
HOUSE BILL 2059

State of Washington

65th Legislature

2017 Regular Session

By Representatives Frame, Ortiz-Self, Dolan, Doglio, Gregerson, Goodman, Orwall, Jenkins, Stonier, Sells, Appleton, Chapman, Stanford, Tharinger, Kloba, Ormsby, Santos, and Pollet

Read first time 02/09/17. Referred to Committee on Business & Financial Services.

1 AN ACT Relating to establishing the Washington investment trust;
2 amending RCW 30A.04.020, 43.08.135, and 43.84.080; reenacting and
3 amending RCW 42.56.270 and 42.56.400; adding a new section to chapter
4 39.58 RCW; adding a new section to chapter 41.06 RCW; adding a new
5 chapter to Title 43 RCW; creating a new section; providing an
6 expiration date; and declaring an emergency.

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

8 **Sec. 1.** FINDINGS—INTENT. (1) The legislature finds that there
9 are significant public infrastructure needs of the state that are
10 unmet, and that the level of unmet need has been exacerbated by the
11 economic downturn. The legislature further finds that there are
12 opportunities to use the state's depository assets to generate
13 additional benefit for the people and the economy of the state by
14 producing revenue for the state while also creating greatly expanded
15 financing capacity for infrastructure and other projects for public
16 benefit that will grow great capacity for future generations.
17 Therefore, the legislature intends to create a publicly owned
18 depository to be known as the Washington investment trust as a legacy
19 institution that amasses sufficient capital reserves to address
20 opportunities now and in the future.

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

1 (a) Facilitate investment in, and financing of, public
2 infrastructure systems that will increase public health and safety;

3 (b) Leverage the financial capital and resources of Washington
4 state by working in partnership with financial institutions that
5 benefit local communities, or with community-based organizations,
6 economic development organizations, local governments, guaranty
7 agencies, and other stakeholder groups to create jobs and economic
8 opportunities within our state for public benefit; and

9 (c) Pursue other opportunities in furtherance of its mission as
10 directed by the people through initiative, or by act of the
11 legislature with the concurrence of the commission.

12 (3) The legislature intends for the trust to apply business
13 strategies to manage taxpayer revenues for the best interests of the
14 state and people while concurrently meeting identified needs and
15 strategic opportunities across the state.

16 (4) The mission of the trust is to use Washington's depository
17 assets in ways that afford most efficient use of taxpayer revenues
18 and public resources for the benefit of the people and economy of the
19 state. In achieving its purpose of improving public infrastructure,
20 the legislature intends for the trust to adhere to the following
21 priority principles:

22 (a) Institutional safety and soundness;

23 (b) Long-term viability;

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

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

26 (e) Prudent and best banking and business practices; and

27 (f) Insulation from political influence.

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

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

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

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

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

38 (5) "Public infrastructure system" means a system of a local
39 government or political subdivision, a special purpose district, a

1 public school district, an institution of higher education as defined
2 in RCW 28B.10.016, a federally recognized Indian tribe, or the state,
3 including but not limited to a system involving: Wastewater
4 treatment; storm water management; solid waste disposal; drinking
5 water treatment; flood control levees; energy efficiency
6 enhancements; roads, streets, and bridges; transportation
7 infrastructure, including freight rail and transit; broadband and
8 telecommunications infrastructure; outdoor recreation and habitat
9 protection facilities; community, social service, or public safety
10 facilities; schools and educational facilities; and affordable
11 housing as defined in RCW 43.63A.510.

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

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

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

15 NEW SECTION. **Sec. 3.** CREATION. The Washington investment trust
16 is created.

17 NEW SECTION. **Sec. 4.** COMMISSION. (1) The Washington investment
18 trust commission is created as the primary governing authority of the
19 trust. The commission shall consist of five statewide elected state
20 officials: The governor, the lieutenant governor, the attorney
21 general, the state treasurer, and the state auditor.

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

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

24 (b) Transparency requirements for trust operations;

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

29 (d) Other topics as needed for efficient administration of the
30 trust.

31 (3) The commission shall commence trust operations by July 1,
32 2018.

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

1 (5) The commission may adopt policies and procedures for its own
2 governance.

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

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

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

11 (ii) The speaker of the house of representatives shall appoint
12 one member from each of the two largest caucuses of the house of
13 representatives.

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

17 (b) The president of the senate and the speaker of the house of
18 representatives jointly shall select the chair from among the citizen
19 membership. The chair shall convene the initial meeting of the trust
20 transition board within forty-five days after the effective date of
21 this section.

22 (2) The trust transition board shall develop and recommend the
23 following to the commission within the timeline established by the
24 commission:

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

28 (b) Initial capital requirements of the trust;

29 (c) Options for capitalizing the trust including but not limited
30 to: Federal transportation funds, Taft-Hartley trust funds, revenue
31 or general obligation bond proceeds, state health care unemployment
32 or workers' compensation reserves, consolidation of state revolving
33 loan accounts, housing trust funds, state investment board and local
34 government investment pool investments, and other core capital
35 reserves not needed for liquidity; and

36 (d) Other items requested by the commission in order to commence
37 trust operations by July 1, 2018.

38 (3) Legislative members of the trust transition board must be
39 reimbursed for travel expenses in accordance with RCW 44.04.120.

1 Nonlegislative members, except those representing an employer or
2 organization, are entitled to be reimbursed for expenses incurred in
3 the discharge of their duties under chapter 43.--- RCW (the new
4 chapter created in section 26 of this act) in accordance with RCW
5 43.03.050 and 43.03.060.

6 (4) The trust transition board may appoint an interim president
7 and other necessary staff who are exempt from the provisions of
8 chapter 41.06 RCW, and who serve at the board's pleasure on such
9 terms and conditions as the board determines but subject to chapter
10 42.52 RCW. The department must provide technical assistance to the
11 trust transition board. The board may also contract with additional
12 persons who have specific technical expertise if the expertise is
13 necessary to carry out the requirements of this section.

14 (5) This section expires July 1, 2018.

15 NEW SECTION. **Sec. 6.** DEPOSIT OF PUBLIC FUNDS. (1)(a) The trust
16 may serve as the depository for state moneys and federal
17 transportation funds once the trust has built sufficient capacity to
18 accept and manage state moneys and federal transportation funds, as
19 determined by the commission. The commission shall establish a
20 process and time frame for the deposit of state moneys and federal
21 transportation funds into the trust. In determining whether the trust
22 has built sufficient capacity, the commission shall consider the
23 minimum leverage capital requirements specified in 12 C.F.R. Sec.
24 325.3 (2012).

25 (b) The treasurer and local government agencies shall deposit
26 state moneys and federal transportation funds in the trust in
27 accordance with the time frame and guidelines determined by the
28 commission under this subsection.

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

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

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

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

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

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

9 (b) The commission shall establish a separate administrative
10 account within the trust from which its administrative and strategic
11 planning costs must be funded. In each biennial operating budget, the
12 legislature shall authorize the commission to incur a maximum
13 expenditure from the administrative account.

14 (c) In an amount not to exceed the authorized expenditures, the
15 commission shall proportionally allocate interest earnings from
16 accounts and moneys under its management and shall transfer this
17 amount to the administrative fund. This transfer shall precede the
18 distribution of remaining earnings under applicable statutes.

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

23 NEW SECTION. **Sec. 7.** INVESTMENT OF STATE MONEYS. The commission
24 and the state treasurer shall jointly determine the amount of funds
25 necessary to meet the operational needs of state government. The
26 state treasurer retains authority to manage and invest the amount of
27 funds necessary to meet the operational needs of state government.

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

30 NEW SECTION. **Sec. 9.** INFRASTRUCTURE FUNDING. The trust is
31 authorized to manage and invest state moneys in order to facilitate
32 investment in, and financing of, construction, rehabilitation,
33 replacement, and improvement of new and existing public
34 infrastructure systems. By November 1, 2017, the commission must
35 present an implementation plan and any necessary legislation to the
36 governor and appropriate legislative committees that:

1 (1) Identifies any existing accounts in the state treasury
2 associated with state infrastructure programs that the trust
3 recommends be transferred under its umbrella, and the steps and
4 timelines for the transitions;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

30 (3) The state auditor shall conduct an annual postaudit on all
31 accounts and financial transactions of the trust.

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

35 (2) The commission shall make a report to the legislature on the
36 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
5 42.52 RCW and in rules, policies, and procedures adopted by the
6 commission.

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

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

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

18 (3) This section does not prohibit:

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

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

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

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

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

1 NEW SECTION. **Sec. 20.** A new section is added to chapter 41.06
2 RCW 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 30A.04.020 and 2014 c 37 s 103 are each amended to
7 read 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
10 word "bank." Except as provided in RCW 33.08.030 or as otherwise
11 authorized by this section or approved by the director, only a
12 national bank, federal savings bank, a bank or trust company, savings
13 bank under Title 32 RCW, bank holding company or financial holding
14 company, a holding company authorized by this title or Title 32 RCW,
15 or a foreign or alien corporation or other legal person authorized by
16 this title to do so, shall:

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

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

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

1 corporations and other foreign legal persons. If an activity would
2 not constitute "transacting business" within the meaning of RCW
3 23B.15.010(1) or chapter 23B.18 RCW, then the activity shall not
4 constitute banking or engaging in a trust business. Nothing in this
5 subsection shall prevent operations by an alien bank in compliance
6 with chapter 30A.42 RCW.

7 (3) This section shall not prevent a lender approved by the
8 United States secretary of housing and urban development for
9 participation in any mortgage insurance program under the National
10 Housing Act from using the words "mortgage banker" or "mortgage
11 banking" in the conduct of its business, but only if both words are
12 used together in either of the forms which appear in quotations in
13 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 2016 sp.s. c 9 s 3, 2016 sp.s. c 8 s
21 1, and 2016 c 178 s 1 are each reenacted and amended to read as
22 follows:

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

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

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

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

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

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

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

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

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

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

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

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

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

34 (11) Proprietary data, trade secrets, or other information that
35 relates to: (a) A vendor's unique methods of conducting business; (b)
36 data unique to the product or services of the vendor; or (c)
37 determining prices or rates to be charged for services, submitted by
38 any vendor to the department of social and health services for
39 purposes of the development, acquisition, or implementation of state
40 purchased health care as defined in RCW 41.05.011;

1 (12)(a) When supplied to and in the records of the department of
2 commerce:

3 (i) Financial and proprietary information collected from any
4 person and provided to the department of commerce pursuant to RCW
5 43.330.050(8); and

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

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

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

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

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

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

32 (15) Financial and commercial information provided as evidence to
33 the department of licensing as required by RCW 19.112.110 or
34 19.112.120, except information disclosed in aggregate form that does
35 not permit the identification of information related to individual
36 fuel licensees;

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

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

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

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

14 (19) Information gathered under chapter 19.85 RCW or RCW
15 34.05.328 that can be identified to a particular business;

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

24 (21) Market share data submitted by a manufacturer under RCW
25 70.95N.190(4);

26 (22) Financial information supplied to the department of
27 financial institutions or to a portal under RCW 21.20.883, when filed
28 by or on behalf of an issuer of securities for the purpose of
29 obtaining the exemption from state securities registration for small
30 securities offerings provided under RCW 21.20.880 or when filed by or
31 on behalf of an investor for the purpose of purchasing such
32 securities;

33 (23) Unaggregated or individual notices of a transfer of crude
34 oil that is financial, proprietary, or commercial information,
35 submitted to the department of ecology pursuant to RCW
36 90.56.565(1)(a), and that is in the possession of the department of
37 ecology or any entity with which the department of ecology has shared
38 the notice pursuant to RCW 90.56.565;

39 (24) Financial institution and retirement account information,
40 and building security plan information, supplied to the liquor and

1 cannabis board pursuant to RCW 69.50.325, 69.50.331, 69.50.342, and
2 69.50.345, when filed by or on behalf of a licensee or prospective
3 licensee for the purpose of obtaining, maintaining, or renewing a
4 license to produce, process, transport, or sell marijuana as allowed
5 under chapter 69.50 RCW; ((and))

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

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

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

31 **Sec. 23.** RCW 42.56.400 and 2016 c 142 s 20, 2016 c 142 s 19, and
32 2016 c 122 s 4 are each reenacted and amended to read as follows:

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

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

38 (2) Information obtained and exempted or withheld from public
39 inspection by the health care authority under RCW 41.05.026, whether

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

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

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

10 (5) Information provided under RCW 48.05.510 through 48.05.535,
11 48.43.200 through 48.43.225, 48.44.530 through 48.44.555, and
12 48.46.600 through 48.46.625;

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

22 (7) Information provided to the insurance commissioner under RCW
23 48.110.040(3);

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

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

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

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

37 (b) "Health care facility" has the same meaning as in RCW
38 48.140.010(6).

39 (c) "Health care provider" has the same meaning as in RCW
40 48.140.010(7).

1 (d) "Insuring entity" has the same meaning as in RCW
2 48.140.010(8).

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

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

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

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

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

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

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

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

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

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

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

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

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

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

39 (24) Documents, materials, or information obtained by the
40 insurance commissioner under chapter 48.05A RCW; and

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

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

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

17 **Sec. 25.** RCW 43.84.080 and 2016 c 152 s 18 are each amended to
18 read as follows:

19 Subject to the limitations in section 7 of this act, wherever
20 there is in any fund or in cash balances in the state treasury more
21 than sufficient to meet the current expenditures properly payable
22 therefrom, the state treasurer may invest or reinvest such portion of
23 such funds or balances as the state treasurer deems expedient in the
24 following:

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

32 (2) In state, county, municipal, or school district bonds, notes,
33 or in warrants of taxing districts of the state. Such bonds and
34 warrants shall be only those found to be within the limit of
35 indebtedness prescribed by law for the taxing district issuing them
36 and to be general obligations. The state treasurer may purchase such
37 bonds or warrants directly from the taxing district or in the open

1 market at such prices and upon such terms as it may determine, and
2 may sell them at such times as it deems advisable;

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

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

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

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

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

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

22 NEW SECTION. **Sec. 27.** This act is necessary for the immediate
23 preservation of the public peace, health, or safety, or support of
24 the state government and its existing public institutions, and takes
25 effect immediately.

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

--- END ---