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**HOUSE BILL 1477**

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**State of Washington**

**69th Legislature**

**2025 Regular Session**

**By** Representatives Reeves and Ryu; by request of Department of Financial Institutions

Read first time 01/21/25. Referred to Committee on Appropriations.

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

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

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

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

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

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

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

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

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

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

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

9 (b) Maintains a physical presence;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

35 (b) The following accounts and funds must receive their  
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38 Washington promise scholarship account, the Gina Grant Bull memorial  
39 legislative page scholarship account, the Rosa Franklin legislative

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

1 C purse fund account, the individual development account program  
2 account, the Washington horse racing commission operating account,  
3 the life sciences discovery fund, the Washington state library-  
4 archives building account, the reduced cigarette ignition propensity  
5 account, the center for deaf and hard of hearing youth account, the  
6 school for the blind account, the Millersylvania park trust fund, the  
7 public employees' and retirees' insurance reserve fund, the school  
8 employees' benefits board insurance reserve fund, the public  
9 employees' and retirees' insurance account, the school employees'  
10 insurance account, the long-term services and supports trust account,  
11 the radiation perpetual maintenance fund, the Indian health  
12 improvement reinvestment account, the department of licensing tuition  
13 recovery trust fund, the student achievement council tuition recovery  
14 trust fund, the tuition recovery trust fund, the industrial insurance  
15 premium refund account, the mobile home park relocation fund, the  
16 natural resources deposit fund, the Washington state health insurance  
17 pool account, the federal forest revolving account, the Washington  
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20 (c) The following accounts and funds must receive 80 percent of  
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25 occupancy vehicle account, the local rail service assistance account,  
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27 (d) Any state agency that has independent authority over accounts  
28 or funds not statutorily required to be held in the custody of the  
29 state treasurer that deposits funds into a fund or account in the  
30 custody of the state treasurer pursuant to an agreement with the  
31 office of the state treasurer shall receive its proportionate share  
32 of earnings based upon each account's or fund's average daily balance  
33 for the period.

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

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



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

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