington's financial capital and resources, and work  
4 in partnership with financial institutions, community-based  
5 organizations, economic development organizations, guaranty agencies,  
6 and other stakeholder groups.

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

16 (a) Institutional safety and soundness;

17 (b) Long-term viability;

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

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

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

21 and

22 (f) Insulation from political influence.

23 NEW SECTION. **Sec. 2.** DEFINITIONS. The definitions in this  
24 section apply throughout this chapter unless the context clearly  
25 requires otherwise.

26 (1) "Board" means the advisory board of the Washington investment  
27 trust.

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

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

30 (4) "Director" means the director of the department of financial  
31 institutions.

32 (5) "Public infrastructure system" means a system of a local  
33 government or political subdivision, a special purpose district, a  
34 public school district, an institution of higher education as defined  
35 in RCW 28B.10.016, a federally recognized Indian tribe, or the state,  
36 including but not limited to a system involving: Wastewater treatment;  
37 storm water management; solid waste disposal; drinking water treatment;

1 flood control levees; energy efficiency enhancements; roads, streets,  
2 and bridges; transportation infrastructure, including freight rail and  
3 transit; broadband and telecommunications infrastructure; outdoor  
4 recreation and habitat protection facilities; community, social  
5 service, or public safety facilities; schools and educational  
6 facilities; and affordable housing as defined in RCW 43.63A.510.

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

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

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

10 NEW SECTION. **Sec. 3.** CREATION. The Washington investment trust  
11 is created.

12 NEW SECTION. **Sec. 4.** COMMISSION. (1) The Washington investment  
13 trust commission is created as the primary governing authority of the  
14 trust. The commission shall consist of the governor, the lieutenant  
15 governor, the secretary of state, the attorney general, the state  
16 treasurer, the superintendent of public instruction, and the  
17 commissioner of public lands.

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

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

20 (b) Transparency requirements for trust operations;

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

25 (d) Other topics as needed for efficient administration of the  
26 trust.

27 (3) The commission shall commence trust operations by July 1, 2014.

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

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

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

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

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

6        (ii) The speaker of the house of representatives shall appoint one  
7 member from each of the two largest caucuses of the house of  
8 representatives.

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

12        (b) The president of the senate and the speaker of the house of  
13 representatives jointly shall select the chair from among the citizen  
14 membership. The chair shall convene the initial meeting of the trust  
15 transition board within forty-five days after the effective date of  
16 this section.

17        (2) The trust transition board shall develop and recommend the  
18 following to the commission within the timeline established by the  
19 commission:

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

23        (b) Initial capital requirements of the trust;

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

28        (d) Other items requested by the commission in order to commence  
29 trust operations by July 1, 2014.

30        (3) Legislative members of the trust transition board must be  
31 reimbursed for travel expenses in accordance with RCW 44.04.120.  
32 Nonlegislative members, except those representing an employer or  
33 organization, are entitled to be reimbursed for expenses incurred in  
34 the discharge of their duties under chapter 43.--- RCW (the new chapter  
35 created in section 26 of this act) in accordance with RCW 43.03.050 and  
36 43.03.060.

37        (4) The trust transition board may appoint an interim president and  
38 other necessary staff who are exempt from the provisions of chapter

1 41.06 RCW, and who serve at the board's pleasure on such terms and  
2 conditions as the board determines but subject to chapter 42.52 RCW.  
3 The department must provide technical assistance to the trust  
4 transition board. The board may also contract with additional persons  
5 who have specific technical expertise if the expertise is necessary to  
6 carry out the requirements of this section.

7 (5) This section expires July 1, 2014.

8 NEW SECTION. **Sec. 6.** DEPOSIT OF PUBLIC FUNDS. (1)(a) The trust  
9 may serve as the depository for state moneys and federal transportation  
10 funds once the trust has built sufficient capacity to accept and manage  
11 state moneys and federal transportation funds, as determined by the  
12 commission. The commission shall establish a process and time frame  
13 for the deposit of state moneys and federal transportation funds into  
14 the trust. In determining whether the trust has built sufficient  
15 capacity, the commission shall consider the minimum leverage capital  
16 requirements specified in 12 C.F.R. Sec. 325.3 (2012).

17 (b) The treasurer and local government agencies shall deposit state  
18 moneys and federal transportation funds in the trust in accordance with  
19 the time frame and guidelines determined by the commission under this  
20 subsection.

21 (2) All deposits in the trust are guaranteed by the state rather  
22 than insured by the federal deposit insurance corporation.

23 (3) All income earned by the trust on state moneys or federal  
24 transportation funds that are deposited in or invested with the trust  
25 constitute income of the trust and must be credited to the trust except  
26 as otherwise required by law.

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

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

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

35 (7)(a) Administrative and strategic planning expenses of the trust  
36 are funded from the earnings of the trust, subject to legislative

1 authorization, and from any other appropriations provided by the  
2 legislature.

3 (b) The commission shall establish a separate administrative  
4 account within the trust from which its administrative and strategic  
5 planning costs must be funded. In each biennial operating budget, the  
6 legislature shall authorize the commission to incur a maximum  
7 expenditure from the administrative account.

8 (c) In an amount not to exceed the authorized expenditures, the  
9 commission shall proportionally allocate interest earnings from  
10 accounts and moneys under its management and shall transfer this amount  
11 to the administrative fund. This transfer shall precede the  
12 distribution of remaining earnings under applicable statutes.

13 (d) The trust shall deposit in the general fund any interest  
14 earnings that exceed the total of those necessary to make required  
15 distributions and those necessary for the continued sound operation of  
16 the trust as determined by the commission.

17 NEW SECTION. **Sec. 7.** INVESTMENT OF STATE MONEYS. The commission  
18 and the state treasurer shall jointly determine the amount of funds  
19 necessary to meet the operational needs of state government. The state  
20 treasurer retains authority to manage and invest the amount of funds  
21 necessary to meet the operational needs of state government. The trust  
22 may invest state moneys deposited in the trust that are not reasonably  
23 expected to be necessary to meet the short or intermediate-term  
24 liquidity needs of the state.

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

27 NEW SECTION. **Sec. 9.** INFRASTRUCTURE FUNDING. The trust is  
28 authorized to manage and invest state moneys in order to facilitate  
29 investment in, and financing of, construction, rehabilitation,  
30 replacement, and improvement of new and existing public infrastructure  
31 systems. By November 1, 2013, the commission must present an  
32 implementation plan and any necessary legislation to the governor and  
33 appropriate legislative committees, that:

34 (1) Identifies any existing accounts in the state treasury

1 associated with state infrastructure programs that the trust recommends  
2 be transferred under its umbrella, and the steps and timelines for the  
3 transitions;

4 (2) Identifies additional infrastructure funding that the trust  
5 recommends be sought and secured under its umbrella, and the steps and  
6 timelines required; and

7 (3) Demonstrates how the trust plans to maximize revenues and  
8 public benefit.

9 NEW SECTION. **Sec. 10.** LEGISLATIVE AND STATE AGENCIES AUTHORITIES.  
10 Nothing in this chapter affects:

11 (1) The ability of the legislature to appropriate from public  
12 accounts managed by the trust, including the ability to place any  
13 conditions or limitations on those appropriations; or

14 (2) After the legislature appropriates moneys from public accounts  
15 managed by the trust, the use of those moneys by the state agencies  
16 receiving the appropriations.

17 NEW SECTION. **Sec. 11.** MANAGEMENT. (1) The commission shall  
18 appoint a trust president. The president is exempt from the provisions  
19 of chapter 41.06 RCW. The president shall serve at the commission's  
20 pleasure, on such terms and conditions as the commission determines,  
21 but subject to chapter 42.52 RCW.

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

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

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

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

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

1 (b) The governor shall appoint members of the advisory board,  
2 subject to confirmation by the senate. The members of the advisory  
3 board must represent a diversity of experience relevant to activities  
4 of the trust. Six or more of the members must have expertise in  
5 finance. Advisory board members serve at the pleasure of the governor.

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

7 (2) The term of the members is three years. Five of the initial  
8 board members must be appointed to serve an initial term of three  
9 years, three must be appointed to serve an initial term of two years,  
10 and the three remaining members must be appointed to serve an initial  
11 term of one year. All subsequent terms are three years. To ensure  
12 that the board can continue to act, a member whose term expires shall  
13 continue to serve until his or her replacement is appointed. In the  
14 case of any vacancy on the board for any reason, the governor shall  
15 appoint a new member to serve out the term of the person whose position  
16 has become vacant. A board member may be removed for cause by the  
17 governor.

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

21 NEW SECTION. **Sec. 13.** FINANCIAL OVERSIGHT AND AUDIT. (1) The  
22 trust must maintain capital adequacy and other standard indicators of  
23 safety and soundness as are appropriate for a publicly owned financial  
24 institution.

25 (2) The director shall examine the trust, taking into consideration  
26 the unique circumstances of a publicly owned financial institution.  
27 The trust shall pay the director for the reasonable costs of  
28 examinations.

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

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

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



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

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

9        NEW SECTION.    **Sec. 17.**    TRUST RECORDS.    (1) Under RCW 42.56.270 and  
10   42.56.400, certain trust business records and records of the department  
11   relating to the trust are exempt from public disclosure.

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

17        (3) This section does not prohibit:

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

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

24        NEW SECTION.    **Sec. 18.**    CAPITALIZATION.    The commission must make  
25   recommendations to the appropriate fiscal committees of the legislature  
26   on options for capitalization of the trust.    Any recommendations must  
27   include draft legislation for consideration by the legislature.

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

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

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

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

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

8        (1) The name of every bank shall contain the word "bank" and the  
9 name of every trust company shall contain the word "trust," or the word  
10 "bank." Except as provided in RCW 33.08.030 or as otherwise authorized  
11 by this section or approved by the director, only a national bank,  
12 federal savings bank, a bank or trust company authorized by this title,  
13 savings bank under Title 32 RCW, bank holding company or financial  
14 holding company, a holding company authorized by this title or Title 32  
15 RCW, or a foreign or alien corporation or other legal person authorized  
16 by this title to do so, shall:

17        (a) Use as a part of his (~~(for her)~~) or her or its name or other  
18 business designation, as a prominent syllable within a word comprising  
19 all or a portion of its name or other business designation, or in any  
20 manner as if connected with his (~~(for her)~~) or her or its business or  
21 place of business any of the following words or the plural thereof, to  
22 wit: "bank," "banking," "banker," "bancorporation," "bancorp," or  
23 "trust," or any foreign language designations thereof, including, by  
24 way of example, "banco" or "banque."

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

30        (2) A foreign corporation or other foreign domiciled legal person,  
31 whose name contains the words "bank," "banker," "banking,"  
32 "bancorporation," "bancorp," or "trust," or the foreign language  
33 equivalent thereof, or whose articles of incorporation empower it to  
34 engage in banking or to engage in a trust business, may not engage in  
35 banking or in a trust business in this state unless the corporation or  
36 other legal person (a) is expressly authorized to do so under this  
37 title, under federal law, or by the director, and (b) complies with all

1 applicable requirements of Washington state law regarding foreign  
2 corporations and other foreign legal persons. If an activity would not  
3 constitute "transacting business" within the meaning of RCW  
4 23B.15.010(1) or chapter 23B.18 RCW, then the activity shall not  
5 constitute banking or engaging in a trust business. Nothing in this  
6 subsection shall prevent operations by an alien bank in compliance with  
7 chapter 30.42 RCW.

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

14 (4) This section does not prevent the Washington investment trust  
15 created in section 3 of this act from being called a trust or from  
16 providing banking services without being called a bank.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

35 (11) Proprietary data, trade secrets, or other information that  
36 relates to: (a) A vendor's unique methods of conducting business; (b)  
37 data unique to the product or services of the vendor; or (c)  
38 determining prices or rates to be charged for services, submitted by

1 any vendor to the department of social and health services for purposes  
2 of the development, acquisition, or implementation of state purchased  
3 health care as defined in RCW 41.05.011;

4 (12)(a) When supplied to and in the records of the department of  
5 commerce:

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

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

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

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

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

26 (13) Financial and proprietary information submitted to or obtained  
27 by the department of ecology or the authority created under chapter  
28 70.95N RCW to implement chapter 70.95N RCW;

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

35 (15) Financial and commercial information provided as evidence to  
36 the department of licensing as required by RCW 19.112.110 or  
37 19.112.120, except information disclosed in aggregate form that does

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

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

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

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

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

28 (21) Financial, commercial, operations, and technical and research  
29 information and data submitted to or obtained by innovate Washington in  
30 applications for, or delivery of, grants and loans under chapter 43.333  
31 RCW, to the extent that such information, if revealed, would reasonably  
32 be expected to result in private loss to the providers of this  
33 information.

34 **Sec. 23.** RCW 42.56.400 and 2012 2nd sp.s. c 3 s 8 are each amended  
35 to read as follows:

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

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

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

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

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

15 (5) Information provided under RCW 48.05.510 through 48.05.535,  
16 48.43.200 through 48.43.225, 48.44.530 through 48.44.555, and 48.46.600  
17 through 48.46.625;

18 (6) Examination reports and information obtained by the department  
19 of financial institutions from banks under RCW 30.04.075, from savings  
20 banks under RCW 32.04.220, from savings and loan associations under RCW  
21 33.04.110, from credit unions under RCW 31.12.565, from the Washington  
22 investment trust under chapter 43.--- RCW (the new chapter created in  
23 section 26 of this act), from check cashers and sellers under RCW  
24 31.45.030(3), and from securities brokers and investment advisers under  
25 RCW 21.20.100, all of which is confidential and privileged information;

26 (7) Information provided to the insurance commissioner under RCW  
27 48.110.040(3);

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

31 (9) Confidential proprietary and trade secret information provided  
32 to the commissioner under RCW 48.31C.020 through 48.31C.050 and  
33 48.31C.070;

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

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



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

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

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

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

18           (1) Certificates, notes, or bonds of the United States, or other  
19 obligations of the United States or its agencies, or of any corporation  
20 wholly owned by the government of the United States;

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

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

33           (4) In federal home loan bank notes and bonds, federal land bank  
34 bonds and federal national mortgage association notes, debentures and  
35 guaranteed certificates of participation, or the obligations of any  
36 other government sponsored corporation whose obligations are or may

1 become eligible as collateral for advances to member banks as  
2 determined by the board of governors of the federal reserve system;

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

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

9 (7) Commercial paper: PROVIDED, That the treasurer shall adhere to  
10 the investment policies and procedures adopted by the state investment  
11 board.

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

14 NEW SECTION. **Sec. 27.** This act is necessary for the immediate  
15 preservation of the public peace, health, or safety, or support of the  
16 state government and its existing public institutions, and takes effect  
17 immediately.

18 NEW SECTION. **Sec. 28.** If any provision of this act or its  
19 application to any person or circumstance is held invalid, the  
20 remainder of the act or the application of the provision to other  
21 persons or circumstances is not affected.

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