
SENATE BILL 5553

State of Washington 64th Legislature 2015 Regular Session

By Senators Hasegawa, Chase, Jayapal, Rolfes, Darneille, Conway, Frockt, and Kohl-Welles

Read first time 01/23/15. Referred to Committee on Financial Institutions & Insurance.

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

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

9 NEW SECTION. **Sec. 1.** FINDINGS—INTENT. (1) The legislature finds
10 that there are significant public infrastructure needs of the state
11 that are unmet, and that the level of unmet need has been exacerbated
12 by the economic downturn. The legislature further finds that there
13 are opportunities to use the state's depository assets to generate
14 additional benefit for the people and the economy of the state.
15 Therefore, the legislature intends to create the Washington
16 investment trust as a legacy institution that amasses sufficient
17 capital reserves to address opportunities now and in the future.

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

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

1 quality of life, improve environmental conditions, and promote
2 community vitality and economic growth; and

3 (b) Leverage Washington's financial capital and resources, and
4 work in partnership with financial institutions, community-based
5 organizations, economic development organizations, guaranty agencies,
6 and other stakeholder groups.

7 (3) The mission of the trust is to use Washington's depository
8 assets in ways that afford most efficient use of taxpayer revenues
9 and public resources for the benefit of the people and economy of the
10 state. The legislature intends for the trust to apply business
11 strategies to manage taxpayer revenues while concurrently meeting
12 identified needs and strategic opportunities across the state. In
13 achieving its purpose of improving public infrastructure, the
14 legislature intends for the trust to adhere to the following
15 priorities:

16 (a) Institutional safety and soundness;

17 (b) Long-term viability;

18 (c) Social return and monetary return on investments;

19 (d) Prudent and best banking and business practices;

20 (e) Highest ethical, accountability, and transparency standards;

21 and

22 (f) Insulation from political influence.

23 NEW SECTION. **Sec. 2.** DEFINITIONS. The definitions in this
24 section apply throughout this chapter unless the context clearly
25 requires otherwise.

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

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

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

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

33 (5) "Public infrastructure system" means a system of a local
34 government or political subdivision, a special purpose district, a
35 public school district, an institution of higher education as defined
36 in RCW 28B.10.016, a federally recognized Indian tribe, or the state,
37 including but not limited to a system involving: Wastewater
38 treatment; storm water management; solid waste disposal; drinking
39 water treatment; flood control levees; energy efficiency

1 enhancements; roads, streets, and bridges; transportation
2 infrastructure, including freight rail and transit; broadband and
3 telecommunications infrastructure; outdoor recreation and habitat
4 protection facilities; community, social service, or public safety
5 facilities; schools and educational facilities; and affordable
6 housing as defined in RCW 43.63A.510.

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

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

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

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

12 NEW SECTION. **Sec. 4.** COMMISSION. (1) The Washington investment
13 trust commission is created as the primary governing authority of the
14 trust. The commission shall consist of the governor, the lieutenant
15 governor, the secretary of state, the attorney general, the state
16 treasurer, the superintendent of public instruction, and the
17 commissioner of public lands.

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

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

20 (b) Transparency requirements for trust operations;

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

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

27 (3) The commission shall commence trust operations by July 1,
28 2016.

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

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

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

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

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

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

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

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

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

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

23 (b) Initial capital requirements of the trust;

24 (c) Options for capitalizing the trust including but not limited
25 to: Federal transportation funds, Taft-Hartley trust funds, revenue
26 bond proceeds, state reserves, and other core capital reserves not
27 needed for liquidity; and

28 (d) Other items requested by the commission in order to commence
29 trust operations by July 1, 2016.

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

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

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

5 (5) This section expires July 1, 2016.

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

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

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

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

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

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

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

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

38 (b) The commission shall establish a separate administrative
39 account within the trust from which its administrative and strategic

1 planning costs must be funded. In each biennial operating budget, the
2 legislature shall authorize the commission to incur a maximum
3 expenditure from the administrative account.

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

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

13 NEW SECTION. **Sec. 7.** INVESTMENT OF STATE MONEYS. The commission
14 and the state treasurer shall jointly determine the amount of funds
15 necessary to meet the operational needs of state government. The
16 state treasurer retains authority to manage and invest the amount of
17 funds necessary to meet the operational needs of state government.
18 The trust may invest state moneys deposited in the trust that are not
19 reasonably expected to be necessary to meet the short or
20 intermediate-term liquidity needs of the state.

21 NEW SECTION. **Sec. 8.** FEDERAL RESERVE SYSTEM MEMBERSHIP. The
22 trust may become a member of the federal reserve system.

23 NEW SECTION. **Sec. 9.** INFRASTRUCTURE FUNDING. The trust is
24 authorized to manage and invest state moneys in order to facilitate
25 investment in, and financing of, construction, rehabilitation,
26 replacement, and improvement of new and existing public
27 infrastructure systems. By November 1, 2015, the commission must
28 present an implementation plan and any necessary legislation to the
29 governor and appropriate legislative committees that:

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

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

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

3 NEW SECTION. **Sec. 10.** LEGISLATIVE AND STATE AGENCIES
4 AUTHORITIES. Nothing in this chapter affects:

5 (1) The ability of the legislature to appropriate from public
6 accounts managed by the trust, including the ability to place any
7 conditions or limitations on those appropriations; or

8 (2) After the legislature appropriates moneys from public
9 accounts managed by the trust, the use of those moneys by the state
10 agencies receiving the appropriations.

11 NEW SECTION. **Sec. 11.** MANAGEMENT. (1) The commission shall
12 appoint a trust president. The president is exempt from the
13 provisions of chapter 41.06 RCW. The president shall serve at the
14 commission's pleasure, on such terms and conditions as the commission
15 determines, but subject to chapter 42.52 RCW.

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

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

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

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

26 NEW SECTION. **Sec. 12.** ADVISORY BOARD. (1)(a) An investment
27 trust advisory board consisting of eleven members is created to
28 review the trust's operations and make recommendations relating to
29 the trust's management, services, policies, and procedures.

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

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

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

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

15 NEW SECTION. **Sec. 13.** FINANCIAL OVERSIGHT AND AUDIT. (1) The
16 trust must maintain capital adequacy and other standard indicators of
17 safety and soundness as are appropriate for a publicly owned
18 financial institution.

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

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

25 NEW SECTION. **Sec. 14.** REPORTING REQUIREMENTS. (1) The trust
26 shall submit quarterly reports to the commission in a manner and form
27 prescribed by the commission.

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

30 NEW SECTION. **Sec. 15.** ETHICAL REQUIREMENTS. The trust may not
31 make a loan to any advisory board member, the president, or employees
32 of the trust. Advisory board members, the president, and employees of
33 the trust must follow applicable ethical requirements in chapter
34 42.52 RCW and in rules, policies, and procedures adopted by the
35 commission.

1 NEW SECTION. **Sec. 16.** FEES AND TAXES. The trust is exempt from
2 payment of all fees and taxes levied by the state or any of its
3 subdivisions.

4 NEW SECTION. **Sec. 17.** TRUST RECORDS. (1) Under RCW 42.56.270
5 and 42.56.400, certain trust business records and records of the
6 department relating to the trust are exempt from public disclosure.

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

12 (3) This section does not prohibit:

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

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

19 NEW SECTION. **Sec. 18.** CAPITALIZATION. The commission must make
20 recommendations to the appropriate fiscal committees of the
21 legislature on options for capitalization of the trust. Any
22 recommendations must include draft legislation for consideration by
23 the legislature.

24 NEW SECTION. **Sec. 19.** A new section is added to chapter 39.58
25 RCW to read as follows:

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

29 NEW SECTION. **Sec. 20.** A new section is added to chapter 41.06
30 RCW to read as follows:

31 In addition to the exemptions under RCW 41.06.070, the provisions
32 of this chapter do not apply to the president of the Washington
33 investment trust in section 11 of this act.

34 **Sec. 21.** RCW 30A.04.020 and 2014 c 37 s 103 are each amended to
35 read as follows:

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

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

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

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

39 (3) This section shall not prevent a lender approved by the
40 United States secretary of housing and urban development for

1 participation in any mortgage insurance program under the National
2 Housing Act from using the words "mortgage banker" or "mortgage
3 banking" in the conduct of its business, but only if both words are
4 used together in either of the forms which appear in quotations in
5 this sentence.

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

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

12 **Sec. 22.** RCW 42.56.270 and 2014 c 192 s 6, 2014 c 174 s 5, and
13 2014 c 144 s 6 are each reenacted and amended to read as follows:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

35 (i) Financial and proprietary information collected from any
36 person and provided to the department of commerce pursuant to RCW
37 43.330.050(8); and

38 (ii) Financial or proprietary information collected from any
39 person and provided to the department of commerce or the office of
40 the governor in connection with the siting, recruitment, expansion,

1 retention, or relocation of that person's business and until a siting
2 decision is made, identifying information of any person supplying
3 information under this subsection and the locations being considered
4 for siting, relocation, or expansion of a business;

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

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

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

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

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

24 (15) Financial and commercial information provided as evidence to
25 the department of licensing as required by RCW 19.112.110 or
26 19.112.120, except information disclosed in aggregate form that does
27 not permit the identification of information related to individual
28 fuel licensees;

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

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

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

39 (18) Financial, commercial, operations, and technical and
40 research information and data submitted to or obtained by a health

1 sciences and services authority in applications for, or delivery of,
2 grants under RCW 35.104.010 through 35.104.060, to the extent that
3 such information, if revealed, would reasonably be expected to result
4 in private loss to providers of this information;

5 (19) Information gathered under chapter 19.85 RCW or RCW
6 34.05.328 that can be identified to a particular business;

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

15 (21) Market share data submitted by a manufacturer under RCW
16 70.95N.190(4); and

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

24 **Sec. 23.** RCW 42.56.400 and 2013 c 277 s 5 and 2013 c 65 s 5 are
25 each reenacted and amended to read as follows:

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

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

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

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

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

5 (5) Information provided under RCW 48.05.510 through 48.05.535,
6 48.43.200 through 48.43.225, 48.44.530 through 48.44.555, and
7 48.46.600 through 48.46.625;

8 (6) Examination reports and information obtained by the
9 department of financial institutions from banks under RCW
10 (~~30.04.075~~) 30A.04.075, from savings banks under RCW 32.04.220,
11 from savings and loan associations under RCW 33.04.110, from credit
12 unions under RCW 31.12.565, from the Washington investment trust
13 under chapter 43.--- RCW (the new chapter created in section 27 of
14 this act), from check cashers and sellers under RCW 31.45.030(3), and
15 from securities brokers and investment advisers under RCW 21.20.100,
16 all of which is confidential and privileged information;

17 (7) Information provided to the insurance commissioner under RCW
18 48.110.040(3);

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

22 (9) Confidential proprietary and trade secret information
23 provided to the commissioner under RCW 48.31C.020 through 48.31C.050
24 and 48.31C.070;

25 (10) Data filed under RCW 48.140.020, 48.140.030, 48.140.050, and
26 7.70.140 that, alone or in combination with any other data, may
27 reveal the identity of a claimant, health care provider, health care
28 facility, insuring entity, or self-insurer involved in a particular
29 claim or a collection of claims. For the purposes of this subsection:

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

31 (b) "Health care facility" has the same meaning as in RCW
32 48.140.010(6).

33 (c) "Health care provider" has the same meaning as in RCW
34 48.140.010(7).

35 (d) "Insuring entity" has the same meaning as in RCW
36 48.140.010(8).

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

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

- 1 (12) Documents, materials, or information obtained by the
2 insurance commissioner under RCW 48.37.060;
- 3 (13) Confidential and privileged documents obtained or produced
4 by the insurance commissioner and identified in RCW 48.37.080;
- 5 (14) Documents, materials, or information obtained by the
6 insurance commissioner under RCW 48.37.140;
- 7 (15) Documents, materials, or information obtained by the
8 insurance commissioner under RCW 48.17.595;
- 9 (16) Documents, materials, or information obtained by the
10 insurance commissioner under RCW 48.102.051(1) and 48.102.140 (3) and
11 (7)(a)(ii);
- 12 (17) Documents, materials, or information obtained by the
13 insurance commissioner in the commissioner's capacity as receiver
14 under RCW 48.31.025 and 48.99.017, which are records under the
15 jurisdiction and control of the receivership court. The commissioner
16 is not required to search for, log, produce, or otherwise comply with
17 the public records act for any records that the commissioner obtains
18 under chapters 48.31 and 48.99 RCW in the commissioner's capacity as
19 a receiver, except as directed by the receivership court;
- 20 (18) Documents, materials, or information obtained by the
21 insurance commissioner under RCW 48.13.151;
- 22 (19) Data, information, and documents provided by a carrier
23 pursuant to section 1, chapter 172, Laws of 2010;
- 24 (20) Information in a filing of usage-based insurance about the
25 usage-based component of the rate pursuant to RCW 48.19.040(5)(b);
- 26 (21) Data, information, and documents, other than those described
27 in RCW 48.02.210(2), that are submitted to the office of the
28 insurance commissioner by an entity providing health care coverage
29 pursuant to RCW 28A.400.275 and 48.02.210; (~~and~~)
- 30 (22) Data, information, and documents obtained by the insurance
31 commissioner under RCW 48.29.017; and
- 32 (23) Information not subject to public inspection or public
33 disclosure under RCW 48.43.730(5).

34 **Sec. 24.** RCW 42.56.400 and 2013 c 65 s 5 are each amended to
35 read as follows:

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

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

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

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

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

15 (5) Information provided under RCW 48.05.510 through 48.05.535,
16 48.43.200 through 48.43.225, 48.44.530 through 48.44.555, and
17 48.46.600 through 48.46.625;

18 (6) Examination reports and information obtained by the
19 department of financial institutions from banks under RCW
20 (~~30.04.075~~) 30A.04.075, from savings banks under RCW 32.04.220,
21 from savings and loan associations under RCW 33.04.110, from credit
22 unions under RCW 31.12.565, from the Washington investment trust
23 under chapter 43.--- RCW (the new chapter created in section 27 of
24 this act), from check cashers and sellers under RCW 31.45.030(3), and
25 from securities brokers and investment advisers under RCW 21.20.100,
26 all of which is confidential and privileged information;

27 (7) Information provided to the insurance commissioner under RCW
28 48.110.040(3);

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

32 (9) Confidential proprietary and trade secret information
33 provided to the commissioner under RCW 48.31C.020 through 48.31C.050
34 and 48.31C.070;

35 (10) Data filed under RCW 48.140.020, 48.140.030, 48.140.050, and
36 7.70.140 that, alone or in combination with any other data, may
37 reveal the identity of a claimant, health care provider, health care
38 facility, insuring entity, or self-insurer involved in a particular
39 claim or a collection of claims. For the purposes of this subsection:

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

1 (b) "Health care facility" has the same meaning as in RCW
2 48.140.010(6).

3 (c) "Health care provider" has the same meaning as in RCW
4 48.140.010(7).

5 (d) "Insuring entity" has the same meaning as in RCW
6 48.140.010(8).

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

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

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

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

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

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

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

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

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

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

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

35 (21) Data, information, and documents, other than those described
36 in RCW 48.02.210(2), that are submitted to the office of the
37 insurance commissioner by an entity providing health care coverage
38 pursuant to RCW 28A.400.275 and 48.02.210; and

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

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

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

10 **Sec. 26.** RCW 43.84.080 and 1982 c 148 s 1 are each amended to
11 read as follows:

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

18 (1) Certificates, notes, or bonds of the United States, or other
19 obligations of the United States or its agencies, or of any
20 corporation wholly owned by the government of the United States;

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

29 (3) In motor vehicle fund warrants when authorized by agreement
30 between the state treasurer and the department of transportation
31 requiring repayment of invested funds from any moneys in the motor
32 vehicle fund available for state highway construction;

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

39 (5) Bankers' acceptances purchased on the secondary market;

1 (6) Negotiable certificates of deposit of any national or state
2 commercial or mutual savings bank or savings and loan association
3 doing business in the United States: PROVIDED, That the treasurer
4 shall adhere to the investment policies and procedures adopted by the
5 state investment board;

6 (7) Commercial paper: PROVIDED, That the treasurer shall adhere
7 to the investment policies and procedures adopted by the state
8 investment board.

9 NEW SECTION. **Sec. 27.** Sections 1 through 4 and 6 through 18 of
10 this act constitute a new chapter in Title 43 RCW.

11 NEW SECTION. **Sec. 28.** Section 23 of this act expires July 1,
12 2017.

13 NEW SECTION. **Sec. 29.** Section 24 of this act takes effect July
14 1, 2017.

15 NEW SECTION. **Sec. 30.** Sections 1 through 23, 25, and 26 of this
16 act are necessary for the immediate preservation of the public peace,
17 health, or safety, or support of the state government and its
18 existing public institutions, and take effect immediately.

19 NEW SECTION. **Sec. 31.** If any provision of this act or its
20 application to any person or circumstance is held invalid, the
21 remainder of the act or the application of the provision to other
22 persons or circumstances is not affected.

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