
HOUSE BILL 2437

State of Washington

68th Legislature

2024 Regular Session

By Representatives Santos, Wylie, and Reeves

Read first time 01/19/24. Referred to Committee on Consumer Protection & Business.

1 AN ACT Relating to incentivizing retirement savings options for
2 Washington businesses and their employees; reenacting and amending
3 RCW 43.79A.040, 43.79A.040, and 43.79A.040; adding a new chapter to
4 Title 19 RCW; creating a new section; providing effective dates; and
5 providing expiration dates.

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

7 NEW SECTION. **Sec. 1.** The definitions in this section apply
8 throughout this chapter unless the context clearly requires
9 otherwise.

10 (1) "Board" means the Washington state multiple employer
11 retirement plan board established in section 2 of this act.

12 (2) "Eligible employee" means a person who is either employed by
13 a participating employer or is self-employed, who has wages or other
14 compensation that is allocable to the state, who is 18 years of age
15 or older, and is eligible to participate in the plan.

16 (3) "Eligible employer" means a person or entity engaged in a
17 specific business, industry, profession, trade, or other enterprise
18 located in Washington, whether for profit or not for profit,
19 including a self-employed individual, that has been in business at
20 all times during the proceeding calendar year, but excluding a

1 federal, state, or foreign governmental entity, agency, or
2 instrumentality or any political subdivision thereof.

3 (4) "Employee retirement income security act" means the employee
4 retirement income security act of 1974, as amended, Title 29 U.S.C.
5 Sec. 1001 et seq.

6 (5) "Internal revenue code" means the internal revenue code of
7 1986, as amended, Title 26 U.S.C. Sec. 1 et seq.

8 (6) "Participant" means an eligible employee who has a balance
9 credited to his or her account under the plan, and for investment and
10 benefit payment purposes, includes the beneficiary of a deceased
11 participant and an alternate payee pursuant to a domestic relations
12 order under section 414(p) of the internal revenue code and section
13 206(d)(3) of the employee retirement income security act.

14 (7) "Participating employer" means an eligible employer that has
15 elected to participate in the plan provided for by this chapter.

16 (8) "Plan" means the Washington state multiple employer
17 retirement plan established under this chapter.

18 (9) "Trust" means the trust formed or issued under Washington law
19 to hold the assets of the plan.

20 NEW SECTION. **Sec. 2.** (1) The Washington state multiple employer
21 retirement plan board is established in the office of the state
22 treasurer.

23 (2) (a) The board is comprised of the following voting members:

24 (i) The state treasurer;

25 (ii) The chief executive officer of the Washington state
26 investment board or his or her designee; and

27 (iii) The following members appointed by the governor:

28 (A) Two members representing the interests of small, independent
29 businesses in Washington;

30 (B) Two members representing minority and women-owned businesses;

31 (C) One member associated with the small business resiliency
32 network under the department of commerce; and

33 (D) Two employee representatives, one of whom must be a current
34 employee and one of whom must be retired.

35 (b) The board has the following nonvoting ex officio members:

36 (i) Two members of the senate, one from each of the two largest
37 caucuses, appointed by the president of the senate; and

1 (ii) Two members of the house of representatives, one from each
2 of the two largest caucuses, appointed by the speaker of the house of
3 representatives.

4 (3) The state treasurer shall chair the board.

5 (4) Voting members appointed by the governor serve three-year
6 terms and may be appointed for a second three-year term at the
7 discretion of the governor, but may not serve more than two terms
8 over their lifetime. The governor may stagger the terms of the
9 appointed members. Members appointed by the speaker of the house of
10 representatives or the president of the senate serve at the pleasure
11 of the appointing authority.

12 (5) The board shall meet at least four times annually and
13 periodically as specified by the chair or a majority of the board.
14 The inaugural meeting of the board must occur before January 1, 2025.

15 (6) Each voting board member has one vote. The powers of the
16 board must be exercised by a majority of all voting members present
17 at the meeting of the board, whether in person or remotely. Five
18 voting members of the board constitute a quorum to convene a meeting
19 and to act on any measures before the board.

20 (7) The board may conduct meetings remotely by teleconference or
21 videoconference, including to obtain a quorum and to take votes on
22 any measure.

23 NEW SECTION. **Sec. 3.** (1) The board is the plan sponsor, plan
24 administrator, and fiduciary of the plan under the employee
25 retirement income security act, and as such, shall have the following
26 powers and duties to:

27 (a) Establish, implement, operate, and maintain the plan in
28 accordance with the requirements set forth in section 4 of this act;

29 (b) Arrange for and facilitate compliance with all applicable
30 requirements for the plan under the internal revenue code, the
31 employee retirement income security act, and any other applicable
32 federal or state law and accounting requirements, and to provide or
33 arrange for assistance to eligible employers and eligible employees
34 in complying with applicable law and tax-related requirements in a
35 cost-effective manner;

36 (c) Apply for determination letters from the internal revenue
37 service that the plan satisfies the qualification requirements under
38 the internal revenue code 401(a);

1 (d) Ensure that the plan, trust, and accounts established under
2 the plan are designed, established, and operated:

3 (i) In accordance with best practices for retirement savings
4 vehicles;

5 (ii) To encourage participation, savings, sound investment
6 practices, and appropriate selection of default investments;

7 (iii) To maximize simplicity and ease of administration for
8 eligible employers;

9 (iv) To minimize costs, including by collective investment and
10 economies of scale; and

11 (v) To promote portability of benefits;

12 (e) Hire, retain, and terminate a plan executive director and
13 other such employees as the board determines necessary to administer
14 the plan;

15 (f) Make and enter into competitively procured contracts and
16 agreements to the extent necessary for the effective and efficient
17 design, implementation, and administration of the plan, including for
18 consultants, actuaries, investment advisors, investment
19 administrators, investment management firms, and third-party
20 administrators;

21 (g) Cause moneys to be held and invested and reinvested under the
22 plan;

23 (h) Arrange for collective, common, and pooled investment of
24 assets of the plan;

25 (i) Develop and implement an investment policy that defines the
26 plan's investment objectives, consistent with the objectives of the
27 plan, and that provides for policies and procedures consistent with
28 those investment objectives;

29 (j) Designate appropriate default investments that include a mix
30 of asset classes, such as target date and balanced funds;

31 (k) Establish the processes for enrollments, contributions, and
32 distributions under the plan;

33 (l) Establish a process deemed reasonably necessary to verify
34 whether a person or entity is an eligible employer;

35 (m) Collect fees to defray the cost of administering the plan,
36 while seeking to minimize participant fees and expenses of investment
37 and administration;

38 (n) Establish procedures for the timely and fair resolution of
39 participant and other disputes related to accounts or program

1 operation and, if necessary, determine the eligibility of an
2 employer, employee, or other individual to participate in the plan;

3 (o) Develop and implement an outreach plan to gain input and
4 disseminate information regarding the plan and to educate
5 participants and citizens about the benefits of planning and saving
6 for retirement;

7 (p) Provide an opportunity for participating employers and
8 participants to provide feedback on the plan with an annual meeting;

9 (q) Adopt rules and procedures necessary to implement,
10 administer, and operate the plan consistent with the internal revenue
11 code and regulations thereunder, including to ensure that the plan
12 satisfies all criteria for favorable federal tax-qualified treatment,
13 and complies, to the extent necessary, with the employee retirement
14 income security act and any other applicable federal and state law;
15 and

16 (r) Discharge the board's duties and see that the members of the
17 board discharge their duties with respect to the plan solely in the
18 interests of the participants as follows:

19 (i) For the exclusive purpose of providing benefits to
20 participants and defraying reasonable expenses of administering the
21 plan; and

22 (ii) With the care, skill, prudence, and diligence under the
23 circumstances then prevailing that a prudent person acting in a like
24 capacity and familiar with those matters would use in the conduct of
25 an enterprise of a like character and with like aims.

26 (2) The board shall submit an annual report to the appropriate
27 committees of the legislature, in accordance with RCW 43.01.036, and
28 to participating employers and plan participants that provides
29 information about the plan, including:

30 (a) Participating employer and participant statistics;

31 (b) Plan performance;

32 (c) Board decisions; and

33 (d) Recommendations to the legislature regarding the plan.

34 NEW SECTION. **Sec. 4.** The Washington state multiple employer
35 retirement plan shall be designed, established, and operated by the
36 board and must:

37 (1) Be a tax-qualified defined contribution plan under section
38 401(a) of the internal revenue code, which includes a cash or

- 1 deferred arrangement under section 401(k) of the internal revenue
2 code;
- 3 (2) Be governed by the employee retirement income security act;
- 4 (3) Be either a multiple employer plan under the employee
5 retirement income security act and the internal revenue code section
6 413(c) or a series of single-employer plans with combined
7 administrative and investment structures;
- 8 (4) Be available on a voluntary, opt-in basis to eligible
9 employers and eligible employees;
- 10 (5) Provide participants the option to terminate their
11 participation at any time;
- 12 (6) Allow voluntary pretax or designated Roth 401(k)
13 contributions;
- 14 (7) Allow voluntary employer matching and nonmatching
15 contributions, provided that all participant and participating
16 employer contributions are always fully vested;
- 17 (8) Provide that, upon enrollment, participants are enrolled at
18 the default, contribution rate established by the board;
- 19 (9) Offer default escalation of contribution levels that can be
20 increased or decreased with the limits allowed by the internal
21 revenue code;
- 22 (10) Allow participating employers to adopt rules and conditions
23 in the plan documents regarding employee eligibility, including
24 compensation for contribution purposes and the rate of matching and
25 nonmatching contributions applicable to its participants, provided
26 that all rules and conditions comply with the internal revenue code
27 and the employee retirement income security act;
- 28 (11) Pool accounts established under the plan for investment;
- 29 (12) Provide for the rules and procedures governing the payment
30 of benefits;
- 31 (13) Provide for the rules and procedures promoting portability
32 of benefits, including the ability to make rollovers or transfers to
33 and from the plan that are exempt from federal income tax, provided
34 that a rollover is initiated by a participant;
- 35 (14) Be professionally managed; and
- 36 (15) Provide for the plan's administration in an efficient and
37 cost-effective manner.

38 NEW SECTION. **Sec. 5.** (1) The Washington state investment board
39 shall be the investment manager of the plan. The investment manager

1 shall, in consultation with the board, have the full power to invest,
2 reinvest, manage, contract, sell, or exchange funds associated with
3 the plan.

4 (2) All investment and operating costs of the investment manager
5 must be paid by participants and recovered under procedures agreed to
6 by the board and the investment manager.

7 (3) The investment manager shall invest and manage the assets
8 entrusted to it:

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

13 (b) In accordance with the investment policy established by the
14 board.

15 (4) The investment manager must routinely consult and communicate
16 with the board on the investment policy, performance, and related
17 needs of the plan.

18 NEW SECTION. **Sec. 6.** (1) Prior to opening the plan for
19 enrollment, the board shall design and disseminate to employers:

20 (a) An employer information packet educating employers about the
21 plan that must include background information on the plan; and

22 (b) An employee information packet for the plan that must include
23 background information on the plan and appropriate disclosures to
24 employees.

25 (2) The disclosures under subsection (1) of this section must
26 include, but are not limited to:

27 (a) The benefits and risks associated with participating in the
28 plan;

29 (b) The mechanics of how the employee may join the plan if his or
30 her employer participates;

31 (c) The process for applying for payment of retirement benefits;

32 (d) How to obtain additional information about the plan; and

33 (e) Other information deemed relevant and necessary by the board.

34 (3) In addition, the disclosure form must clearly articulate the
35 following:

36 (a) That participating employers are not liable for decisions
37 employees make pursuant to this chapter; and

38 (b) The plan fund is not guaranteed by the state.

1 NEW SECTION. **Sec. 7.** (1) Individual account information
2 relating to accounts under the plan and relating to individual
3 participants including, but not limited to, names, addresses,
4 telephone numbers, email addresses, personal identification
5 information, investments, contributions, and earnings is confidential
6 and must be maintained as confidential, provided that such
7 information may be disclosed:

8 (a) To the extent necessary to administer the plan in a manner
9 consistent with this chapter, the employee retirement income security
10 act, the internal revenue code, or any other federal or Washington
11 law; or

12 (b) If the individual who provides the information or who is the
13 subject of the information expressly agrees in writing to the
14 disclosure of the information.

15 (2) Information required to be confidential under subsection (1)
16 of this section is exempt from disclosure under the public records
17 act, chapter 42.56 RCW.

18 NEW SECTION. **Sec. 8.** (1) A participating employer may not be a
19 fiduciary, or considered to be a fiduciary, with regard to the
20 operation of the plan, except with respect to contribution amounts
21 not remitted in a timely fashion. A participating employer may not be
22 liable for or bear responsibility for:

23 (a) An employee's decision to participate in or opt out of the
24 plan;

25 (b) An employee's decision as to which investments to choose;

26 (c) Participants' or the board's investment decisions;

27 (d) The administration, investment, investment returns, or
28 investment performance of the plan including, but not limited to, any
29 interest rate or other rate of return on any contribution or account
30 balance, provided that the participating employer is not involved in
31 the administration or investment of the plan;

32 (e) The plan design or the benefits paid to participants; or

33 (f) Any loss, failure to realize any gain, or any other adverse
34 consequences including, but not limited to, any adverse tax
35 consequences or loss of favorable tax treatment, public assistance,
36 or other benefits, incurred by any person as a result of
37 participating in the plan.

1 (2) The state; the board and each of its members; any other state
2 official, board, commission, or agency; any member, officer, and
3 employee thereof; and the plan:

4 (a) May not guarantee any interest rate or other rate of return
5 on or investment performance of any contribution or account balance;
6 and

7 (b) Is not liable or responsible for any loss, deficiency,
8 failure to realize any gain, or any other adverse consequences
9 including, but not limited to, any adverse tax consequences or loss
10 of favorable tax treatment, public assistance, or other benefits,
11 incurred by any person as a result of participating in the plan.

12 (3) The debts, contracts, and obligations of the plan or the
13 board are not the debts, contracts, and obligations of the state, and
14 neither the faith and credit nor the taxing power of the state is
15 pledged directly or indirectly to the payment of the debts,
16 contracts, and obligations of the plan or the board.

17 (4) Nothing in this chapter may be construed to guarantee any
18 interest rate or other rate of return on or investment performance of
19 any contribution or account balance.

20 NEW SECTION. **Sec. 9.** The Washington state multiple employer
21 retirement plan administrative account is created in the state
22 treasury. All receipts from the plan must be deposited in the
23 account. Moneys in the account may be spent only after appropriation.
24 Expenditures from the account may be used for plan administration and
25 operating expenditures.

26 NEW SECTION. **Sec. 10.** (1) The Washington state multiple
27 employer retirement plan trust account is created in the custody of
28 the state treasurer, and must be operated as a trust. The board
29 established in section 2 of this act shall serve as its trustee.

30 (2) (a) The account must be a discrete nontreasury account
31 retaining its interest earnings in accordance with RCW 43.79A.040.
32 The board shall deposit in the account all moneys received for the
33 plan from participating employers and participants.

34 (b) The board shall determine how the account operates, provided
35 that the account is operated so that it meets the requirements of the
36 internal revenue code, as of the effective date of this section.

1 (3) Disbursements from the account are exempt from appropriation
2 and the allotment procedures of chapter 43.88 RCW. An appropriation
3 is not required for expenditures.

4 (4) With regard to assets, the board acts in a fiduciary, not
5 ownership capacity. The assets of the plan are not considered state
6 money, common cash, or revenue to the state.

7 NEW SECTION. **Sec. 11.** The Washington state multiple employer
8 retirement plan must be implemented and operational by January 1,
9 2027.

10 NEW SECTION. **Sec. 12.** If any part of this act is found to be in
11 conflict with federal requirements that are a prescribed condition to
12 the allocation of federal funds to the state, the conflicting part of
13 this act is inoperative solely to the extent of the conflict and with
14 respect to the agencies directly affected, and this finding does not
15 affect the operation of the remainder of this act in its application
16 to the agencies concerned. Rules adopted under this act must meet
17 federal requirements that are a necessary condition to the receipt of
18 federal funds by the state.

19 NEW SECTION. **Sec. 13.** Sections 1 through 11 of this act
20 constitute a new chapter in Title 19 RCW.

21 **Sec. 14.** RCW 43.79A.040 and 2023 c 389 s 8, 2023 c 387 s 2, 2023
22 c 380 s 6, 2023 c 170 s 19, and 2023 c 12 s 2 are each reenacted and
23 amended to read as follows:

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

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

32 (3) The investment income account may be utilized for the payment
33 of purchased banking services on behalf of treasurer's trust funds
34 including, but not limited to, depository, safekeeping, and
35 disbursement functions for the state treasurer or affected state
36 agencies. The investment income account is subject in all respects to

1 chapter 43.88 RCW, but no appropriation is required for payments to
2 financial institutions. Payments must occur prior to distribution of
3 earnings set forth in subsection (4) of this section.

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

7 (b) The following accounts and funds must receive their
8 proportionate share of earnings based upon each account's or fund's
9 average daily balance for the period: The 24/7 sobriety account, the
10 Washington promise scholarship account, the Gina Grant Bull memorial
11 legislative page scholarship account, the Rosa Franklin legislative
12 internship program scholarship account, the Washington advanced
13 college tuition payment program account, the Washington college
14 savings program account, the accessible communities account, the
15 Washington achieving a better life experience program account, the
16 Washington career and college pathways innovation challenge program
17 account, the community and technical college innovation account, the
18 agricultural local fund, the American Indian scholarship endowment
19 fund, the behavioral health loan repayment program account, the Billy
20 Frank Jr. national statutory hall collection fund, the foster care
21 scholarship endowment fund, the foster care endowed scholarship trust
22 fund, the contract harvesting revolving account, the Washington state
23 combined fund drive account, the commemorative works account, the
24 county 911 excise tax account, the county road administration board
25 emergency loan account, the toll collection account, the
26 developmental disabilities endowment trust fund, the energy account,
27 the energy facility site evaluation council account, the fair fund,
28 the family and medical leave insurance account, the fish and wildlife
29 federal lands revolving account, the natural resources federal lands
30 revolving account, the food animal veterinarian conditional
31 scholarship account, the forest health revolving account, the fruit
32 and vegetable inspection account, the educator conditional
33 scholarship account, the game farm alternative account, the GET ready
34 for math and science scholarship account, the Washington global
35 health technologies and product development account, the grain
36 inspection revolving fund, the Washington history day account, the
37 industrial insurance rainy day fund, the juvenile accountability
38 incentive account, the law enforcement officers' and firefighters'
39 plan 2 expense fund, the local tourism promotion account, the low-
40 income home rehabilitation account, the medication for people living

1 with HIV rebate revenue account, the multiagency permitting team
2 account, the northeast Washington wolf-livestock management account,
3 the pollution liability insurance program trust account, the produce
4 railcar pool account, the public use general aviation airport loan
5 revolving account, the regional transportation investment district
6 account, the rural rehabilitation account, the Washington sexual
7 assault kit account, the stadium and exhibition center account, the
8 youth athletic facility account, the self-insurance revolving fund,
9 the children's trust fund, the Washington horse racing commission
10 Washington bred owners' bonus fund and breeder awards account, the
11 Washington horse racing commission class C purse fund account, the
12 individual development account program account, the Washington horse
13 racing commission operating account, the life sciences discovery
14 fund, the Washington state library-archives building account, the
15 reduced cigarette ignition propensity account, the center for deaf
16 and hard of hearing youth account, the school for the blind account,
17 the Millersylvania park trust fund, the public employees' and
18 retirees' insurance reserve fund, the school employees' benefits
19 board insurance reserve fund, the public employees' and retirees'
20 insurance account, the school employees' insurance account, the long-
21 term services and supports trust account, the Washington state
22 multiple employer retirement plan trust account, the radiation
23 perpetual maintenance fund, the Indian health improvement
24 reinvestment account, the department of licensing tuition recovery
25 trust fund, the student achievement council tuition recovery trust
26 fund, the tuition recovery trust fund, the industrial insurance
27 premium refund account, the mobile home park relocation fund, the
28 natural resources deposit fund, the Washington state health insurance
29 pool account, the federal forest revolving account, and the library
30 operations account.

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

38 (d) Any state agency that has independent authority over accounts
39 or funds not statutorily required to be held in the custody of the
40 state treasurer that deposits funds into a fund or account in the

1 custody of the state treasurer pursuant to an agreement with the
2 office of the state treasurer shall receive its proportionate share
3 of earnings based upon each account's or fund's average daily balance
4 for the period.

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

8 **Sec. 15.** RCW 43.79A.040 and 2023 c 389 s 8, 2023 c 387 s 2, 2023
9 c 380 s 6, 2023 c 213 s 9, 2023 c 170 s 19, and 2023 c 12 s 2 are
10 each reenacted and amended to read as follows:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

15 NEW SECTION. **Sec. 17.** (1) Section 14 of this act expires July
16 1, 2024.

17 (2) Section 15 of this act expires July 1, 2030.

18 NEW SECTION. **Sec. 18.** (1) Section 15 of this act takes effect
19 July 1, 2024.

20 (2) Section 16 of this act takes effect July 1, 2030.

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