

CERTIFICATION OF ENROLLMENT

**ENGROSSED SUBSTITUTE SENATE BILL 6069**

Chapter 327, Laws of 2024

68th Legislature  
2024 Regular Session

EMPLOYEE RETIREMENT SAVINGS PLANS—VARIOUS PROVISIONS

EFFECTIVE DATE: June 6, 2024—Except for section 16, which takes effect July 1, 2024; and section 17, which takes effect July 1, 2030.

Passed by the Senate March 7, 2024  
Yeas 35 Nays 12

DENNY HECK

**President of the Senate**

Passed by the House March 6, 2024  
Yeas 55 Nays 41

LURIE JINKINS

**Speaker of the House of  
Representatives**

Approved March 28, 2024 10:46 AM

JAY INSLEE

**Governor of the State of Washington**

CERTIFICATE

I, Sarah Bannister, Secretary of the Senate of the State of Washington, do hereby certify that the attached is **ENGROSSED SUBSTITUTE SENATE BILL 6069** as passed by the Senate and the House of Representatives on the dates hereon set forth.

SARAH BANNISTER

**Secretary**

FILED

March 29, 2024

**Secretary of State  
State of Washington**

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**ENGROSSED SUBSTITUTE SENATE BILL 6069**

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AS AMENDED BY THE HOUSE

Passed Legislature - 2024 Regular Session

**State of Washington                      68th Legislature                      2024 Regular Session**

**By** Senate Ways & Means (originally sponsored by Senators Mullet, Valdez, Hunt, Llias, Nguyen, Saldaña, and Van De Wege; by request of State Treasurer)

READ FIRST TIME 02/05/24.

1            AN ACT Relating to improving private Washington workforce  
2 retirement security standards by establishing Washington saves, an  
3 automatic enrollment individual retirement savings account program,  
4 and updating the Washington retirement marketplace statute; amending  
5 RCW 43.330.732 and 43.330.735; reenacting and amending RCW 43.79A.040  
6 and 43.79A.040; adding a new chapter to Title 19 RCW; creating a new  
7 section; decodifying RCW 43.330.730; prescribing penalties; providing  
8 effective dates; and providing an expiration date.

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

**PART I**

**WASHINGTON SAVES**

12            NEW SECTION.    **Sec. 1.**    ESTABLISHMENT. (1) Washington saves is  
13 established to serve as a vehicle through which covered employees  
14 may, on a voluntary basis, provide for additional retirement security  
15 through a state-facilitated retirement savings program in a  
16 convenient, cost-effective, and portable manner.

17            (2) Washington saves is intended as a public-private partnership  
18 that will encourage, not replace or compete with, employer-sponsored  
19 retirement plans.

1 (3) Washington saves must be designed in consultation with  
2 covered employers and covered employees to ensure that the businesses  
3 and workers intended to benefit from the program are provided ample  
4 opportunity to learn about and give input on the program design and  
5 timeline for implementation before the program is made publicly  
6 available.

7 NEW SECTION. **Sec. 2.** DEFINITIONS. The definitions in this  
8 section apply throughout this chapter unless the context clearly  
9 requires otherwise.

10 (1) "Administrative account" means the Washington saves  
11 administrative treasury trust account created in section 11 of this  
12 act.

13 (2) "Administrative agency" means the state agency or office that  
14 will provide administrative support to the governing board, beginning  
15 no later than July 1, 2027.

16 (3) "Complainant" means a covered employee, or that employee's  
17 designee who has written or legal authority to act on behalf of the  
18 employee, who files a complaint alleging an employer administrative  
19 violation of section 3 of this act who learned of the alleged  
20 violation by way of their employment with a covered employer.

21 (4) "Consumer price index" means the consumer price index for all  
22 urban consumers, all items, for the Seattle area as calculated by the  
23 United States bureau of labor statistics or its successor agency.

24 (5) "Covered employee" means an individual who is 18 years of age  
25 or older, who is employed by a covered employer.

26 (6) "Covered employer" means any employer that:

27 (a) Has been in business in this state for at least two years as  
28 of the immediately preceding calendar year;

29 (b) Maintains a physical presence;

30 (c) Does not offer a qualified retirement plan to their covered  
31 employees who have had continuous employment of one year or more; and

32 (d) Employs, and at any point during the immediately preceding  
33 calendar year employed, employees working a combined minimum of  
34 10,400 hours.

35 (7) "Department" means the department of labor and industries.

36 (8) "Employer" means a person or entity engaged in a business,  
37 profession, trade, or other enterprise in the state, whether for  
38 profit or not for profit. "Employer" does not include federal or

1 state entities, agencies, or instrumentalities, or any political  
2 subdivision thereof.

3 (9) "Employer administrative duties" include all requirements of  
4 covered employers under section 3 of this act that do not involve  
5 amounts due to the employee.

6 (10) "Employment" has the same meaning as in RCW 50.04.100.

7 (11) "Governing board" means the board created in section 4 of  
8 this act.

9 (12) "Individual account" means an IRA established by or for an  
10 individual participant and owned by the individual participant  
11 pursuant to this chapter.

12 (13) "Individual participant" means any individual who is  
13 contributing to, or has a balance credited in, an IRA through the  
14 program.

15 (14) "Internal revenue code" means the federal internal revenue  
16 code of 1986, as amended, or any successor law.

17 (15) "IRA" means a traditional or Roth individual retirement  
18 account or individual retirement annuity described in section 408(a),  
19 408(b), or 408A of the internal revenue code.

20 (16) "Payroll deduction IRA agreement" means an arrangement by  
21 which a participating employer makes payroll deductions authorized by  
22 this chapter and remits amounts deducted as contributions to IRAs on  
23 behalf of individual participants.

24 (17) "Program" means the Washington saves program established  
25 under this chapter.

26 (18) "Qualified retirement plan" means a retirement plan in  
27 compliance with applicable federal law for employees including those  
28 described in section 401(a), 401(k), 403(a), 403(b), 408(k), or  
29 408(p) of the internal revenue code. A qualified retirement plan may  
30 require continuous employment of up to one year to be eligible for  
31 employee participation.

32 (19) "Wages" means any commission, compensation, salary, or other  
33 remuneration, as defined by section 219(f)(1) of the internal revenue  
34 code, received by a covered employee from a covered employer.

35 NEW SECTION. **Sec. 3.** GENERAL PROVISIONS. (1) The program:

36 (a) Allows covered employees to contribute to an IRA through  
37 automatic payroll deductions or additional retirement savings  
38 vehicles;

1 (b) Requires covered employers to fulfill the requirements  
2 provided in subsection (3) of this section;

3 (c) Facilitates automatic enrollment for covered employees and  
4 allows for covered employees to opt out of the plan at any time;

5 (d) Has a default contribution rate, set by the governing board  
6 by rule. The default contribution rate may not be less than three  
7 percent or more than seven percent of wages; and

8 (e) Has a default escalation rate, set by the governing board by  
9 rule. The default escalation rate may not exceed one percent per  
10 year. The maximum contribution rate based on the default escalation  
11 rate may not exceed 10 percent of wages.

12 (2)(a) Covered employees, who do not opt out of the program, are  
13 automatically enrolled in the program at the default rate or at an  
14 amount expressly specified by the employee in connection with the  
15 payroll deduction IRA agreement. Individual participants may modify  
16 their contribution rates or amounts or terminate their participation  
17 in the program at any time, subject to procedure defined by rule by  
18 the governing board. All contribution amounts are subject to the  
19 dollar limits on contributions provided by federal law.

20 (b) Contributions must be invested in the default investment  
21 option unless the individual participant affirmatively elects to  
22 invest some or all balances in one or more approved investment  
23 options offered by the program. An individual participant must have  
24 the opportunity to change investments for either future contributions  
25 or existing balances, or both, subject to requirements defined by  
26 rule by the governing board.

27 (c) Individual accounts are portable. A former individual  
28 participant who is either unemployed, or is employed by a noncovered  
29 employer, must be permitted to contribute to their individual  
30 account.

31 (d) An individual participant's and former individual  
32 participant's ability to withdraw, roll over, or transfer account  
33 balances is subject to, and liable for, all fees, penalties, and  
34 taxes under applicable law.

35 (e) An individual participant's or former individual  
36 participant's ability to receive distributions of contributions and  
37 earnings is subject to applicable law.

38 (3)(a) Each covered employer must facilitate the opportunity for  
39 covered employees to participate in the program by fulfilling the

1 following administrative duties, as defined by rule by the governing  
2 board:

3 (i) Register with the program and provide the program  
4 administrator relevant information about covered employees;

5 (ii) (A) Assist the program by offering all covered employees the  
6 choice to either participate by voluntarily contributing to an IRA or  
7 opt out; or

8 (B) Automatically enroll covered employees in a qualified  
9 retirement plan offered by a trade association or chamber of commerce  
10 and permit covered employees to opt out;

11 (iii) Timely remit participant contributions; and

12 (iv) Distribute program information and disclosures to covered  
13 employees, as provided in section 4(14) of this act.

14 (b) The employers' role in the program is solely ministerial. In  
15 accordance with federal law, employers are prohibited from  
16 contributing funds to the IRAs through the program.

17 (c) Employers are not fiduciaries with respect to, or are liable  
18 for, the program, related information, educational materials, or  
19 forms or disclosures approved by the governing board, or the  
20 selection or performance of vendors selected by the governing board.  
21 An employer is not responsible for or obligated to monitor a covered  
22 employee's or individual participant's decision to participate in or  
23 opt out of the program, for contribution decisions, investment  
24 decisions, or failure to comply with the statutory eligibility  
25 conditions or limits on IRA contributions. An employer does not  
26 guarantee any investment, rate of return, or interest on assets in  
27 any individual participant account or the administrative account or  
28 is liable for any market losses, failure to realize gains, or any  
29 other adverse consequences, including the loss of favorable tax  
30 treatment or public assistance benefits, incurred by any person as a  
31 result of participating in the program. Nothing in this section  
32 relieves an employer from liability for criminal, fraudulent,  
33 tortious, or otherwise actionable conduct including liability related  
34 to the failure to remit employee contributions.

35 (4) (a) The governing board must determine the type or types of  
36 IRA accounts available under the program.

37 (b) An individual participant's contributions and earnings may be  
38 combined for investment and custodial purposes only. Separate records  
39 and accounting are required for individual accounts. Reports on the  
40 status of individual accounts must be provided to each individual

1 participant at least annually. Individual participants must have  
2 online access to their accounts.

3 (c) Any moneys placed in these accounts may not be counted as  
4 assets for the purposes of state or local means-tested program  
5 eligibility or levels of state means-tested program eligibility.

6 NEW SECTION. **Sec. 4.** GOVERNING BOARD—RESPONSIBILITIES. (1) The  
7 governing board shall design and administer the program for the  
8 exclusive benefit of individual participants and beneficiaries with  
9 the care and skill of a knowledgeable, prudent individual.

10 (2) The governing board is comprised of 15 members as follows:

11 (a) The president of the senate shall appoint one member from  
12 each of the two largest caucuses of the senate;

13 (b) The speaker of the house of representatives shall appoint one  
14 member from each of the two largest caucuses of the house of  
15 representatives;

16 (c) The state treasurer;

17 (d) The director of the department or the director's designee;  
18 and

19 (e) The following members representing the diversity and  
20 geography of the state, appointed by the governor:

21 (i) One member representing the securities industry;

22 (ii) One member representing the insurance industry;

23 (iii) One member who is a certified financial planner recommended  
24 by the national association of insurance and financial advisors of  
25 Washington;

26 (iv) One member representing the interests of small, independent  
27 businesses in Washington;

28 (v) One member representing the interests of minority-owned and  
29 women-owned businesses in Washington;

30 (vi) One member representing the Washington asset building  
31 coalition;

32 (vii) One member representing a retirement advocacy organization;

33 (viii) One member representing covered employees; and

34 (ix) One member representing covered employers.

35 (3) (a) The legislative member from the majority caucus of the  
36 house of representatives shall convene the initial meeting of the  
37 governing board. The governing board shall choose cochairs selected  
38 from the legislative membership for the design stage of the program  
39 until July 1, 2027. The governing board shall provide recommendations

1 in the legislative report about who should be the chair of the  
2 governing board once the program is operational after July 1, 2027.

3 (b) After July 1, 2027, the legislative members of the governing  
4 board serve in an ex officio, advisory role to the governing board.

5 (4) Members who are 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. Members who are appointed by the governor  
8 may serve up to two terms over the course of their lifetime. The  
9 governor may stagger the terms of the appointed members.

10 (5) The governing board may appoint work groups to support the  
11 design and administration of the program. Work groups do not serve a  
12 voting function on the governing board and may include individuals  
13 who are not members of the governing board. Any work group  
14 established by the governing board is a class one group under RCW  
15 43.03.220. Work group members receive compensation accordingly.

16 (6) Other state agencies must provide appropriate and reasonable  
17 assistance to the program as needed, including gathering data and  
18 information, in order for the governing board to carry out the  
19 purposes of this chapter. The governing board may reimburse the other  
20 state agencies from the administrative account for reasonable  
21 expenses incurred in providing appropriate and reasonable assistance.

22 (7) (a) The governing board must begin meeting in 2025.

23 (b) The governing board may conduct meetings remotely by  
24 teleconference or videoconference, including to obtain a quorum and  
25 to take votes on any measure.

26 (c) Each voting governing board member has one vote. The powers  
27 of the governing board must be exercised by a majority of all voting  
28 members present at the meeting of the governing board, whether in  
29 person or remotely. A quorum is required to convene a meeting of the  
30 governing board and to act on any measure before the governing board.

31 (8) The governing board shall establish, design, develop,  
32 implement, maintain, and oversee the program in accordance with this  
33 chapter and best practices for retirement saving vehicles.

34 (9) Staff support for the governing board shall be provided by:

35 (a) The department of financial institutions, until no later than  
36 June 30, 2027. The department of financial institutions may contract  
37 with a third-party entity to provide assistance or expertise during  
38 the program outreach and education, design, and implementation stage  
39 if approved by the governing board; and



1 (b) The administrative agency, beginning no later than July 1,  
2 2027.

3 (10) The governing board shall conduct an outreach and education  
4 initiative regarding the design and implementation of the program.  
5 The governing board shall consult, educate, and receive feedback from  
6 covered employers and covered employees regarding the program design  
7 and implementation. The outreach and education initiative must ensure  
8 that diverse employer and employee communities are consulted, that  
9 interpreters are provided, and that written documents and materials  
10 are translated. In order to facilitate accessibility for diverse  
11 affected businesses and employees, the governing board shall work  
12 with the various state commissions to develop culturally and  
13 linguistically responsive outreach and education plans.

14 (11) Regarding investments, the governing board:

15 (a) Has the sole responsibility for contracting with outside  
16 firms to provide investment management for the program funds and  
17 manage the performance of investment managers under those contracts;

18 (b) Must adopt an investment policy statement and ensure that the  
19 investment options offered, including default investment options, are  
20 consistent with the objectives of the program. The menu of investment  
21 options may encompass a range of risk and return opportunities and  
22 must take the following into account:

23 (i) The nature and objectives of the program;

24 (ii) The diverse needs of individual participants;

25 (iii) The desirability of limiting investment choices under the  
26 program to a reasonable number; and

27 (iv) The extensive investment choices available to participants  
28 outside of the program.

29 (12) Regarding the design of the program, the governing board  
30 must:

31 (a) Ensure the program is designed and operated in a manner that  
32 will not cause it to be subject to or preempted by the federal  
33 employment retirement income security act of 1974, as amended, and  
34 that any employer that is not a covered employer shall have no  
35 reporting or registration obligation or requirement to take any  
36 action under the program other than to claim an exemption from  
37 coverage by the program;

38 (b) Design and operate the program to:

39 (i) Minimize costs to individual participants, covered employers,  
40 and the state;

1 (ii) Minimize the risk that covered employees will exceed  
2 applicable annual contribution limits;

3 (iii) Facilitate and encourage employee participation in the  
4 program and participant saving;

5 (iv) Maximize simplicity, including ease of administration for  
6 covered employers and ease of use for individual participants;

7 (v) Provide a simple process for covered employees to opt out of  
8 the program at any time or modify their payroll deductions;

9 (vi) Maximize portability of individual accounts;

10 (vii) Maximize financial security in retirement; and

11 (viii) Maximize the availability of funds to individual  
12 participants with a goal of having funds available within three  
13 business days following the remittance of payroll deductions by  
14 covered employers, if feasible;

15 (c) Design the program to be compliant with all applicable  
16 requirements under the internal revenue code, including requirements  
17 for favorable tax treatment of IRAs, and any other applicable law or  
18 regulation;

19 (d) Consult with the department of financial institutions, the  
20 department, the office of minority and women's business enterprises,  
21 and the office of the secretary of state to create a strategy to  
22 educate and inform covered employers about employer administrative  
23 duties under this chapter, including the development of culturally  
24 relevant and responsive approaches centered in cultural humility with  
25 outreach to employers that are considered socially vulnerable,  
26 historically marginalized, or face cultural or language barriers to  
27 participate in workplace retirement savings programs;

28 (e) Launch the program by July 1, 2027. The board may stagger  
29 implementation in stages after that date, which may include phasing  
30 in implementation based on the size of employers, or other factors.

31 (13) The governing board may adopt rules to govern the program,  
32 including to govern the following:

33 (a) Employee registration and enrollment process;

34 (b) Employee alternative election procedure including, but not  
35 limited to, the method in which a participating individual may opt  
36 out of participation at any time, change their contribution rate, opt  
37 out of auto-escalation, make nonpayroll contributions, and make  
38 withdrawals;

39 (c) Contribution limits, the initial automatic default  
40 contribution rate, and the automatic default escalation rate;

1 (d) Outreach, marketing, and educational initiatives or  
2 publication of online resources, encouragement of participation,  
3 retirement savings, and sound investment practices. Outreach,  
4 marketing, and educational initiatives must promote cultural humility  
5 and engage culturally relevant and responsive approaches while  
6 including special consideration for socially vulnerable communities  
7 historically, or are known to often be, excluded from, marginalized  
8 by, or face barriers to participation in workplace retirement savings  
9 programs; and

10 (e) A process in which individuals who are not covered employees  
11 may participate in the program, including unemployed individuals,  
12 self-employed individuals, and other independent contractors.

13 (14) The governing board shall develop:

14 (a) Information regarding the program;

15 (b) The following disclosures:

16 (i) A description of the benefits and risks associated with  
17 making contributions under the program;

18 (ii) Instructions about how to obtain additional information  
19 about the program;

20 (iii) A description of the tax consequences of an IRA, which may  
21 consist of or include the disclosure statement required to be  
22 distributed by the trustee under the internal revenue code and  
23 treasury regulations thereunder;

24 (iv) A statement that covered employees seeking financial advice  
25 should contact their own financial advisers, that covered employers  
26 are not in a position to provide financial advice, and that covered  
27 employers are not liable for decisions covered employees make under  
28 this chapter;

29 (v) A statement that the program is not an employer-sponsored  
30 retirement plan;

31 (vi) A statement that the covered employee's IRA established  
32 under the program is not guaranteed by the state;

33 (vii) A statement that the program is voluntary for covered  
34 employees, and a covered employee may opt out of the program at any  
35 time; and

36 (viii) A statement that neither a covered employer nor the state  
37 will monitor or has an obligation to monitor the covered employee's  
38 eligibility under the internal revenue code to make contributions to  
39 an IRA or to monitor whether the covered employee's contributions to  
40 the IRA established for the covered employee exceed the maximum

1 permissible IRA contribution; that it is the covered employee's  
2 responsibility to monitor such matters; and that the state, the  
3 program, and the covered employer have no liability with respect to  
4 any failure of the covered employee to be eligible to make IRA  
5 contributions or any contribution in excess of the maximum IRA  
6 contribution;

7 (c) Information, forms, and instructions to be furnished to  
8 covered employees, at such times as the governing board determines,  
9 that provide the covered employee with the procedures for:

10 (i) Making contributions to the covered employee's IRA  
11 established under the program, including a description of the  
12 automatic enrollment rate, the automatic escalation rate and  
13 frequency, the right to elect to make no contribution or to change  
14 the contribution rate under the program, and how to opt out of the  
15 program at any time;

16 (ii) Making an investment election with respect to the covered  
17 employee's IRA established under the program, including a description  
18 of the default investment fund; and

19 (iii) Making transfers, rollovers, withdrawals including  
20 instructions on how to access funds, and other distributions from the  
21 covered employee's IRA.

22 (15) The governing board must evaluate options to assist covered  
23 employees and employers to identify private sector providers of  
24 financial advice, to the extent feasible and unless prohibited by  
25 state or federal laws. The governing board must consider options  
26 including, but not limited to, a website established and maintained  
27 by the governing board.

28 (16) The governing board may create or enter into, on behalf of  
29 the program, a consortium, alliance, joint venture, partnership,  
30 compact, or contract with another state or states or their programs  
31 or boards.

32 (17) The governing board must collect administrative fees to  
33 defray the costs of administering the program. If the governing board  
34 creates or enters into a joint program agreement, as provided in  
35 subsection (16) of this section, the rate of the administrative fee  
36 for covered employees may not exceed the rate charged to covered  
37 employees of another state participating in the same program.

38 (18) The governing board, its members, and the administrative  
39 agency are not individually or collectively insurers of the funds or  
40 assets of the investment fund or individual accounts. Neither the

1 governing board nor the administrative agency is liable for the  
2 action or inaction of the other.

3 (19) The governing board, its members, and the administrative  
4 agency are not individually or collectively liable to the state, to  
5 the fund, or to any other person as a result of their activities as  
6 members or staff, whether ministerial or discretionary, except for  
7 willful dishonesty or intentional violation of law. The governing  
8 board, its members, and the administrative agency may purchase  
9 liability insurance.

10 (20) The governing board shall submit progress reports to the  
11 appropriate committees of the legislature, in accordance with RCW  
12 43.01.036.

13 (a) The first preliminary report is due December 1, 2025, and  
14 must include feedback to the legislature on the proposed timeline set  
15 forth under this chapter and progress on outreach initiatives and  
16 program implementation.

17 (b) The final report on program design and implementation  
18 recommendations is due December 1, 2026, and must include the  
19 following:

20 (i) A comprehensive summary of outreach activities conducted by  
21 the governing board to receive feedback on design elements and  
22 implementation for the program, including:

23 (A) Types of outreach conducted;

24 (B) Specific calendar dates and time frames in which outreach  
25 occurred;

26 (C) Covered employers and covered employees who were contacted;

27 (D) Subject matters discussed regarding the program and proposed  
28 program structure;

29 (E) The types of retirement account programs covered employers  
30 and covered employees preferred;

31 (F) Explanations of concerns received during the outreach  
32 activities and how those concerns were addressed;

33 (ii) Recommendations on whether the legislature should make  
34 changes to the program's structure or whether any statutory changes  
35 need to occur; and

36 (iii) Recommendations regarding the governing board structure,  
37 including who should chair the governing board and what entity should  
38 serve as the administrative agency that provides staff support to the  
39 governing board once the program is established and operational. The  
40 governing board shall consider a potential new agency, an existing

1 state agency, or the office of a stand-alone statewide elected  
2 official for the administrative agency.

3 (c) Annual reports including program updates and program  
4 information must begin December 1, 2028, and include information on:

5 (i) Participation;

6 (ii) Account performance;

7 (iii) Board decisions; and

8 (iv) Any recommendations to the legislature regarding the  
9 program.

10 (21) The governing board may consult with the state investment  
11 board and the department of financial institutions regarding program  
12 design and implementation.

13 (22) The governing board shall assure any administrative contract  
14 services for the program provide culturally responsive and relevant  
15 supports rooted in cultural humility while including special  
16 considerations for socially vulnerable communities historically, or  
17 are known to often be, excluded from, marginalized by, or face  
18 barriers to participation in workplace retirement savings programs.

19 NEW SECTION. **Sec. 5.** INVESTMENT MANAGER—RESPONSIBILITIES.

20 (1)(a) After consultation with the governing board, the investment  
21 manager may invest funds associated with the program. The investment  
22 manager, after consultation with the governing board regarding any  
23 recommendations, must provide a set of options for eligible  
24 individuals to choose from for self-directed investment. Any self-  
25 directed investment options must comply with the internal revenue  
26 code.

27 (b) All investment and operating costs of the investment manager  
28 associated with making self-directed investments must be paid by  
29 participants and recovered under procedures agreed to by the  
30 governing board and the investment manager. All other expenses caused  
31 by self-directed investments must be paid by the participant in  
32 accordance with the rules established by the governing board. With  
33 the exception of these expenses, all earnings from self-directed  
34 investments accrue to the individual accounts.

35 (2) The investment manager must invest and manage the assets  
36 entrusted to it:

37 (a) With reasonable care, skill, prudence, and diligence under  
38 circumstances then prevailing which a prudent person acting in a like

1 capacity and familiar with such matters would use to conduct of an  
2 activity of like character and purpose; and

3 (b) In accordance with the investment policy established by the  
4 governing board.

5 (3) The authority to establish all policies relating to  
6 implementation, design, and management of the program resides with  
7 the governing board.

8 (4) The investment manager must routinely consult and communicate  
9 with the governing board on the investment policy, performance of the  
10 accounts, and related needs of the program.

11 NEW SECTION. **Sec. 6.** LABOR AND INDUSTRIES—RESPONSIBILITIES. (1)  
12 The department has the following responsibilities related to covered  
13 employers, as provided in this chapter:

14 (a) Educate participating employers of their administrative  
15 duties under this chapter;

16 (b) In the case of noncompliance with employer administrative  
17 duties, investigate complaints, educate employers about how to come  
18 into compliance, and, in the case of willful violations, issue  
19 citations and collect penalties;

20 (c) In the case of impermissible withholding of amounts due to  
21 employees, investigate and enforce the complaint as an alleged  
22 violation of a wage payment requirement, as defined in RCW 49.48.082;  
23 and

24 (d) Facilitate a process in which employers may appeal  
25 complaints.

26 (2) Collections of unpaid citations assessing civil penalties by  
27 the department under this chapter must be made pursuant to RCW  
28 49.48.086.

29 NEW SECTION. **Sec. 7.** LABOR AND INDUSTRIES—COMPLIANCE WITH  
30 EMPLOYER ADMINISTRATIVE DUTIES. (1) Covered employers shall comply  
31 with employer administrative duties provided under this chapter.

32 (2) If a complainant files a complaint with the department  
33 alleging any administrative violation, the department shall  
34 investigate the complaint and:

35 (a) If the complaint is filed before January 1, 2030, offer  
36 technical assistance to the employer to bring them into compliance.  
37 Civil penalties may not be assessed before January 1, 2030;

1 (b) If the complaint is filed on or after January 1, 2030,  
2 educate the employer on how to come into compliance and, if necessary  
3 and as provided in this section, enforce penalties for willful  
4 violations.

5 (3) The department may not investigate any alleged violation of  
6 rights that occurred more than three years before the date that the  
7 complainant filed the complaint.

8 (4)(a) If the department finds an employer administrative  
9 violation, the department must first provide an educational letter  
10 outlining the violations and provide 90 days for the employer to  
11 remedy the violations. The employer may ask for an extension for good  
12 cause. The department may extend the period by providing written  
13 notice to the employee and the employer, specifying the duration of  
14 the extension. If the employer fails to remedy the violation within  
15 90 days, the department may issue a citation and notice of assessment  
16 with a civil penalty.

17 (b) Except as provided otherwise in this chapter, the maximum  
18 penalty for a first-time willful violation is \$100 and \$250 for a  
19 second willful violation. For the purposes of this section, "willful"  
20 means a knowing and intentional action that is neither accidental nor  
21 the result of a bona fide dispute. For each subsequent willful  
22 violation, the employer is subject to a maximum penalty amount of  
23 \$500 for each violation.

24 (c) The department may not assess a civil penalty if the employer  
25 reasonably relied on: (i) A rule related to any of the requirements  
26 of this chapter; (ii) a written order, ruling, approval, opinion,  
27 advice, determination, or interpretation of the director of the  
28 department; or (iii) an interpretive or administrative policy issued  
29 by the department and filed pursuant to chapter 34.05 RCW. In  
30 accordance with the department's retention schedule obligations under  
31 chapter 40.14 RCW, the department shall maintain a complete and  
32 accurate record of all written orders, rulings, approvals, opinions,  
33 advice, determinations, and interpretations for purposes of  
34 determining whether an employer is immune from civil penalties under  
35 (b) of this subsection.

36 (5) The department may, at any time, waive or reduce a civil  
37 penalty assessed under this section if the director of the department  
38 determines that the employer has taken corrective action to resolve  
39 the violation.



1 (6) The department shall deposit all civil penalties paid under  
2 this section in the supplemental pension fund established under RCW  
3 51.44.033.

4 NEW SECTION. **Sec. 8.** LABOR AND INDUSTRIES—ADMINISTRATIVE  
5 CITATION APPEALS. (1) A person, firm, or corporation aggrieved by a  
6 citation and notice of assessment by the department under this  
7 chapter may appeal the citation and notice of assessment to the  
8 director of the department by filing a notice of appeal with the  
9 director within 30 days of the department's issuance of the citation  
10 and notice of assessment. A citation and notice of assessment not  
11 appealed within 30 days is final and binding, and not subject to  
12 further appeal.

13 (2) A notice of appeal filed with the director of the department  
14 under this section must state the effectiveness of the citation and  
15 notice of assessment pending final review of the appeal by the  
16 director as provided for in chapter 34.05 RCW.

17 (3) Upon receipt of a notice of appeal, the director of the  
18 department must assign the hearing to an administrative law judge of  
19 the office of administrative hearings to conduct the hearing and  
20 issue an initial order. The hearing and review procedures must be  
21 conducted in accordance with chapter 34.05 RCW, and the standard of  
22 review by the administrative law judge of an appealed citation and  
23 notice of assessment must be de novo. Any party who seeks to  
24 challenge an initial order must file a petition for administrative  
25 review with the director within 30 days after service of the initial  
26 order. The director must conduct administrative review in accordance  
27 with chapter 34.05 RCW.

28 (4) The director of the department must issue all final orders  
29 after appeal of the initial order. The final order of the director is  
30 subject to judicial review in accordance with chapter 34.05 RCW.

31 (5) Orders that are not appealed within the time period specified  
32 in this section and chapter 34.05 RCW are final and binding, and not  
33 subject to further appeal.

34 (6) An employer who fails to allow adequate inspection of records  
35 in an investigation by the department under this section within a  
36 reasonable time period may not use such records in any appeal under  
37 this section to challenge the correctness of any determination by the  
38 department of the penalty assessed.

1           NEW SECTION.       **Sec. 9.**       LABOR AND INDUSTRIES—ENFORCEMENT OF

2 AMOUNTS DUE. (1) Employers may not impermissibly withhold any amounts  
3 due to the employee related to the employer's obligations under  
4 section 3 of this act. If any employee files a complaint with the  
5 department alleging that the employer impermissibly withheld any  
6 amounts due to the employee related to the employer's obligations  
7 under section 3 of this act, the department shall investigate and  
8 otherwise enforce the complaint as an alleged violation of a wage  
9 payment requirement, as defined in RCW 49.48.082.

10           (2) During an investigation, if the department discovers  
11 information suggesting additional violations of impermissibly  
12 withheld amounts due to the employees related to the employer's  
13 obligations under section 3 of this act, the department may  
14 investigate and take appropriate enforcement action without any  
15 additional complaint. The department may also initiate an  
16 investigation on behalf of one or more employees for any such  
17 violation when the director otherwise has reason to believe that a  
18 violation has occurred or will occur.

19           (3) The department may conduct a consolidated investigation for  
20 any alleged withheld amounts due to the employees related to the  
21 employer's obligations under section 3 of this act when there are  
22 common questions of law or fact involving the employees. If the  
23 department consolidates such matters into a single investigation, it  
24 shall provide notice to the employer.

25           (4) The department may, for the purposes of enforcing this  
26 section, issue subpoenas to compel the attendance of witnesses or  
27 parties and the production of documents, administer oaths and examine  
28 witnesses under oath, take depositions, and seek affidavits or other  
29 verifications. The department may require the employer perform a  
30 self-audit of any records. The results or conclusions of the self-  
31 audit must be provided to the department within a reasonable time.  
32 The department must specify the timelines in the self-audit request.  
33 The records examined by the employer in order to perform the self-  
34 audit must be made available to the department upon request.

35           (5) Any citation or determination of compliance issued under this  
36 section is subject to RCW 49.48.083, 49.48.084, 49.48.085, and  
37 49.48.086.

38           NEW SECTION.       **Sec. 10.**       PRIVATE AND CONFIDENTIAL INFORMATION. (1)

39 Any information or records concerning an individual or employer

1 obtained by the administrative agency or the governing board to  
2 administer this chapter are private and confidential, except as  
3 otherwise provided in this section.

4 (a) If information provided to the administrative agency or the  
5 governing board by a governmental agency is held private and  
6 confidential by state or federal law, the administrative agency and  
7 the governing board may not release such information, unless  
8 otherwise provided in this section.

9 (b) Information provided to the administrative agency or the  
10 governing board by a governmental entity conditioned upon privacy and  
11 confidentiality under a provision of law is to be held private and  
12 confidential according to the agreement between the administrative  
13 agency or the governing board and the other governmental agency,  
14 unless otherwise provided in this title.

15 (2) Persons requesting disclosure of information held by the  
16 administrative agency or the governing board under this section must  
17 request such disclosure from the governmental agency that provided  
18 the information to the administrative agency or the governing board,  
19 rather than from the administrative agency or the governing board.

20 (3) If the governing board creates or enters into, on behalf of  
21 the program, a consortium, alliance, joint venture, partnership,  
22 compact, or contract with another state or states or their programs  
23 or boards, the laws of the state that is most protective of  
24 individual and employer confidentiality governs.

25 (4) The governing board has the authority to adopt, amend, or  
26 rescind rules interpreting and implementing this chapter.

27 (5)(a) An individual must have access to all records and  
28 information concerning that individual held by the administrative  
29 agency or the governing board.

30 (b) An employer must have access to its own records relating to  
31 their compliance with the program and any audit conducted or penalty  
32 assessed under this chapter.

33 (c) The administrative agency or the governing board may disclose  
34 information and records deemed confidential under this chapter to a  
35 third party acting on behalf of an individual or employer that would  
36 otherwise be eligible to receive records under this section when the  
37 administrative agency or the governing board receives a signed  
38 release from the individual or employer. The release must include a  
39 statement:

1 (i) Specifically identifying the information that is to be  
2 disclosed;

3 (ii) The acknowledgment that state government files will be  
4 assessed to obtain that information;

5 (iii) The specific purpose for which the information is sought  
6 and a statement that information obtained under the release will only  
7 be used for that purpose; and

8 (iv) Indicating all parties who will receive the information  
9 disclosed.

10 (d) The administrative agency or the governing board may disclose  
11 information or records deemed private and confidential under this  
12 chapter to any private person or organization, including the trustee,  
13 and, by extension, the agents of any private person or organization,  
14 when the disclosure is necessary to permit private contracting  
15 parties to assist in the operation, management, and implementation of  
16 the program. The private person or organization may only use the  
17 information or records solely for the purpose for which the  
18 information was disclosed and are bound by the same rules of privacy  
19 and confidentiality as the administrative agency and the governing  
20 board.

21 (6) (a) A decision under this chapter by the administrative  
22 agency, the department, the governing board, or the appeals tribunal  
23 may not be deemed private and confidential under this section, unless  
24 the decision is based on information obtained in a closed hearing.

25 (b) Information or records deemed private and confidential under  
26 this section must be available to parties to judicial or formal  
27 administrative proceedings only upon a written finding by the  
28 presiding officer that the need for the information or records in the  
29 proceeding outweighs any reasons for the privacy and confidentiality  
30 of the information on record.

31 (7) (a) All private persons, governmental agencies, and  
32 organizations authorized to receive information from the  
33 administrative agency or the governing board under this chapter have  
34 an affirmative duty to prevent unauthorized disclosure of  
35 confidential information and are prohibited from disclosing  
36 confidential information unless expressly permitted by this section.

37 (b) If misuse of an unauthorized disclosure of confidential  
38 records or information occurs, all parties who are aware of the  
39 violation must inform the administrative agency immediately and must

1 take all reasonable available actions to rectify the disclosure to  
2 the administrative agency standards.

3 (c) The misuse or unauthorized release of records or information  
4 deemed private and confidential under this chapter by any private  
5 person, governmental agency, or organization will subject the person,  
6 governmental agency, or organization to a civil penalty of up to  
7 \$20,000 in the first year of the program. Beginning in December of  
8 the second year of the program and each December thereafter, the  
9 administrative agency must adjust the maximum civil penalty amount by  
10 multiplying the current maximum civil penalty by one plus the  
11 percentage by which the most current consumer price index available  
12 on December 1st of the current year exceeds the consumer price index  
13 for the prior 12-month period, and rounding the result to the nearest  
14 \$1,000. If an adjustment under this subsection (7)(c) would reduce  
15 the maximum civil penalty, the administrative agency must not adjust  
16 the maximum civil penalty for use in the following year. Other  
17 applicable sanctions under state and federal law also apply.

18 (d) Suit to enforce this section must be brought by the attorney  
19 general and the amount of any penalties collected must be paid into  
20 the administrative account created in section 11 of this act. The  
21 attorney general may recover reasonable attorneys' fees for any  
22 action brought to enforce this section.

23 (8) This section does not contain a rule of evidence.

24 NEW SECTION. **Sec. 11.** WASHINGTON SAVES ADMINISTRATIVE TREASURY  
25 TRUST ACCOUNT. (1) The Washington saves administrative treasury trust  
26 account is created in the custody of the state treasurer.

27 (2) Expenditures from the account may be used only for the  
28 purposes of administrative and operating expenses of the program  
29 established under this chapter.

30 (3) Only the director of the administrative agency or the  
31 director's designee may authorize expenditures from the account. The  
32 account is exempt from appropriation and allotment provisions under  
33 chapter 43.88 RCW.

34 (4) The account may receive grants, gifts, or other moneys  
35 appropriated for administrative purposes from the state and the  
36 federal government.

37 (5) Any interest incurred by the account will be retained within  
38 the account.

1 NEW SECTION. **Sec. 12.** INVESTMENT ACCOUNT. (1) The Washington  
2 saves investment account is established as a trust, with the  
3 governing board created under this chapter as its trustee.

4 (2)(a) Moneys in the account consist of moneys received from  
5 individual participants and participating employers pursuant to  
6 automatic payroll deductions and contributions to savings made under  
7 this chapter. The governing board shall determine how the account  
8 operates, provided that the account is operated so that the  
9 individual accounts established under the program meet the  
10 requirements for IRAs under the internal revenue code.

11 (b) The assets of the account are not state money, common cash,  
12 or revenue to the state. Amounts in the account may not be commingled  
13 with state funds and the state has no claim to or against, or  
14 interest in, such funds.

15 (3) Disbursements from the account are exempt from appropriations  
16 and the allotment provisions of chapter 43.88 RCW. An appropriation  
17 is not required for expenditures.

18 (4) Only the governing board or the governing board's designee  
19 may authorize expenditures from the account.

20 **PART II**  
21 **RETIREMENT MARKETPLACE**

22 NEW SECTION. **Sec. 13.** RCW 43.330.730 (Finding—2015 c 296) is  
23 decodified.

24 **Sec. 14.** RCW 43.330.732 and 2015 c 296 s 2 are each amended to  
25 read as follows:

26 The definitions in this section apply throughout this subchapter  
27 unless the context clearly requires otherwise.

28 (1) "Approved plans" means retirement plans offered by private  
29 sector financial services firms that meet the requirements of this  
30 chapter to participate in the marketplace.

31 (2) "Balanced fund" means a mutual fund that has an investment  
32 mandate to balance its portfolio holdings. The fund generally  
33 includes a mix of stocks and bonds in varying proportions according  
34 to the fund's investment outlook.

35 (3) "Eligible employer" means a self-employed individual, sole  
36 proprietor, or an employer with ~~((fewer than))~~ at least one  
37 ~~((hundred))~~ qualified employee~~((s))~~ at the time of enrollment.

1 (4) "Enrollee" means any employee who is voluntarily enrolled in  
2 an approved plan offered by an eligible employer through the  
3 Washington small business retirement marketplace.

4 (~~(5)~~) (~~"myRA" means the myRA retirement program administered by~~  
5 ~~the United States department of the treasury that is available to all~~  
6 ~~employers and employees with no fees or no minimum contribution~~  
7 ~~requirements. A myRA is a Roth IRA option and investments in these~~  
8 ~~accounts are backed by the United States department of the treasury.~~

9 ~~(6)~~) "Participating employer" means any eligible employer with  
10 employees enrolled in an approved plan offered through the Washington  
11 small business retirement marketplace who chooses to participate in  
12 the marketplace and offers approved plans to employees for voluntary  
13 enrollment.

14 (~~(7)~~) (6) "Private sector financial services firms" or  
15 "financial services firms" mean persons or entities licensed or  
16 holding a certificate of authority and in good standing by either the  
17 department of financial institutions or the office of the insurance  
18 commissioner and meeting all federal laws and regulations to offer  
19 retirement plans.

20 (~~(8)~~) (7) "Qualified employee" means those workers who are  
21 defined by the federal internal revenue service to be eligible to  
22 participate in a specific qualified plan.

23 (~~(9)~~) (8) "Target date or other similar fund" means a hybrid  
24 mutual fund that automatically resets the asset mix of stocks, bonds,  
25 and cash equivalents in its portfolio according to a selected time  
26 frame that is appropriate for a particular investor. A target date is  
27 structured to address a projected retirement date.

28 (~~(10)~~) (9) "Washington small business retirement marketplace"  
29 or "marketplace" means the retirement savings program created to  
30 connect eligible employers and their employees with approved plans to  
31 increase retirement savings.

32 **Sec. 15.** RCW 43.330.735 and 2017 c 69 s 1 are each amended to  
33 read as follows:

34 (1) The Washington small business retirement marketplace is  
35 created.

36 (2) Prior to connecting any eligible employer with an approved  
37 plan in the marketplace, the director shall design a plan for the  
38 operation of the marketplace.

1 (3) The director shall consult with the Washington state  
2 department of retirement systems, the Washington state investment  
3 board, and the department of financial institutions in designing and  
4 managing the marketplace.

5 (4) The director shall approve for participation in the  
6 marketplace all private sector financial services firms (~~(that meet~~  
7 ~~the requirements of)~~), as defined in RCW 43.330.732 (~~((7))~~).

8 (5) A range of investment options must be provided to meet the  
9 needs of investors with various levels of risk tolerance and various  
10 ages. The director must approve a diverse array of private retirement  
11 plan options that are available to employers on a voluntary basis,  
12 including but not limited to life insurance plans that are designed  
13 for retirement purposes, and plans for eligible employer  
14 participation such as (~~((a) A)~~) a SIMPLE IRA-type plan that provides  
15 for employer contributions to participating enrollee accounts (~~((and~~  
16 ~~(b) a payroll deduction individual retirement account type plan or~~  
17 ~~workplace-based individual retirement accounts open to all workers in~~  
18 ~~which the employer does not contribute to the employees' account)~~).

19 (6) (a) Prior to approving a plan to be offered on the  
20 marketplace, the department must receive verification from the  
21 department of financial institutions or the office of the insurance  
22 commissioner:

23 (i) That the private sector financial services firm offering the  
24 plan meets the (~~(requirements of)~~) definition in RCW  
25 43.330.732 (~~((7))~~); and

26 (ii) That the plan meets the requirements of this section  
27 excluding subsection (9) of this section which is subject to federal  
28 laws and regulations.

29 (b) If the plan includes either life insurance or annuity  
30 products, or both, the office of the insurance commissioner may  
31 request that the department of financial institutions conduct the  
32 plan review as provided in (a)(ii) of this subsection prior to  
33 submitting its verification to the department.

34 (c) The director may remove approved plans that no longer meet  
35 the requirements of this chapter.

36 (7) The financial services firms participating in the marketplace  
37 must offer a minimum of two product options: (a) A target date or  
38 other similar fund, with asset allocations and maturities designed to  
39 coincide with the expected date of retirement and (b) a balanced  
40 fund. (~~(The marketplace must offer myRA.)~~)



1 (8) In order for the marketplace to operate, there must be at  
2 least two approved plans on the marketplace; however, nothing in this  
3 subsection shall be construed to limit the number of private sector  
4 financial services firms with approved plans from participating in  
5 the marketplace.

6 (9) Approved plans must meet federal law or regulation for  
7 internal revenue service approved retirement plans.

8 (10) The approved plans must include the option for enrollees to  
9 roll pretax contributions into a different individual retirement  
10 account or another eligible retirement plan after ceasing  
11 participation in a plan approved by the Washington small business  
12 retirement marketplace.

13 (11) Financial services firms selected by the department to offer  
14 approved plans on the marketplace may not charge the participating  
15 employer an administrative fee and may not charge enrollees more than  
16 one hundred basis points in total annual fees and must provide  
17 information about their product's historical investment performance.  
18 Financial services firms may charge enrollees a de minimis fee for  
19 new and/or low balance accounts in amounts negotiated and agreed upon  
20 by the department and financial services firms. The director shall  
21 limit plans to those with total fees the director considers  
22 reasonable based on all the facts and circumstances.

23 (12) Participation in the Washington small business retirement  
24 marketplace is voluntary for both eligible employers and qualified  
25 employees.

26 (13) Enrollment in any approved plan offered in the marketplace  
27 is not an entitlement.

### 28 PART III

#### 29 WASHINGTON SAVES - ADMINISTRATIVE ACCOUNT - RETAIN OWN INTEREST

30 **Sec. 16.** RCW 43.79A.040 and 2023 c 389 s 8, 2023 c 387 s 2, 2023  
31 c 380 s 6, 2023 c 213 s 9, 2023 c 170 s 19, and 2023 c 12 s 2 are  
32 each reenacted and amended to read as follows:

33 (1) Money in the treasurer's trust fund may be deposited,  
34 invested, and reinvested by the state treasurer in accordance with  
35 RCW 43.84.080 in the same manner and to the same extent as if the  
36 money were in the state treasury, and may be commingled with moneys  
37 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 pollution liability insurance  
12 program trust account, the produce railcar pool account, the public  
13 use general aviation airport loan revolving account, the regional  
14 transportation investment district account, the rural rehabilitation  
15 account, the Washington sexual assault kit account, the stadium and  
16 exhibition center account, the youth athletic facility account, the  
17 self-insurance revolving fund, the children's trust fund, the  
18 Washington horse racing commission Washington bred owners' bonus fund  
19 and breeder awards account, the Washington horse racing commission  
20 class C purse fund account, the individual development account  
21 program account, the Washington horse racing commission operating  
22 account, the life sciences discovery fund, the Washington state  
23 library-archives building account, the reduced cigarette ignition  
24 propensity account, the center for deaf and hard of hearing youth  
25 account, the school for the blind account, the Millersylvania park  
26 trust fund, the public employees' and retirees' insurance reserve  
27 fund, the school employees' benefits board insurance reserve fund,  
28 the public employees' and retirees' insurance account, the school  
29 employees' insurance account, the long-term services and supports  
30 trust account, the radiation perpetual maintenance fund, the Indian  
31 health improvement reinvestment account, the department of licensing  
32 tuition recovery trust fund, the student achievement council tuition  
33 recovery trust fund, the tuition recovery trust fund, the industrial  
34 insurance premium refund account, the mobile home park relocation  
35 fund, the natural resources deposit fund, the Washington state health  
36 insurance pool account, the federal forest revolving account, the  
37 Washington saves administrative treasury trust account, and the  
38 library operations account.

39 (c) The following accounts and funds must receive 80 percent of  
40 their proportionate share of earnings based upon each account's or

1 fund's average daily balance for the period: The advance right-of-way  
2 revolving fund, the advanced environmental mitigation revolving  
3 account, the federal narcotics asset forfeitures account, the high  
4 occupancy vehicle account, the local rail service assistance account,  
5 and the miscellaneous transportation programs account.

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

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

16 **Sec. 17.** RCW 43.79A.040 and 2023 c 389 s 8, 2023 c 387 s 2, 2023  
17 c 380 s 6, 2023 c 213 s 9, and 2023 c 12 s 2 are each reenacted and  
18 amended to read as follows:

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

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

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

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

38 (b) The following accounts and funds must receive their  
39 proportionate share of earnings based upon each account's or fund's

1 average daily balance for the period: The 24/7 sobriety account, the  
2 Washington promise scholarship account, the Gina Grant Bull memorial  
3 legislative page scholarship account, the Rosa Franklin legislative  
4 internship program scholarship account, the Washington advanced  
5 college tuition payment program account, the Washington college  
6 savings program account, the accessible communities account, the  
7 Washington achieving a better life experience program account, the  
8 Washington career and college pathways innovation challenge program  
9 account, the community and technical college innovation account, the  
10 agricultural local fund, the American Indian scholarship endowment  
11 fund, the behavioral health loan repayment program account, the Billy  
12 Frank Jr. national statutory hall collection fund, the foster care  
13 scholarship endowment fund, the foster care endowed scholarship trust  
14 fund, the contract harvesting revolving account, the Washington state  
15 combined fund drive account, the commemorative works account, the  
16 county 911 excise tax account, the county road administration board  
17 emergency loan account, the toll collection account, the  
18 developmental disabilities endowment trust fund, the energy account,  
19 the energy facility site evaluation council account, the fair fund,  
20 the family and medical leave insurance account, the fish and wildlife  
21 federal lands revolving account, the natural resources federal lands  
22 revolving account, the food animal veterinarian conditional  
23 scholarship account, the forest health revolving account, the fruit  
24 and vegetable inspection account, the educator conditional  
25 scholarship account, the game farm alternative account, the GET ready  
26 for math and science scholarship account, the Washington global  
27 health technologies and product development account, the grain  
28 inspection revolving fund, the Washington history day account, the  
29 industrial insurance rainy day fund, the juvenile accountability  
30 incentive account, the law enforcement officers' and firefighters'  
31 plan 2 expense fund, the local tourism promotion account, the low-  
32 income home rehabilitation account, the medication for people living  
33 with HIV rebate revenue account, the homeowner recovery account, the  
34 multiagency permitting team account, the northeast Washington wolf-  
35 livestock management account, the produce railcar pool account, the  
36 public use general aviation airport loan revolving account, the  
37 regional transportation investment district account, the rural  
38 rehabilitation account, the Washington sexual assault kit account,  
39 the stadium and exhibition center account, the youth athletic  
40 facility account, the self-insurance revolving fund, the children's

1 trust fund, the Washington horse racing commission Washington bred  
2 owners' bonus fund and breeder awards account, the Washington horse  
3 racing commission class C purse fund account, the individual  
4 development account program account, the Washington horse racing  
5 commission operating account, the life sciences discovery fund, the  
6 Washington state library-archives building account, the reduced  
7 cigarette ignition propensity account, the center for deaf and hard  
8 of hearing youth account, the school for the blind account, the  
9 Millersylvania park trust fund, the public employees' and retirees'  
10 insurance reserve fund, the school employees' benefits board  
11 insurance reserve fund, the public employees' and retirees' insurance  
12 account, the school employees' insurance account, the long-term  
13 services and supports trust account, the radiation perpetual  
14 maintenance fund, the Indian health improvement reinvestment account,  
15 the department of licensing tuition recovery trust fund, the student  
16 achievement council tuition recovery trust fund, the tuition recovery  
17 trust fund, the industrial insurance premium refund account, the  
18 mobile home park relocation fund, the natural resources deposit fund,  
19 the Washington state health insurance pool account, the federal  
20 forest revolving account, the Washington saves administrative  
21 treasury trust account, and the library operations account.

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

29 (d) Any state agency that has independent authority over accounts  
30 or funds not statutorily required to be held in the custody of the  
31 state treasurer that deposits funds into a fund or account in the  
32 custody of the state treasurer pursuant to an agreement with the  
33 office of the state treasurer shall receive its proportionate share  
34 of earnings based upon each account's or fund's average daily balance  
35 for the period.

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

**MISCELLANEOUS**

NEW SECTION. **Sec. 18.** Section 16 of this act expires July 1, 2030.

NEW SECTION. **Sec. 19.** (1) Section 16 of this act takes effect July 1, 2024.  
(2) Section 17 of this act takes effect July 1, 2030.

NEW SECTION. **Sec. 20.** Sections 1 through 12 of this act constitute a new chapter in Title 19 RCW.

NEW SECTION. **Sec. 21.** If any part of this act is found to be in conflict with federal requirements that are a prescribed condition to the allocation of federal funds to the state or the eligibility of employers in this state for federal unemployment tax credits, the conflicting part of this act is inoperative solely to the extent of the conflict, and the finding or determination does not affect the operation of the remainder of this act. Rules adopted under this act must meet federal requirements that are a necessary condition to the receipt of federal funds by the state or the granting of federal unemployment tax credits to employers in this state.

Passed by the Senate March 7, 2024.  
Passed by the House March 6, 2024.  
Approved by the Governor March 28, 2024.  
Filed in Office of Secretary of State March 29, 2024.

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