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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, Liiias, and Hunt

Read first time 03/28/19. Referred to Committee on Financial Institutions, Economic Development & Trade.

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

17 (b) The legislature also finds that the costs to the people for  
18 bonded debt is roughly twice as much as the original amount borrowed  
19 over the usual twenty-five to thirty years' life of the bond, and  
20 that this debt service payment from the general fund comes at the  
21 expense of other more needed programs and services. The state issues

1 new bonds for needed capital year after year, which has pushed our  
2 debt to the constitutional limit. This has proven to be an  
3 unsustainable practice as directly evidenced by our inability to  
4 maintain existing infrastructure or fund new needed infrastructure  
5 for the development of our economy.

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

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

28 (e) The legislature also finds that public banking is a well-  
29 proven strategy globally. On the other hand, the public financing  
30 paradigm in the United States has been to rely on commercial banking  
31 rather than public banking. The exception to our United States  
32 paradigm is North Dakota, which has owned its own bank, known as the  
33 bank of North Dakota. This one hundred year old publicly owned bank  
34 in 2018 reported its fourteenth consecutive year of record profits  
35 for the people of the state of North Dakota with the people earning  
36 seventeen percent return on their investment in the bank, while  
37 increasing public financing capacity for the state and also working  
38 in partnership with community banks to increase access to capital for  
39 its people and businesses through student loans, farming and small  
40 business loans, and other economic development programs. The bank of

1 North Dakota has provided stability and capacity to the people of  
2 North Dakota throughout adverse cycles like the great recession of  
3 2009 and the oil price crash of 2013.

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

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

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

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

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

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

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

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

39 (3) The legislature intends for the trust to apply business  
40 strategies to manage taxpayer revenues for the best interests of the

1 state and people while concurrently meeting identified needs and  
2 strategic opportunities across the state.

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

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

- 9 (a) Institutional safety and soundness;
- 10 (b) Long-term viability;
- 11 (c) Social return and monetary return on investments;
- 12 (d) Highest ethical, accountability, and transparency standards;
- 13 (e) Prudent and best banking and business practices; and
- 14 (f) Insulation from political influence.

15 NEW SECTION. **Sec. 2.** DEFINITIONS. The definitions in this  
16 section apply throughout this chapter unless the context clearly  
17 requires otherwise.

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

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

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

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

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

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

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

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

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

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

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

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

11 (b) Transparency requirements for trust operations;

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

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

18 (3) The commission shall commence trust operations by July 1,  
19 2020.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

31 (3) Legislative members of the trust transition board must be  
32 reimbursed for travel expenses in accordance with RCW 44.04.120.  
33 Nonlegislative members, except those representing an employer or  
34 organization, are entitled to be reimbursed for expenses incurred in  
35 the discharge of their duties under chapter 43.--- RCW (the new  
36 chapter created in section 27 of this act) in accordance with RCW  
37 43.03.050 and 43.03.060.

38 (4) The trust transition board may appoint an interim president  
39 and other necessary staff who are exempt from the provisions of  
40 chapter 41.06 RCW, and who serve at the board's pleasure on such

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

6 (5) This section expires July 1, 2020.

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

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

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

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

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

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

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

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

37 (b) The commission shall establish a separate administrative  
38 account within the trust from which its administrative and strategic  
39 planning costs must be funded. In each biennial operating budget, the

1 legislature shall authorize the commission to incur a maximum  
2 expenditure from the administrative account.

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

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

12 NEW SECTION. **Sec. 7.** INVESTMENT OF STATE MONEYS. The commission  
13 and the state treasurer shall jointly determine the amount of funds  
14 necessary to meet the operational needs of state government. The  
15 state treasurer retains authority to manage and invest the amount of  
16 funds necessary to meet the operational needs of state government.

17 NEW SECTION. **Sec. 8.** FEDERAL MEMBERSHIP. The trust may become a  
18 member of the federal reserve system or the federal home loan bank.

19 NEW SECTION. **Sec. 9.** PUBLIC COOPERATIVE. The trust may form as  
20 a public cooperative bank based on the federal home loan bank model  
21 whose members may only be the state or political subdivisions.  
22 Political subdivisions may join with approval from their governing  
23 council or commission and the trust. The trust shall approve  
24 membership unless such approval would be detrimental to the  
25 sustainability of the bank.

26 NEW SECTION. **Sec. 10.** INFRASTRUCTURE FUNDING. The trust is  
27 authorized to manage and invest state moneys in order to facilitate  
28 investment in, and financing of, construction, rehabilitation,  
29 replacement, and improvement of new and existing public  
30 infrastructure systems. By November 1, 2019, the commission must  
31 present an implementation plan and any necessary legislation to the  
32 governor and appropriate legislative committees that:

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



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

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

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

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

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

14 NEW SECTION. **Sec. 12.** MANAGEMENT. (1) The commission shall  
15 appoint a trust president. The president is exempt from the  
16 provisions of chapter 41.06 RCW. The president shall serve at the  
17 commission's pleasure, on such terms and conditions as the commission  
18 determines, but subject to chapter 42.52 RCW.

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

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

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

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

29 NEW SECTION. **Sec. 13.** ADVISORY BOARD. (1)(a) An investment  
30 trust advisory board consisting of eleven members is created to  
31 review the trust's operations and make recommendations relating to  
32 the trust's management, services, policies, and procedures.

33 (b) The governor shall appoint members of the advisory board,  
34 subject to confirmation by the senate. The members of the advisory  
35 board must represent a diversity of experience relevant to activities  
36 of the trust. Six or more of the members must have expertise in

1 finance. Advisory board members serve at the pleasure of the  
2 governor.

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

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

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

18 NEW SECTION. **Sec. 14.** FINANCIAL OVERSIGHT AND AUDIT. (1) The  
19 trust must maintain capital adequacy and other standard indicators of  
20 safety and soundness as are appropriate for a publicly owned  
21 financial institution.

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

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

28 NEW SECTION. **Sec. 15.** REPORTING REQUIREMENTS. (1) The trust  
29 shall submit quarterly reports to the commission in a manner and form  
30 prescribed by the commission.

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

33 NEW SECTION. **Sec. 16.** ETHICAL REQUIREMENTS. The trust may not  
34 make a loan to any advisory board member, the president, or employees  
35 of the trust. Advisory board members, the president, and employees of  
36 the trust must follow applicable ethical requirements in chapter

1 42.52 RCW and in rules, policies, and procedures adopted by the  
2 commission.

3 NEW SECTION. **Sec. 17.** FEES AND TAXES. The trust is exempt from  
4 payment of all fees and taxes levied by the state or any of its  
5 subdivisions.

6 NEW SECTION. **Sec. 18.** TRUST RECORDS. (1) Under RCW 42.56.270  
7 and 42.56.400, certain trust business records and records of the  
8 department relating to the trust are exempt from public disclosure.

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

14 (3) This section does not prohibit:

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

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

21 NEW SECTION. **Sec. 19.** CAPITALIZATION. The commission must make  
22 recommendations to the appropriate fiscal committees of the  
23 legislature on options for capitalization of the trust. Any  
24 recommendations must include draft legislation for consideration by  
25 the legislature.

26 NEW SECTION. **Sec. 20.** A new section is added to chapter 39.58  
27 RCW to read as follows:

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

31 NEW SECTION. **Sec. 21.** A new section is added to chapter 41.06  
32 RCW to read as follows:

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

1       **Sec. 22.** RCW 30A.04.020 and 2014 c 37 s 103 are each amended to  
2 read as follows:

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

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

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

26       (2) A foreign corporation or other foreign domiciled legal  
27 person, whose name contains the words "bank," "banker," "banking,"  
28 "bancorporation," "bancorp," or "trust," or the foreign language  
29 equivalent thereof, or whose articles of incorporation empower it to  
30 engage in banking or to engage in a trust business, may not engage in  
31 banking or in a trust business in this state unless the corporation  
32 or other legal person (a) is expressly authorized to do so under this  
33 title, under federal law, or by the director, and (b) complies with  
34 all applicable requirements of Washington state law regarding foreign  
35 corporations and other foreign legal persons. If an activity would  
36 not constitute "transacting business" within the meaning of RCW  
37 23B.15.010(1) or chapter 23B.18 RCW, then the activity shall not  
38 constitute banking or engaging in a trust business. Nothing in this  
39 subsection shall prevent operations by an alien bank in compliance  
40 with chapter 30A.42 RCW.

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

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

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

14 **Sec. 23.** RCW 42.56.270 and 2018 c 201 s 8008, 2018 c 196 s 21,  
15 and 2018 c 4 s 9 are each reenacted and amended to read as follows:

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

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

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

27 (3) Financial and commercial information and records supplied by  
28 private persons pertaining to export services provided under chapters  
29 43.163 and 53.31 RCW, and by persons pertaining to export projects  
30 under RCW 43.23.035;

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

37 (5) Financial information, business plans, examination reports,  
38 and any information produced or obtained in evaluating or examining a

1 business and industrial development corporation organized or seeking  
2 certification under chapter 31.24 RCW;

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

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

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

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

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

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

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

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

38 (i) Financial and proprietary information collected from any  
39 person and provided to the department of commerce pursuant to RCW  
40 43.330.050(8); and

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

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

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

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

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

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

27 (15) Financial and commercial information provided as evidence to  
28 the department of licensing as required by RCW 19.112.110 or  
29 19.112.120, except information disclosed in aggregate form that does  
30 not permit the identification of information related to individual  
31 fuel licensees;

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

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

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

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

10 (19) Information gathered under chapter 19.85 RCW or RCW  
11 34.05.328 that can be identified to a particular business;

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

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

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

29 (23) Unaggregated or individual notices of a transfer of crude  
30 oil that is financial, proprietary, or commercial information,  
31 submitted to the department of ecology pursuant to RCW  
32 90.56.565(1)(a), and that is in the possession of the department of  
33 ecology or any entity with which the department of ecology has shared  
34 the notice pursuant to RCW 90.56.565;

35 (24) Financial institution and retirement account information,  
36 and building security plan information, supplied to the liquor and  
37 cannabis board pursuant to RCW 69.50.325, 69.50.331, 69.50.342, and  
38 69.50.345, when filed by or on behalf of a licensee or prospective  
39 licensee for the purpose of obtaining, maintaining, or renewing a



1 license to produce, process, transport, or sell marijuana as allowed  
2 under chapter 69.50 RCW;

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

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

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

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

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

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

1       **Sec. 24.** RCW 42.56.400 and 2018 c 260 s 32 and 2018 c 30 s 9 are  
2 each reenacted and amended to read as follows:

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

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

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

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

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

19       (5) Information provided under RCW 48.05.510 through 48.05.535,  
20 48.43.200 through 48.43.225, 48.44.530 through 48.44.555, and  
21 48.46.600 through 48.46.625;

22       (6) Examination reports and information obtained by the  
23 department of financial institutions from banks under RCW 30A.04.075,  
24 from savings banks under RCW 32.04.220, from savings and loan  
25 associations under RCW 33.04.110, from credit unions under RCW  
26 31.12.565, from the Washington investment trust under chapter 43.---  
27 RCW (the new chapter created in section 27 of this act), from check  
28 cashers and sellers under RCW 31.45.030(3), and from securities  
29 brokers and investment advisers under RCW 21.20.100, all of which is  
30 confidential and privileged information;

31       (7) Information provided to the insurance commissioner under RCW  
32 48.110.040(3);

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

36       (9) Documents, materials, or information obtained by the  
37 insurance commissioner under RCW 48.31B.015(2) (l) and (m),  
38 48.31B.025, 48.31B.030, and 48.31B.035, all of which are confidential  
39 and privileged;

1 (10) Data filed under RCW 48.140.020, 48.140.030, 48.140.050, and  
2 7.70.140 that, alone or in combination with any other data, may  
3 reveal the identity of a claimant, health care provider, health care  
4 facility, insuring entity, or self-insurer involved in a particular  
5 claim or a collection of claims. For the purposes of this subsection:

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

7 (b) "Health care facility" has the same meaning as in RCW  
8 48.140.010(6).

9 (c) "Health care provider" has the same meaning as in RCW  
10 48.140.010(7).

11 (d) "Insuring entity" has the same meaning as in RCW  
12 48.140.010(8).

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

14 (25) Documents, materials, or information obtained by the  
15 insurance commissioner under RCW 48.74.025, 48.74.028, 48.74.100(6),  
16 48.74.110(2) (b) and (c), and 48.74.120 to the extent such documents,  
17 materials, or information independently qualify for exemption from  
18 disclosure as documents, materials, or information in possession of  
19 the commissioner pursuant to a financial conduct examination and  
20 exempt from disclosure under RCW 48.02.065;

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

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

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

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

32 **Sec. 25.** RCW 43.08.135 and 2009 c 549 s 5044 are each amended to  
33 read as follows:

34 The state treasurer shall maintain at all times cash, or demand  
35 deposits in the Washington investment trust created in section 3 of  
36 this act or qualified public depositories in an amount needed to meet  
37 the operational needs of state government: PROVIDED, That the state  
38 treasurer shall not be considered in violation of RCW 9A.56.060(1) if

1 he or she maintains demand accounts in public depositaries in an  
2 amount less than all treasury warrants issued and outstanding.

3 **Sec. 26.** RCW 43.84.080 and 2016 c 152 s 18 are each amended to  
4 read as follows:

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

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

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

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

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

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

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

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

4 NEW SECTION. **Sec. 27.** Sections 1 through 4 and 6 through 19 of  
5 this act constitute a new chapter in Title 43 RCW.

6 NEW SECTION. **Sec. 28.** This act is necessary for the immediate  
7 preservation of the public peace, health, or safety, or support of  
8 the state government and its existing public institutions, and takes  
9 effect immediately.

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

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