

CERTIFICATION OF ENROLLMENT

SENATE BILL 5616

69th Legislature
2025 Regular Session

Passed by the Senate March 11, 2025
Yeas 47 Nays 1

President of the Senate

Passed by the House April 14, 2025
Yeas 94 Nays 2

**Speaker of the House of
Representatives**

Approved

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 **SENATE BILL 5616** as passed by the Senate and the House of Representatives on the dates hereon set forth.

Secretary

FILED

**Secretary of State
State of Washington**

SENATE BILL 5616

Passed Legislature - 2025 Regular Session

State of Washington

69th Legislature

2025 Regular Session

By Senators Hasegawa, Stanford, and Nobles; by request of Department of Financial Institutions

Read first time 01/31/25. Referred to Committee on Ways & Means.

1 AN ACT Relating to the Washington saves administrative trust
2 account; amending RCW 19.05.010 and 19.05.110; reenacting and
3 amending RCW 43.79A.040 and 43.79A.040; providing an effective date;
4 and providing an expiration date.

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

6 **Sec. 1.** RCW 19.05.010 and 2024 c 327 s 2 are each amended to
7 read as follows:

8 The definitions in this section apply throughout this chapter
9 unless the context clearly requires otherwise.

10 (1) "Administrative account" means the Washington saves
11 administrative (~~(treasury)~~) trust account created in RCW 19.05.110.

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

15 (3) "Complainant" means a covered employee, or that employee's
16 designee who has written or legal authority to act on behalf of the
17 employee, who files a complaint alleging an employer administrative
18 violation of RCW 19.05.030 who learned of the alleged violation by
19 way of their employment with a covered employer.

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

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

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

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

9 (b) Maintains a physical presence;

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

12 (d) Employs, and at any point during the immediately preceding
13 calendar year employed, employees working a combined minimum of
14 10,400 hours.

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

16 (8) "Employer" means a person or entity engaged in a business,
17 profession, trade, or other enterprise in the state, whether for
18 profit or not for profit. "Employer" does not include federal or
19 state entities, agencies, or instrumentalities, or any political
20 subdivision thereof.

21 (9) "Employer administrative duties" include all requirements of
22 covered employers under RCW 19.05.030 that do not involve amounts due
23 to the employee.

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

25 (11) "Governing board" means the board created in RCW 19.05.040.

26 (12) "Individual account" means an IRA established by or for an
27 individual participant and owned by the individual participant
28 pursuant to this chapter.

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

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

34 (15) "IRA" means a traditional or Roth individual retirement
35 account or individual retirement annuity described in section 408(a),
36 408(b), or 408A of the internal revenue code.

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

1 (17) "Program" means the Washington saves program established
2 under this chapter.

3 (18) "Qualified retirement plan" means a retirement plan in
4 compliance with applicable federal law for employees including those
5 described in section 401(a), 401(k), 403(a), 403(b), 408(k), or
6 408(p) of the internal revenue code. A qualified retirement plan may
7 require continuous employment of up to one year to be eligible for
8 employee participation.

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

12 **Sec. 2.** RCW 19.05.110 and 2024 c 327 s 11 are each amended to
13 read as follows:

14 (1) The Washington saves administrative (~~(treasury)~~) trust
15 account is created in the custody of the state treasurer.

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

19 (3) Only the director of the administrative agency or the
20 director's designee may authorize expenditures from the account. The
21 account is exempt from appropriation and allotment provisions under
22 chapter 43.88 RCW.

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

26 (5) Any interest incurred by the account will be retained within
27 the account.

28 **Sec. 3.** RCW 43.79A.040 and 2024 c 327 s 16 and 2024 c 168 s 10
29 are each reenacted and amended to read as follows:

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

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

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

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

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

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

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

1 account, the federal narcotics asset forfeitures account, the high
2 occupancy vehicle account, the local rail service assistance account,
3 and the miscellaneous transportation programs account.

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

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

14 **Sec. 4.** RCW 43.79A.040 and 2024 c 327 s 17 and 2024 c 168 s 11
15 are each reenacted and amended to read as follows:

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

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

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

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

35 (b) The following accounts and funds must receive their
36 proportionate share of earnings based upon each account's or fund's
37 average daily balance for the period: The 24/7 sobriety account, the
38 Washington promise scholarship account, the Gina Grant Bull memorial
39 legislative page scholarship account, the Rosa Franklin legislative

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

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

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

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

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

37 NEW SECTION. **Sec. 5.** Section 3 of this act expires July 1,
38 2030.

1 NEW SECTION. **Sec. 6.** Section 4 of this act takes effect July 1,
2 2030.

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