

SENATE BILL REPORT

SB 5102

As Passed Senate, March 4, 2025

Title: An act relating to establishing a public records exemption for the proprietary information of public risk pools.

Brief Description: Establishing a public records exemption for the proprietary information of public risk pools.

Sponsors: Senator Hasegawa.

Brief History:

Committee Activity: State Government, Tribal Affairs & Elections: 1/14/25, 1/17/25 [DP].

Floor Activity: Passed Senate: 3/4/25, 49-0.

Brief Summary of Bill

- Creates an exemption in the Public Records Act for certain information used by public risk pools.

SENATE COMMITTEE ON STATE GOVERNMENT, TRIBAL AFFAIRS & ELECTIONS

Majority Report: Do pass.

Signed by Senators Valdez, Chair; Krishnadasan, Vice Chair; Wilson, J., Ranking Member; Hasegawa, Kauffman, Riccelli and Short.

Staff: William Bridges (786-7312)

Background: Local Government Joint Self-Insurance Risk Pools. State law authorizes local governments to self-insure against property and liability risks; jointly purchase insurance or reinsurance; and contract for risk management, claims, and administrative

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services. Agreements to form joint self-insurance risk pools must be done through interlocal agreements. The Office of Risk Management within the Department of Enterprise Services is responsible for the regulation of these self-insurance pools.

Public Records Act. The Public Records Act (PRA) requires state and local agencies to make all public records available for public inspection and copying unless exempted, such as certain financial, commercial, and proprietary information.

Summary of Bill: Creating a Public Risk Pool Exemption for Information Used by Public Risk Pools. Formulas and data public risk pools use to calculate rates for pool member contributions or assessments, and actuarial analyses and reports prepared by or for public risk pools are exempt from the PRA.

Appropriation: None.

Fiscal Note: Not requested.

Creates Committee/Commission/Task Force that includes Legislative members: No.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Staff Summary of Public Testimony: PRO: The PRA exemption proposed in this bill is consistent with existing exemptions in RCW 42.56.270 allowing public agencies to withhold sensitive information and processes from disclosure that will result in private gain and public loss. The bill will exempt internal analyses and methodologies used by local governments' risk pools in setting member premium contribution rates, which will help protect the resources of publicly-funded risk pools and their public entity members.

CON: The exemption should be amended so that it does not apply to information about local bonds.

OTHER: By definition, public agencies cannot have proprietary information that is exempted from the PRA, so it is incumbent on the Legislature to protect sensitive information that would usually be protected by the PRA if were produced by a private entity. The information protected by the proposed exemption is not newsworthy or necessary to learn if a pool is performing in an efficient manner. Private entities can develop their own methodologies based on public outcomes. It is likely the Sunshine Committee would continue this exemption if it were to pass.

Persons Testifying: PRO: Senator Bob Hasegawa, Prime Sponsor; Tyna Ek, WA Schools Risk Management Pool; Deborah Callahan, WA Schools Risk Management Pool.

CON: John Worthington.

OTHER: Rowland Thompson, Allied Daily Newspapers of Washington.

Persons Signed In To Testify But Not Testifying: No one.