S-2935.1

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**SENATE BILL 5995**

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**State of Washington 66th Legislature 2019 Regular Session**

**By** Senators Hasegawa, Das, Nguyen, Van De Wege, Keiser, Conway, Saldaña, Billig, Darneille, Takko, Liias, and Hunt

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

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

NEW SECTION. **Sec.**  FINDINGS—INTENT. (1)(a) The legislature finds that there are significant public infrastructure and program needs of the state that are unmet, and that the level of unmet need has been exacerbated by numerous factors including our self-limiting constitutional debt ceiling, declining per capita revenues which limits the debt calculation and our ability to service debt while at the same time meet the basic social and economic development needs of the people, and our growing population which leads to increasing demands on our already overburdened infrastructure and services.

(b) The legislature also finds that the costs to the people for bonded debt is roughly twice as much as the original amount borrowed over the usual twenty-five to thirty years' life of the bond, and that this debt service payment from the general fund comes at the expense of other more needed programs and services. The state issues new bonds for needed capital year after year, which has pushed our debt to the constitutional limit. This has proven to be an unsustainable practice as directly evidenced by our inability to maintain existing infrastructure or fund new needed infrastructure for the development of our economy.

(c) Furthermore, the legislature finds that the general fund is being tasked with doing more with less: Students suffer under crushing debt, public housing capacity is diminishing even as our population is growing at a record rate, income and wealth inequality is expanding to historical highs which exposes our regressive revenue structure and leads to lower per capita revenue while increasing our need for services, addressing our share of global climate change will require huge investments into renewable energy sources, small businesses suffer from lack of access to capital while big corporations are amassing enormous wealth and the power it wields, and much of our public infrastructure is at a critical state of failure.

(d) The legislature further finds that there is a strategic opportunity to use the state's depository assets to generate additional benefit for the people and the economy of the state by creating a public depository and lending institution that is owned by the people of the state of Washington for the benefit of the people of the state of Washington. This state-owned bank will produce new revenue for the state without raising taxes while also creating greatly expanded financing capacity for infrastructure and other projects for public benefit that will grow much needed capacity for future generations.

(e) The legislature also finds that public banking is a well-proven strategy globally. On the other hand, the public financing paradigm in the United States has been to rely on commercial banking rather than public banking. The exception to our United States paradigm is North Dakota, which has owned its own bank, known as the bank of North Dakota. This one hundred year old publicly owned bank in 2018 reported its fourteenth consecutive year of record profits for the people of the state of North Dakota with the people earning seventeen percent return on their investment in the bank, while increasing public financing capacity for the state and also working in partnership with community banks to increase access to capital for its people and businesses through student loans, farming and small business loans, and other economic development programs. The bank of North Dakota has provided stability and capacity to the people of North Dakota throughout adverse cycles like the great recession of 2009 and the oil price crash of 2013.

(f) The legislature also finds that the leveraging capacity of a public depository bank would increase our public financing capacity by an order of magnitude. Other proposals to create so-called infrastructure banks are actually revolving loan accounts that are not really banks and cannot offer this basic leveraging capacity benefit of a bank because they are not the state's tax revenue depository.

(g) Finally, the legislature finds that a state bank is the cornerstone of a much larger and needed comprehensive economic development and social development strategy. While a game changing step forward on its own, it needs the follow-up with a larger comprehensive economic development and social development strategy that includes revenue reform, renewed commitment to public housing, transportation investments that support current and future needs including high speed rail, educational and workforce training investments, small and new business start-up supports, global marketing, and social safety net investments.

(h) Therefore, the legislature intends to create a publicly owned depository to be known as the Washington investment trust as a legacy institution that amasses sufficient capital reserves to address social and economic opportunities now and in the future.

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

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

(b) Offer cooperative ownership and services opportunities to political subdivisions within the state;

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

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

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

(4) The mission of the trust is to use Washington's depository assets in ways that afford most efficient use of taxpayer revenues and public resources for the benefit of the people and economy of the state.

(5) In achieving its purpose, the legislature intends for the trust to adhere to the following priority principles:

(a) Institutional safety and soundness;

(b) Long-term viability;

(c) Social return and monetary return on investments;

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

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

(f) Insulation from political influence.

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

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

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

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

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

(5) "Public infrastructure system" means a system of a local government or political subdivision, a special purpose district, a public school district, an institution of higher education as defined in RCW 28B.10.016, a federally recognized Indian tribe, or the state, including but not limited to a system involving: Wastewater treatment; storm water management; solid waste disposal; drinking water treatment; flood control levees; energy efficiency enhancements; roads, streets, and bridges; transportation infrastructure, including freight rail and transit; broadband and telecommunications infrastructure; outdoor recreation and habitat protection facilities; community, social service, or public safety facilities; schools and educational facilities; and affordable housing as defined in RCW 43.63A.510.

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

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

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

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

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

(2) The commission may adopt rules regarding the:

(a) Safety and soundness standards of the trust;

(b) Transparency requirements for trust operations;

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

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

(3) The commission shall commence trust operations by July 1, 2020.

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

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

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

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

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

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

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

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

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

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

(b) The business plan should consider creating a state-chartered public cooperative bank based on the federal home loan bank model whose members may only be the state or political subdivisions;

(c) Initial capital requirements of the trust with different scale options for the financial assets of the public;

(d) Options for capitalizing the trust including but not limited to: State revenues, federal funds, funds from local governments or political subdivisions, federal transportation funds, Taft-Hartley trust funds, revenue or general obligation bond proceeds, state health care unemployment or workers' compensation reserves, consolidation of state revolving loan accounts, housing trust funds, state investment board and local government investment pool investments, and other core capital reserves not needed for liquidity; and

(e) Other items requested by the commission in order to commence trust operations by July 1, 2020.

(3) Legislative members of the trust transition board must be reimbursed for travel expenses in accordance with RCW 44.04.120. Nonlegislative members, except those representing an employer or organization, are entitled to be reimbursed for expenses incurred in the discharge of their duties under chapter 43.--- RCW (the new chapter created in section 27 of this act) in accordance with RCW 43.03.050 and 43.03.060.

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

(5) This section expires July 1, 2020.

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

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

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

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

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

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

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

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

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

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

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

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

NEW SECTION. **Sec.**  FEDERAL MEMBERSHIP. The trust may become a member of the federal reserve system or the federal home loan bank.

NEW SECTION. **Sec.**  PUBLIC COOPERATIVE. The trust may form as a public cooperative bank based on the federal home loan bank model whose members may only be the state or political subdivisions. Political subdivisions may join with approval from their governing council or commission and the trust. The trust shall approve membership unless such approval would be detrimental to the sustainability of the bank.

NEW SECTION. **Sec.**  INFRASTRUCTURE FUNDING. The trust is authorized to manage and invest state moneys in order to facilitate investment in, and financing of, construction, rehabilitation, replacement, and improvement of new and existing public infrastructure systems. By November 1, 2019, the commission must present an implementation plan and any necessary legislation to the governor and appropriate legislative committees that:

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

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

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

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

(1) The ability of the legislature to appropriate from public accounts deposited at the trust, including the ability to place any conditions or limitations on those appropriations; or

(2) After the legislature appropriates moneys from public accounts deposited at the trust, the use of those moneys by the state agencies receiving the appropriations.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(3) This section does not prohibit:

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

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

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

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

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

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

In addition to the exemptions under RCW 41.06.070, the provisions of this chapter do not apply to the president of the Washington investment trust in section 12 of this act.

**Sec.**  RCW 30A.04.020 and 2014 c 37 s 103 are each amended to read as follows:

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

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

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

(2) A foreign corporation or other foreign domiciled legal person, whose name contains the words "bank," "banker," "banking," "bancorporation," "bancorp," or "trust," or the foreign language equivalent thereof, or whose articles of incorporation empower it to engage in banking or to engage in a trust business, may not engage in banking or in a trust business in this state unless the corporation or other legal person (a) is expressly authorized to do so under this title, under federal law, or by the director, and (b) complies with all applicable requirements of Washington state law regarding foreign corporations and other foreign legal persons. If an activity would not constitute "transacting business" within the meaning of RCW 23B.15.010(1) or chapter 23B.18 RCW, then the activity shall not constitute banking or engaging in a trust business. Nothing in this subsection shall prevent operations by an alien bank in compliance with chapter 30A.42 RCW.

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

(4) Any individual or legal person, or director, officer, or manager of such legal person, who knowingly violates any provision of this section shall be guilty of a gross misdemeanor.

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

**Sec.**  RCW 42.56.270 and 2018 c 201 s 8008, 2018 c 196 s 21, and 2018 c 4 s 9 are each reenacted and amended to read as follows:

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

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

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

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

(4) Financial and commercial information and records supplied by businesses or individuals during application for loans or program services provided by chapters 43.325, 43.163, 43.160, 43.330, 43.--- (the new chapter created in section 27 of this act), and 43.168 RCW, or during application for economic development loans or program services provided by any local agency;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(30) Proprietary information filed with the department of health under chapter 69.48 RCW.

**Sec.**  RCW 42.56.400 and 2018 c 260 s 32 and 2018 c 30 s 9 are each reenacted and amended to read as follows:

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

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

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

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

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

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

(6) Examination reports and information obtained by the department of financial institutions from banks under RCW 30A.04.075, from savings banks under RCW 32.04.220, from savings and loan associations under RCW 33.04.110, from credit unions under RCW 31.12.565, from the Washington investment trust under chapter 43.--- RCW (the new chapter created in section 27 of this act), from check cashers and sellers under RCW 31.45.030(3), and from securities brokers and investment advisers under RCW 21.20.100, all of which is confidential and privileged information;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(21) Data, information, and documents, other than those described in RCW 48.02.210(2) as it existed prior to repeal by section 2, chapter 7, Laws of 2017 3rd ((~~sp.s.~~)) sp. sess., that are submitted to the office of the insurance commissioner by an entity providing health care coverage pursuant to RCW 28A.400.275 as it existed on January 1, 2017, and ((~~[RCW]~~)) RCW 48.02.210 as it existed prior to repeal by section 2, chapter 7, Laws of 2017 3rd ((~~sp.s.~~)) sp. sess.;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

NEW SECTION. **Sec.**  Sections 1 through 4 and 6 through 19 of this act constitute a new chapter in Title 43 RCW.

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

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

**--- END ---**