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SENATE BILL 5955

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State of Washington

63rd Legislature

2014 Regular Session

By Senators Hasegawa, Chase, Keiser, Conway, Frockt, Kline, and Kohl-Welles

Read first time 01/13/14. Referred to Committee on Financial Institutions, Housing & Insurance.

1 AN ACT Relating to establishing the Washington publicly owned trust  
2 in order to create a financing infrastructure to implement Initiative  
3 Measure No. 502 that complies with the United States attorney general's  
4 guidance letter of August 29, 2013, thereby providing resources for  
5 public infrastructure and other public purposes; amending RCW  
6 30.04.020, 42.56.270, 42.56.270, 42.56.400, 43.08.135, and 43.84.080;  
7 reenacting and amending RCW 42.56.400; adding a new section to chapter  
8 39.58 RCW; adding a new section to chapter 41.06 RCW; adding a new  
9 chapter to Title 43 RCW; creating a new section; providing effective  
10 dates; providing expiration dates; and declaring an emergency.

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

12 NEW SECTION. **Sec. 1.** FINDINGS--INTENT. (1) The legislature finds  
13 that there are significant public infrastructure needs of the state  
14 that are unmet, and that the level of unmet need has been exacerbated  
15 by the economic downturn. The legislature further finds that there are  
16 opportunities to use the state's depository assets to generate  
17 additional benefit for the people and the economy of the state.  
18 Therefore, the legislature intends the state of Washington to engage in

1 the business of banking under the name of the Washington publicly owned  
2 trust, as a legacy institution that amasses sufficient capital reserves  
3 to address opportunities now and in the future.

4 (2) The legislature intends that the trust may:

5 (a) Facilitate investment in, and financing of, public  
6 infrastructure systems that will increase public health, safety, and  
7 quality of life, improve environmental conditions, and promote  
8 community vitality and economic growth; and

9 (b) Leverage receipts from marijuana sales and from public  
10 resources, and work in partnership with financial institutions,  
11 community-based organizations, economic development organizations,  
12 guaranty agencies, and other stakeholder groups.

13 (3) The mission of the trust is to act as the sole depository for  
14 in-state marijuana producers, processors, and retailers and to use  
15 taxable earnings from those deposits for the benefit of the people and  
16 economy of the state. The legislature intends for the trust to apply  
17 business strategies to manage the deposits while concurrently meeting  
18 identified needs and strategic opportunities across the state. In  
19 achieving its purpose of improving public infrastructure or otherwise  
20 providing for the public benefit, the legislature intends for the trust  
21 to adhere to the following priorities:

22 (a) Institutional safety and soundness;

23 (b) Long-term viability;

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

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

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

27 and

28 (f) Insulation from political influence.

29 NEW SECTION. **Sec. 2.** DEFINITIONS. The definitions in this  
30 section apply throughout this chapter unless the context clearly  
31 requires otherwise.

32 (1) "Board" means the advisory board of the Washington publicly  
33 owned trust.

34 (2) "Commission" means the Washington publicly owned trust  
35 commission.

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

1 (4) "Director" means the director of the department of financial  
2 institutions.

3 (5) "Marijuana" means all parts of the plant cannabis, whether  
4 growing or not, with a THC concentration greater than 0.3 percent on a  
5 dry weight basis; the seeds thereof; the resin extracted from any part  
6 of the plant; and every compound, manufacture, salt, derivative,  
7 mixture, or preparation of the plant, its seeds or resin. "Marijuana"  
8 does not include the mature stalks of the plant, fiber produced from  
9 the stalks, oil, or cake made from the seeds of the plant, any other  
10 compound, manufacture, salt, derivative, mixture, or preparation of the  
11 mature stalks (except the resin extracted therefrom), fiber, oil, or  
12 cake, or the sterilized seed of the plant which is incapable of  
13 germination.

14 (6) "Marijuana processor" means a person licensed by the state  
15 liquor control board to process marijuana into useable marijuana and  
16 marijuana-infused products, package and label useable marijuana and  
17 marijuana-infused products for sale in retail outlets, and sell useable  
18 marijuana and marijuana-infused products at wholesale to marijuana  
19 retailers.

20 (7) "Marijuana producer" means a person licensed by the state  
21 liquor control board to produce and sell marijuana at wholesale to  
22 marijuana processors and other marijuana producers.

23 (8) "Marijuana-infused products" means products that contain  
24 marijuana or marijuana extracts and are intended for human use. The  
25 term "marijuana-infused products" does not include useable marijuana.

26 (9) "Marijuana retailer" means a person licensed by the state  
27 liquor control board to sell useable marijuana and marijuana-infused  
28 products in a retail outlet.

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

1 service, or public safety facilities; schools and educational  
2 facilities; affordable housing as defined in RCW 43.63A.510; or other  
3 public purposes that provide public benefit or public utility.

4 (11) "State moneys" has the same meaning as in RCW 43.85.200.

5 (12) "Treasurer" means the treasurer of the state of Washington.

6 (13) "Trust" means the Washington publicly owned trust.

7 NEW SECTION. **Sec. 3.** CREATION. The Washington publicly owned  
8 trust is created.

9 NEW SECTION. **Sec. 4.** COMMISSION. (1) The Washington publicly  
10 owned trust commission is created as the primary governing authority  
11 of the trust. The commission shall consist of the governor, the  
12 lieutenant governor, the secretary of state, the attorney general, and  
13 the superintendent of public instruction.

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

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

16 (b) Transparency requirements for trust operations;

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

21 (d) Other topics as needed for efficient administration of the  
22 trust.

23 (3) The commission shall commence trust operations by July 1, 2015.

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

28 (5) The commission may adopt policies and procedures for its own  
29 governance.

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

33 NEW SECTION. **Sec. 5.** ORGANIZING COMMITTEE. (1)(a) The trust  
34 organizing committee is established, with members as provided in this  
35 subsection.

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

3 (ii) The speaker of the house of representatives shall appoint one  
4 member from each of the two largest caucuses of the house of  
5 representatives.

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

9 (b) The president of the senate and the speaker of the house of  
10 representatives jointly shall select the chair from among the citizen  
11 membership. The chair shall convene the initial meeting of the trust  
12 organizing committee within forty-five days after the effective date of  
13 this section.

14 (2) The trust organizing committee shall develop and recommend the  
15 following to the commission within the timeline established by the  
16 commission:

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

20 (b) Initial capital requirements of the trust;

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

25 (d) Other items requested by the commission in order to commence  
26 trust operations by July 1, 2015.

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

34 (4) The trust organizing committee may appoint an interim president  
35 and other necessary staff who are exempt from the provisions of chapter  
36 41.06 RCW, and who serve at the committee's pleasure on such terms and  
37 conditions as the committee determines but subject to chapter 42.52  
38 RCW. The department must provide technical assistance to the trust

1 organizing committee. The committee may also contract with additional  
2 persons who have specific technical expertise if the expertise is  
3 necessary to carry out the requirements of this section.

4 (5) This section expires July 1, 2015.

5 NEW SECTION. **Sec. 6.** DEPOSIT OF FUNDS. (1) All deposits in the  
6 trust are guaranteed by the state rather than insured by the federal  
7 deposit insurance corporation.

8 (2) All income earned by the trust on state moneys that are  
9 deposited in or invested with the trust constitute income of the trust  
10 and must be credited to the trust except as otherwise required by law.

11 (3) The trust may accept deposits from marijuana producers,  
12 marijuana processors, and marijuana retailers, but is exempt from the  
13 requirements of chapter 39.58 RCW.

14 (4) The trust may accept funds from any state or local public  
15 source.

16 (5)(a) Administrative and strategic planning expenses of the trust  
17 are funded from the earnings of the trust, subject to legislative  
18 authorization, and from any other appropriations provided by the  
19 legislature.

20 (b) The commission shall establish a separate administrative  
21 account within the trust from which its administrative and strategic  
22 planning costs must be funded. In each biennial operating budget, the  
23 legislature shall authorize the commission to incur a maximum  
24 expenditure from the administrative account.

25 (c) In an amount not to exceed the authorized expenditures, the  
26 commission shall proportionally allocate interest earnings from  
27 accounts and moneys under its management and shall transfer this amount  
28 to the administrative fund. This transfer shall precede the  
29 distribution of remaining earnings under applicable statutes.

30 NEW SECTION. **Sec. 7.** INVESTMENT OF DEPOSITED FUNDS. The trust  
31 may invest all moneys deposited in the trust.

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



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

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

13 NEW SECTION. **Sec. 12.** FINANCIAL OVERSIGHT AND AUDIT. (1) The  
14 trust must maintain capital adequacy and other standard indicators of  
15 safety and soundness as are appropriate for a publicly owned financial  
16 institution.

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

21 (3) The state auditor shall conduct an annual post-audit on all  
22 accounts and financial transactions of the trust.

23 NEW SECTION. **Sec. 13.** REPORTING REQUIREMENTS. (1) The trust  
24 shall submit quarterly reports to the commission in a manner and form  
25 prescribed by the commission.

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

28 NEW SECTION. **Sec. 14.** ETHICAL REQUIREMENTS. The trust may not  
29 make a loan to any advisory board member, the president, or employees  
30 of the trust. Advisory board members, the president, and employees of  
31 the trust must follow applicable ethical requirements in chapter 42.52  
32 RCW and in rules, policies, and procedures adopted by the commission,  
33 which shall endeavor to maintain the highest standards and best  
34 practices for accountability, transparency, and ethical conduct.



1        NEW SECTION.    **Sec. 15.**    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. 16.**    TRUST RECORDS.    (1) Under RCW 42.56.270 and  
5 42.56.400, certain trust business records and records of the department  
6 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 the  
10 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. 17.**    CAPITALIZATION.    The treasurer shall  
20 deposit all moneys received by the state liquor control board or any  
21 employee thereof from marijuana-related activities into the trust.  
22 Nondedicated funds may be used by the commission for capitalization of  
23 the trust.

24        NEW SECTION.    **Sec. 18.**    A new section is added to chapter 39.58 RCW  
25 to read as follows:

26        The Washington publicly owned trust created in section 3 of this  
27 act 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. 19.**    A new section is added to chapter 41.06 RCW  
30 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 publicly owned trust in section 10 of this act.

1           **Sec. 20.** RCW 30.04.020 and 2010 c 88 s 4 are each amended to read  
2 as follows:

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

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

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

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

1 subsection shall prevent operations by an alien bank in compliance with  
2 chapter 30.42 RCW.

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

9 (4) This section does not prevent the Washington publicly owned  
10 trust created in section 3 of this act from being called a trust or  
11 from providing banking services without being called a bank.

12 (5) Any individual or legal person, or director, officer(~~(+)~~), or  
13 manager of such legal person, who knowingly violates any provision of  
14 this section shall be guilty of a gross misdemeanor.

15 **Sec. 21.** RCW 42.56.270 and 2011 1st sp.s. c 14 s 15 are each  
16 amended to read as follows:

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

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

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

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

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

1 (5) Financial information, business plans, examination reports, and  
2 any information produced or obtained in evaluating or examining a  
3 business and industrial development corporation organized or seeking  
4 certification under chapter 31.24 RCW;

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

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

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

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

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

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

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

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

1 (i) Financial and proprietary information collected from any person  
2 and provided to the department of commerce pursuant to RCW  
3 43.330.050(8); and

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

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

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

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

21 (13) Financial and proprietary information submitted to or obtained  
22 by the department of ecology or the authority created under chapter  
23 70.95N RCW to implement chapter 70.95N RCW;

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

30 (15) Financial and commercial information provided as evidence to  
31 the department of licensing as required by RCW 19.112.110 or  
32 19.112.120, except information disclosed in aggregate form that does  
33 not permit the identification of information related to individual fuel  
34 licensees;

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

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

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

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

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

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

23 (21) Financial, commercial, operations, and technical and research  
24 information and data submitted to or obtained by innovate Washington in  
25 applications for, or delivery of, grants and loans under chapter 43.333  
26 RCW, to the extent that such information, if revealed, would reasonably  
27 be expected to result in private loss to the providers of this  
28 information.

29 **Sec. 22.** RCW 42.56.270 and 2013 c 305 s 14 are each amended to  
30 read as follows:

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

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

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

6 (3) Financial and commercial information and records supplied by  
7 private persons pertaining to export services provided under chapters  
8 43.163 and 53.31 RCW, and by persons pertaining to export projects  
9 under RCW 43.23.035;

10 (4) Financial and commercial information and records supplied by  
11 businesses or individuals during application for loans or program  
12 services provided by chapters 43.325, 43.163, 43.160, 43.330, 43.---  
13 (the new chapter created in section 27 of this act) and 43.168 RCW, or  
14 during application for economic development loans or program services  
15 provided by any local agency;

16 (5) Financial information, business plans, examination reports, and  
17 any information produced or obtained in evaluating or examining a  
18 business and industrial development corporation organized or seeking  
19 certification under chapter 31.24 RCW;

20 (6) Financial and commercial information supplied to the state  
21 investment board by any person when the information relates to the  
22 investment of public trust or retirement funds and when disclosure  
23 would result in loss to such funds or in private loss to the providers  
24 of this information;

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

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

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

33 (10)(a) Financial information, including but not limited to account  
34 numbers and values, and other identification numbers supplied by or on  
35 behalf of a person, firm, corporation, limited liability company,  
36 partnership, or other entity related to an application for a horse  
37 racing license submitted pursuant to RCW 67.16.260(1)(b), liquor  
38 license, gambling license, or lottery retail license;

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

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

13 (12)(a) When supplied to and in the records of the department of  
14 commerce:

15 (i) Financial and proprietary information collected from any person  
16 and provided to the department of commerce pursuant to RCW  
17 43.330.050(8); and

18 (ii) Financial or proprietary information collected from any person  
19 and provided to the department of commerce or the office of the  
20 governor in connection with the siting, recruitment, expansion,  
21 retention, or relocation of that person's business and until a siting  
22 decision is made, identifying information of any person supplying  
23 information under this subsection and the locations being considered  
24 for siting, relocation, or expansion of a business;

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

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

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

35 (13) Financial and proprietary information submitted to or obtained  
36 by the department of ecology or the authority created under chapter  
37 70.95N RCW to implement chapter 70.95N RCW;



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

7 (15) Financial and commercial information provided as evidence to  
8 the department of licensing as required by RCW 19.112.110 or  
9 19.112.120, except information disclosed in aggregate form that does  
10 not permit the identification of information related to individual fuel  
11 licensees;

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

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

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

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

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

30 (20) Financial and commercial information submitted to or obtained  
31 by the University of Washington, other than information the university  
32 is required to disclose under RCW 28B.20.150, when the information  
33 relates to investments in private funds, to the extent that such  
34 information, if revealed, would reasonably be expected to result in  
35 loss to the University of Washington consolidated endowment fund or to  
36 result in private loss to the providers of this information;

37 (21) Financial, commercial, operations, and technical and research  
38 information and data submitted to or obtained by innovate Washington in

1 applications for, or delivery of, grants and loans under chapter 43.333  
2 RCW, to the extent that such information, if revealed, would reasonably  
3 be expected to result in private loss to the providers of this  
4 information; and

5 (22) Market share data submitted by a manufacturer under RCW  
6 70.95N.190(4).

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

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

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

14 (2) Information obtained and exempted or withheld from public  
15 inspection by the health care authority under RCW 41.05.026, whether  
16 retained by the authority, transferred to another state purchased  
17 health care program by the authority, or transferred by the authority  
18 to a technical review committee created to facilitate the development,  
19 acquisition, or implementation of state purchased health care under  
20 chapter 41.05 RCW;

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

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

25 (5) Information provided under RCW 48.05.510 through 48.05.535,  
26 48.43.200 through 48.43.225, 48.44.530 through 48.44.555, and 48.46.600  
27 through 48.46.625;

28 (6) Examination reports and information obtained by the department  
29 of financial institutions from banks under RCW 30.04.075, from savings  
30 banks under RCW 32.04.220, from savings and loan associations under RCW  
31 33.04.110, from credit unions under RCW 31.12.565, from the Washington  
32 publicly owned trust under chapter 43.--- RCW (the new chapter created  
33 in section 27 of this act) from check cashers and sellers under RCW  
34 31.45.030(3), and from securities brokers and investment advisers under  
35 RCW 21.20.100, all of which is confidential and privileged information;

36 (7) Information provided to the insurance commissioner under RCW  
37 48.110.040(3);

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

4 (9) Confidential proprietary and trade secret information provided  
5 to the commissioner under RCW 48.31C.020 through 48.31C.050 and  
6 48.31C.070;

7 (10) Data filed under RCW 48.140.020, 48.140.030, 48.140.050, and  
8 7.70.140 that, alone or in combination with any other data, may reveal  
9 the identity of a claimant, health care provider, health care facility,  
10 insuring entity, or self-insurer involved in a particular claim or a  
11 collection of claims. For the purposes of this subsection:

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

13 (b) "Health care facility" has the same meaning as in RCW  
14 48.140.010(6).

15 (c) "Health care provider" has the same meaning as in RCW  
16 48.140.010(7).

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

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

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

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

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

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

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

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

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

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

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

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

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

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

13 (23) Information not subject to public inspection or public  
14 disclosure under RCW 48.43.730(5).

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

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

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

22 (2) Information obtained and exempted or withheld from public  
23 inspection by the health care authority under RCW 41.05.026, whether  
24 retained by the authority, transferred to another state purchased  
25 health care program by the authority, or transferred by the authority  
26 to a technical review committee created to facilitate the development,  
27 acquisition, or implementation of state purchased health care under  
28 chapter 41.05 RCW;

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

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

33 (5) Information provided under RCW 48.05.510 through 48.05.535,  
34 48.43.200 through 48.43.225, 48.44.530 through 48.44.555, and 48.46.600  
35 through 48.46.625;

36 (6) Examination reports and information obtained by the department  
37 of financial institutions from banks under RCW 30.04.075, from savings

1 banks under RCW 32.04.220, from savings and loan associations under RCW  
2 33.04.110, from credit unions under RCW 31.12.565, from the Washington  
3 publicly owned trust under chapter 43.--- RCW (the new chapter created  
4 in section 27 of this act) from check cashers and sellers under RCW  
5 31.45.030(3), and from securities brokers and investment advisers under  
6 RCW 21.20.100, all of which is confidential and privileged information;

7 (7) Information provided to the insurance commissioner under RCW  
8 48.110.040(3);

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

12 (9) Confidential proprietary and trade secret information provided  
13 to the commissioner under RCW 48.31C.020 through 48.31C.050 and  
14 48.31C.070;

15 (10) Data filed under RCW 48.140.020, 48.140.030, 48.140.050, and  
16 7.70.140 that, alone or in combination with any other data, may reveal  
17 the identity of a claimant, health care provider, health care facility,  
18 insuring entity, or self-insurer involved in a particular claim or a  
19 collection of claims. For the purposes of this subsection:

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

21 (b) "Health care facility" has the same meaning as in RCW  
22 48.140.010(6).

23 (c) "Health care provider" has the same meaning as in RCW  
24 48.140.010(7).

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

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

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

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

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

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

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

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

1 (17) Documents, materials, or information obtained by the insurance  
2 commissioner in the commissioner's capacity as receiver under RCW  
3 48.31.025 and 48.99.017, which are records under the jurisdiction and  
4 control of the receivership court. The commissioner is not required to  
5 search for, log, produce, or otherwise comply with the public records  
6 act for any records that the commissioner obtains under chapters 48.31  
7 and 48.99 RCW in the commissioner's capacity as a receiver, except as  
8 directed by the receivership court;

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

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

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

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

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

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

23 The state treasurer shall maintain at all times cash, or demand  
24 deposits in the Washington publicly owned trust created in section 3 of  
25 this act or qualified public depositories in an amount needed to meet  
26 the operational needs of state government: PROVIDED, That the state  
27 treasurer shall not be considered in violation of RCW 9A.56.060(1) if  
28 he or she maintains demand accounts in public depositories in an amount  
29 less than all treasury warrants issued and outstanding.

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

32 Subject to the limitations in section 7 of this act, wherever there  
33 is in any fund or in cash balances in the state treasury more than  
34 sufficient to meet the current expenditures properly payable therefrom,  
35 the state treasurer may invest or reinvest such portion of such funds

1 or balances as the state treasurer deems expedient in the following  
2 defined securities or classes of investments:

3 (1) Certificates, notes, or bonds of the United States, or other  
4 obligations of the United States or its agencies, or of any corporation  
5 wholly owned by the government of the United States;

6 (2) In state, county, municipal, or school district bonds, or in  
7 warrants of taxing districts of the state. Such bonds and warrants  
8 shall be only those found to be within the limit of indebtedness  
9 prescribed by law for the taxing district issuing them and to be  
10 general obligations. The state treasurer may purchase such bonds or  
11 warrants directly from the taxing district or in the open market at  
12 such prices and upon such terms as it may determine, and may sell them  
13 at such times as it deems advisable;

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

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

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

25 (6) Negotiable certificates of deposit of any national or state  
26 commercial or mutual savings bank or savings and loan association doing  
27 business in the United States: PROVIDED, That the treasurer shall  
28 adhere to the investment policies and procedures adopted by the state  
29 investment board;

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

33 NEW SECTION. **Sec. 27.** Sections 1 through 4 and 6 through 17 of  
34 this act constitute a new chapter in Title 43 RCW.

35 NEW SECTION. **Sec. 28.** Section 21 of this act expires January 1,  
36 2014.

1        NEW SECTION.    **Sec. 29.**    Section 23 of this act expires July 1,  
2    2017.

3        NEW SECTION.    **Sec. 30.**    Section 22 of this act takes effect January  
4    1, 2014.

5        NEW SECTION.    **Sec. 31.**    Section 24 of this act takes effect July 1,  
6    2017.

7        NEW SECTION.    **Sec. 32.**    Sections 1 through 21, 23, 25, and 26 of  
8    this act are necessary for the immediate preservation of the public  
9    peace, health, or safety, or support of the state government and its  
10   existing public institutions, and take effect immediately.

11       NEW SECTION.    **Sec. 33.**    If any provision of this act or its  
12   application to any person or circumstance is held invalid, the  
13   remainder of the act or the application of the provision to other  
14   persons or circumstances is not affected.

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