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**SUBSTITUTE SENATE BILL 5209**

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**State of Washington**

**63rd Legislature**

**2013 Regular Session**

**By** Senate Financial Institutions, Housing & Insurance (originally sponsored by Senators Hobbs, Benton, Nelson, Mullet, and Hatfield; by request of Department of Financial Institutions)

READ FIRST TIME 02/15/13.

1       AN ACT Relating to licensing and enforcement provisions applicable  
2 to money transmitters; amending RCW 19.230.020, 19.230.040, 19.230.110,  
3 19.230.120, 19.230.150, 19.230.200, and 19.230.310; and reenacting and  
4 amending RCW 19.230.010.

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

6       **Sec. 1.** RCW 19.230.010 and 2010 c 73 s 1 are each reenacted and  
7 amended to read as follows:

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

10       (1) "Affiliate" means any person who directly or indirectly through  
11 one or more intermediaries, controls, is controlled by, or is under  
12 common control with, another person.

13       (2) "Annual assessment due date" means the date specified in rule  
14 by the director upon which the annual assessment is due.

15       (3) "Applicant" means a person that files an application for a  
16 license under this chapter, including the applicant's proposed  
17 responsible individual and executive officers, and persons in control  
18 of the applicant.

1 (4) "Authorized delegate" means a person a licensee designates to  
2 provide money services on behalf of the licensee. A person that is  
3 exempt from licensing under this chapter cannot have an authorized  
4 delegate.

5 (5) "Board director" means a member of the applicant's or  
6 licensee's board of directors if the applicant is a corporation or  
7 limited liability company, or a partner if the applicant or licensee is  
8 a partnership.

9 (6) "Closed loop stored value (~~device~~)" means (~~(a)~~) stored value  
10 (~~device~~), when that value or credit is primarily intended to be  
11 redeemed for a limited universe of goods, intangibles, services, or  
12 other items provided by the issuer of the stored value, its affiliates,  
13 or others involved in transactions functionally related to the issuer  
14 or its affiliates.

15 (7) "Control" means:

16 (a) Ownership of, or the power to vote, directly or indirectly, at  
17 least twenty-five percent of a class of voting securities or voting  
18 interests of a licensee or applicant, or person in control of a  
19 licensee or applicant;

20 (b) Power to elect a majority of executive officers, managers,  
21 directors, trustees, or other persons exercising managerial authority  
22 of a licensee or applicant, or person in control of a licensee or  
23 applicant; or

24 (c) Power to exercise directly or indirectly, a controlling  
25 influence over the management or policies of a licensee or applicant,  
26 or person in control of a licensee or applicant.

27 (8) "Currency exchange" means exchanging the money of one  
28 government for money of another government, or holding oneself out as  
29 able to exchange the money of one government for money of another  
30 government. The following persons are not considered currency  
31 exchangers:

32 (a) Affiliated businesses that engage in currency exchange for a  
33 business purpose other than currency exchange;

34 (b) A person who provides currency exchange services for a person  
35 acting primarily for a business, commercial, agricultural, or  
36 investment purpose when the currency exchange is incidental to the  
37 transaction;

1 (c) A person who deals in coins or a person who deals in money  
2 whose value is primarily determined because it is rare, old, or  
3 collectible; and

4 (d) A person who in the regular course of business chooses to  
5 accept from a customer the currency of a country other than the United  
6 States in order to complete the sale of a good or service other than  
7 currency exchange, that may include cash back to the customer, and does  
8 not otherwise trade in currencies or transmit money for compensation or  
9 gain.

10 (9) "Currency exchanger" means a person that is engaged in currency  
11 exchange.

12 (10) "Director" means the director of financial institutions.

13 (11) "Executive officer" means a president, chairperson of the  
14 executive committee, chief financial officer, responsible individual,  
15 or other individual who performs similar functions.

16 (12) "Financial institution" means any person doing business under  
17 the laws of any state or the United States relating to commercial  
18 banks, bank holding companies, savings banks, savings and loan  
19 associations, trust companies, or credit unions.

20 (13) "Licensee" means a person licensed under this chapter.

21 (14) "Material litigation" means litigation that according to  
22 generally accepted accounting principles is significant to an  
23 applicant's or a licensee's financial health and would be required to  
24 be disclosed in the applicant's or licensee's annual audited financial  
25 statements, report to shareholders, or similar records.

26 (15) "Mobile location" means a vehicle or movable facility where  
27 money services are provided.

28 (16) "Money" means a medium of exchange that is authorized or  
29 adopted by the United States or a foreign government or other  
30 recognized medium of exchange. "Money" includes a monetary unit of  
31 account established by an intergovernmental organization or by  
32 agreement between two or more governments.

33 (17) "Money services" means money transmission or currency  
34 exchange.

35 (18) "Money transmission" means receiving money or its equivalent  
36 value to transmit, deliver, or instruct to be delivered the money or  
37 its equivalent value to another location, inside or outside the United  
38 States, by any means including but not limited to by wire, facsimile,

1 or electronic transfer. "Money transmission" does not include the  
2 provision solely of connection services to the internet,  
3 telecommunications services, or network access. "Money transmission"  
4 includes selling, issuing, or acting as an intermediary for open loop  
5 stored value ((~~devices~~)) and payment instruments, but not closed loop  
6 stored value ((~~devices~~)).

7 (19) "Money transmitter" means a person that is engaged in money  
8 transmission.

9 (20) "Open loop stored value ((~~device~~))" means ((~~a~~)) stored value  
10 ((~~device~~)) redeemable at multiple, unaffiliated merchants or service  
11 providers, or automated teller machines.

12 (21) "Outstanding money transmission" means the value of all money  
13 transmissions reported to the licensee for which the money transmitter  
14 has received money or its equivalent value from the customer for  
15 transmission, but has not yet completed the money transmission by  
16 delivering the money or monetary value to the person designated by the  
17 customer.

18 (22) "Payment instrument" means a check, draft, money order, or  
19 traveler's check for the transmission or payment of money or its  
20 equivalent value, whether or not negotiable. "Payment instrument" does  
21 not include a credit card voucher, letter of credit, or instrument that  
22 is redeemable by the issuer in goods or services.

23 (23) "Person" means an individual, corporation, business trust,  
24 estate, trust, partnership, limited liability company, association,  
25 joint venture; government, governmental subdivision, agency, or  
26 instrumentality; public corporation; or any other legal or commercial  
27 entity.

28 (24) "Record" means information that is inscribed on a tangible  
29 medium, or that is stored in an electronic or other medium, and is  
30 retrievable in perceivable form.

31 (25) "Responsible individual" means an individual who is employed  
32 by a licensee and has principal managerial authority over the provision  
33 of money services by the licensee in this state.

34 (26) "State" means a state of the United States, the District of  
35 Columbia, Puerto Rico, the United States Virgin Islands, or any  
36 territory or insular possession subject to the jurisdiction of the  
37 United States.

1 (27) "Stored value ((~~device~~))" means a card or other device that  
2 electronically stores or provides access to funds and is available for  
3 making payments to others.

4 (28) "Tangible net worth" means the physical worth of a licensee,  
5 calculated by taking a licensee's assets and subtracting its  
6 liabilities and its intangible assets, such as copyrights, patents,  
7 intellectual property, and goodwill.

8 (29) "Unsafe or unsound practice" means a practice or conduct by a  
9 person licensed to provide money services, or an authorized delegate of  
10 such a person, which creates the likelihood of material loss,  
11 insolvency, or dissipation of the licensee's assets, or otherwise  
12 materially prejudices the financial condition of the licensee or the  
13 interests of its customers.

14 **Sec. 2.** RCW 19.230.020 and 2010 c 73 s 2 are each amended to read  
15 as follows:

16 This chapter does not apply to:

17 (1) The United States or a department, agency, or instrumentality  
18 thereof;

19 (2) Money transmission by the United States postal service or by a  
20 contractor on behalf of the United States postal service;

21 (3) A state, county, city, or a department, agency, or  
22 instrumentality thereof;

23 (4) A financial institution or its subsidiaries, affiliates, and  
24 service corporations, or any office of an international banking  
25 corporation, branch of a foreign bank, or corporation organized  
26 pursuant to the Bank Service Corporation Act (12 U.S.C. Sec. 1861-1867)  
27 or a corporation organized under the Edge Act (12 U.S.C. Sec. 611-633);

28 (5) Electronic funds transfer of governmental benefits for a  
29 federal, state, county, or governmental agency by a contractor on  
30 behalf of the United States or a department, agency, or instrumentality  
31 thereof, or a state or governmental subdivision, agency, or  
32 instrumentality thereof;

33 (6) A board of trade designated as a contract market under the  
34 federal Commodity Exchange Act (7 U.S.C. Sec. 1-25) or a person that,  
35 in the ordinary course of business, provides clearance and settlement  
36 services for a board of trade to the extent of its operation as, or  
37 for, a board of trade;

1 (7) A registered futures commission merchant under the federal  
2 commodities laws to the extent of its operation as such a merchant;

3 (8) A person that provides clearance or settlement services under  
4 a registration as a clearing agency, or an exemption from that  
5 registration granted under the federal securities laws, to the extent  
6 of its operation as such a provider;

7 (9) An operator of a payment system only to the extent that it  
8 provides processing, clearing, or settlement services, between or among  
9 persons who are all excluded by this section, in connection with wire  
10 transfers, credit card transactions, debit card transactions, stored-  
11 value transactions, automated clearinghouse transfers, or similar funds  
12 transfers;

13 (10) A person registered as a securities broker-dealer or  
14 investment advisor under federal or state securities laws to the extent  
15 of its operation as such a broker-dealer or investment advisor;

16 (11) An insurance company, title insurance company, or escrow agent  
17 to the extent that such an entity is lawfully authorized to conduct  
18 business in this state as an insurance company, title insurance  
19 company, or escrow agent and to the extent that they engage in money  
20 transmission or currency exchange as an ancillary service when  
21 conducting insurance, title insurance, or escrow activity;

22 (12) The issuance, sale, use, redemption, or exchange of closed  
23 loop stored value (~~devices~~) or of payment instruments by a person  
24 licensed under chapter 31.45 RCW;

25 (13) An attorney, to the extent that the attorney is lawfully  
26 authorized to practice law in this state and to the extent that the  
27 attorney engages in money transmission or currency exchange as an  
28 ancillary service to the practice of law; or

29 (14) A stored value (~~device~~) seller or issuer when the funds (~~on~~  
30 ~~the device~~) are covered by federal deposit insurance immediately upon  
31 sale or issue.

32 The director may, at his or her discretion, waive applicability of  
33 the licensing provisions of this chapter when the director determines  
34 it necessary to facilitate commerce and protect consumers. The  
35 director may adopt rules to implement this section.

36 **Sec. 3.** RCW 19.230.040 and 2003 c 287 s 6 are each amended to read  
37 as follows:

1 (1) A person applying for a money transmitter license under this  
2 chapter shall do so in a form and in a medium prescribed in rule by the  
3 director. The application must state or contain:

4 (a) The legal name, business addresses, and residential address, if  
5 applicable, of the applicant and any fictitious or trade name used by  
6 the applicant in conducting its business;

7 (b) The legal name, residential and business addresses, date of  
8 birth, social security number, employment history for the five-year  
9 period preceding the submission of the application of the applicant's  
10 proposed responsible individual, and documentation that the proposed  
11 responsible individual is a citizen of the United States or has  
12 obtained legal immigration status to work in the United States. In  
13 addition, the applicant shall provide the fingerprints of the proposed  
14 responsible individual upon the request of the director;

15 (c) For the ten-year period preceding submission of the  
16 application, a list of any criminal convictions of the proposed  
17 responsible individual of the applicant, any material litigation in  
18 which the applicant has been involved, and any litigation involving the  
19 proposed responsible individual relating to the provision of money  
20 services;

21 (d) A description of any money services previously provided by the  
22 applicant and the money services that the applicant seeks to provide  
23 (~~(in this state)~~) to persons in Washington state;

24 (e) A list of the applicant's proposed authorized delegates and the  
25 locations (~~(in this state)~~) where the applicant and its authorized  
26 delegates (~~(propose to)~~) will engage in the provision of money services  
27 to persons in Washington state on behalf of the licensee;

28 (f) A list of other states in which the applicant is licensed to  
29 engage in money transmission, or provide other money services, and any  
30 license revocations, suspensions, restrictions, or other disciplinary  
31 action taken against the applicant in another state;

32 (g) A list of any license revocations, suspensions, restrictions,  
33 or other disciplinary action taken against any money services business  
34 involving the proposed responsible individual;

35 (h) Information concerning any bankruptcy or receivership  
36 proceedings involving or affecting the applicant or the proposed  
37 responsible individual;

1 (i) A sample form of contract for authorized delegates, if  
2 applicable;

3 (j) A description of the source of money and credit to be used by  
4 the applicant to provide money services; and

5 (k) Any other information regarding the background, experience,  
6 character, financial responsibility, and general fitness of the  
7 applicant, the applicant's responsible individual, or authorized  
8 delegates that the director may require in rule.

9 (2) If an applicant is a corporation, limited liability company,  
10 partnership, or other entity, the applicant shall also provide:

11 (a) The date of the applicant's incorporation or formation and  
12 state or country of incorporation or formation;

13 (b) If applicable, a certificate of good standing from the state or  
14 country in which the applicant is incorporated or formed;

15 (c) A brief description of the structure or organization of the  
16 applicant, including any parent or subsidiary of the applicant, and  
17 whether any parent or subsidiary is publicly traded;

18 (d) The legal name, any fictitious or trade name, all business and  
19 residential addresses, date of birth, social security number, and  
20 employment history in the ten-year period preceding the submission of  
21 the application for each executive officer, board director, or person  
22 that has control of the applicant;

23 (e) If the applicant or its corporate parent is not a publicly  
24 traded entity, the director may request the fingerprints of each  
25 executive officer, board director, or person that has control of the  
26 applicant;

27 (f) A list of any criminal convictions, material litigation, and  
28 any litigation related to the provision of money services, in the ten-  
29 year period preceding the submission of the application in which any  
30 executive officer, board director, or person in control of the  
31 applicant has been involved;

32 (g) A copy of the applicant's audited financial statements for the  
33 most recent fiscal year or, if the applicant is a wholly owned  
34 subsidiary of another corporation, the most recent audited consolidated  
35 annual financial statement of the parent corporation or the applicant's  
36 most recent audited consolidated annual financial statement, and in  
37 each case, if available, for the two-year period preceding the  
38 submission of the application;

1 (h) A copy of the applicant's unconsolidated financial statements  
2 for the current fiscal year, whether audited or not, and, if available,  
3 for the two-year period preceding the submission of the application;

4 (i) If the applicant is publicly traded, a copy of the most recent  
5 report filed with the United States securities and exchange commission  
6 under section 13 of the federal Securities Exchange Act of 1934 (15  
7 U.S.C. Sec. 78m);

8 (j) If the applicant is a wholly owned subsidiary of:

9 (i) A corporation publicly traded in the United States, a copy of  
10 audited financial statements for the parent corporation for the most  
11 recent fiscal year or a copy of the parent corporation's most recent  
12 report filed under section 13 of the federal Securities Exchange Act of  
13 1934 (15 U.S.C. Sec. 78m); or

14 (ii) A corporation publicly traded outside the United States, a  
15 copy of similar documentation filed with the regulator of the parent  
16 corporation's domicile outside the United States;

17 (k) If the applicant has a registered agent in this state, the name  
18 and address of the applicant's registered agent in this state; and

19 (l) Any other information that the director may require in rule  
20 regarding the applicant, each executive officer, or each board director  
21 to determine the applicant's background, experience, character,  
22 financial responsibility, and general fitness.

23 (3) A nonrefundable application fee and an initial license fee, as  
24 determined in rule by the director, must accompany an application for  
25 a license under this chapter. The initial license fee must be refunded  
26 if the application is denied.

27 (4) As part of or in connection with an application for any license  
28 under this section, or periodically upon license renewal, each officer,  
29 director, and owner applicant shall furnish information concerning his  
30 or her identity, including fingerprints for submission to the  
31 Washington state patrol or the federal bureau of investigation for a  
32 state and national criminal history background check, personal history,  
33 experience, business record, purposes, and other pertinent facts, as  
34 the director may reasonably require. As part of or in connection with  
35 an application for a license under this chapter, or periodically upon  
36 license renewal, the director is authorized to receive criminal history  
37 record information that includes nonconviction data as defined in RCW  
38 10.97.030. The department may only disseminate nonconviction data

1 obtained under this section to criminal justice agencies. This section  
2 does not apply to financial institutions regulated under chapters 31.12  
3 and 31.13 RCW and Titles 30, 32, and 33 RCW. The requirements of this  
4 subsection do not apply when the applicant or its corporate parents are  
5 publicly traded entities.

6 (5) The director may waive one or more requirements (~~of subsection~~  
7 ~~(1) or (2)~~) of this section or permit an applicant to submit other  
8 information in lieu of the required information.

9 **Sec. 4.** RCW 19.230.110 and 2010 c 73 s 6 are each amended to read  
10 as follows:

11 (1) A licensee shall pay an annual assessment as established in  
12 rule by the director no later than the annual assessment due date or,  
13 if the annual assessment due date is not a business day, on the next  
14 business day. A licensee shall pay an annual assessment based on the  
15 previous year's Washington dollar volume of: (a) Money transmissions;  
16 (b) payment instruments; (c) currency exchanges; and (d) stored value  
17 sales. The total minimum assessment must be one thousand dollars per  
18 year, and the maximum assessment may not exceed one hundred thousand  
19 dollars per year.

20 (2) A licensee shall submit an accurate annual report with the  
21 annual assessment, in a form and in a medium prescribed by the director  
22 in rule. The annual report must state or contain:

23 (a) If the licensee is a money transmitter, a copy of the  
24 licensee's most recent audited annual financial statement or, if the  
25 licensee is a wholly owned subsidiary of another corporation, the most  
26 recent audited consolidated annual financial statement of the parent  
27 corporation or the licensee's most recent audited consolidated annual  
28 financial statement;

29 (b) A description of each material change, as defined in rule by  
30 the director, to information submitted by the licensee in its original  
31 license application which has not been previously reported to the  
32 director on any required report;

33 (c) If the licensee is a money transmitter, a list of the  
34 licensee's permissible investments and a certification that the  
35 licensee continues to maintain permissible investments according to the  
36 requirements set forth in RCW 19.230.200 and 19.230.210;

1 (d) If the licensee is a money transmitter, proof that the licensee  
2 continues to maintain adequate security as required by RCW 19.230.050;  
3 and

4 (e) A list of the locations (~~(in this state)~~) where the licensee or  
5 an authorized delegate of the licensee engages in or provides money  
6 services to persons in Washington state.

7 (3) If a licensee does not file an annual report or pay its annual  
8 assessment by the annual assessment due date, the director or the  
9 director's designee shall send the licensee a notice of suspension and  
10 assess the licensee a late fee not to exceed twenty-five percent of the  
11 annual assessment as established in rule by the director. The  
12 licensee's annual report and payment of both the annual assessment and  
13 the late fee must arrive in the department's offices by 5:00 p.m. on  
14 the thirtieth day after the assessment due date or any extension of  
15 time granted by the director, unless that date is not a business day,  
16 in which case the licensee's annual report and payment of both the  
17 annual assessment and the late fee must arrive in the department's  
18 offices by 5:00 p.m. on the next occurring business day. If the  
19 licensee's annual report and payment of both the annual assessment and  
20 late fee do not arrive by such date, the expiration of the licensee's  
21 license is effective at 5:00 p.m. on the thirtieth day after the  
22 assessment due date, unless that date is not a business day, in which  
23 case the expiration of the licensee's license is effective at 5:00 p.m.  
24 on the next occurring business day. The director, or the director's  
25 designee, may reinstate the license if, within twenty days after its  
26 effective date, the licensee:

27 (a) Files the annual report and pays both the annual assessment and  
28 the late fee; and

29 (b) Did not engage in or provide money services during the period  
30 its license was expired.

31 **Sec. 5.** RCW 19.230.120 and 2003 c 287 s 14 are each amended to  
32 read as follows:

33 (1) In this section, "remit" means to make direct payments of money  
34 to a licensee or its representative authorized to receive money or to  
35 deposit money in a bank in an account specified by the licensee.

36 (2) A contract between a licensee and an authorized delegate must

1 require the authorized delegate to operate in full compliance with this  
2 chapter and the rules adopted under this chapter.

3 (3) Neither the licensee nor an authorized delegate may authorize  
4 subdelegates.

5 (4) An authorized delegate shall remit all money owing to the  
6 licensee in accordance with the terms of the contract between the  
7 licensee and the authorized delegate.

8 (5) If a license is suspended or revoked or a licensee surrenders  
9 its license, the director shall notify all of the licensee's authorized  
10 delegates (~~(of the licensee)~~) whose names are filed with the director,  
11 at the address of record with the director, of the suspension,  
12 revocation, or surrender and shall publish the name of the licensee.  
13 An authorized delegate shall immediately cease to provide money  
14 services as a delegate of the licensee upon receipt of notice, or after  
15 publication is made, that the licensee's license has been suspended,  
16 revoked, or surrendered.

17 (6) An authorized delegate may not provide money services other  
18 than those allowed the licensee under its license. In addition, an  
19 authorized delegate may not provide money services outside the scope of  
20 activity permissible under the contract between the authorized delegate  
21 and the licensee, except activity in which the authorized delegate is  
22 authorized to engage under RCW 19.230.030 or 19.230.080.

23 **Sec. 6.** RCW 19.230.150 and 2003 c 287 s 17 are each amended to  
24 read as follows:

25 (1) A licensee shall file with the director within thirty business  
26 days any material changes in information provided in a licensee's  
27 application as prescribed in rule by the director. If this information  
28 indicates that the licensee is no longer in compliance with this  
29 chapter, the director may take any action authorized under this chapter  
30 to ensure that the licensee operates in compliance with this chapter.

31 (2) A licensee shall file with the director within forty-five days  
32 after the end of each fiscal quarter a current list of all authorized  
33 delegates (~~((and locations in this state where the licensee, or an  
34 authorized delegate of the licensee, provides money services, including  
35 mobile locations. The licensee shall state the name and street address  
36 of each location and authorized delegate operating at the location))~~)  
37 including the name, address, and e-mail address, if available, of each

1 authorized delegate providing money services to persons in Washington.  
2 The licensee shall also file with the director within forty-five days  
3 after the end of each fiscal quarter a current list of all licensee  
4 locations providing money services to persons in Washington, including  
5 mobile locations, which includes the address, and e-mail address if  
6 available, of the licensee.

7 (3) A licensee shall file a report with the director within one  
8 business day after the licensee has reason to know of the occurrence of  
9 any of the following events:

10 (a) The filing of a petition by or against the licensee, or any  
11 authorized delegate of the licensee, under the United States Bankruptcy  
12 Code (11 U.S.C. Sec. 101-110) for bankruptcy or reorganization;

13 (b) The filing of a petition by or against the licensee, or any  
14 authorized delegate of the licensee, for receivership, the commencement  
15 of any other judicial or administrative proceeding for its dissolution  
16 or reorganization, or the making of a general assignment for the  
17 benefit of its creditors;

18 (c) The commencement of a proceeding to revoke, suspend, restrict,  
19 or condition its license, or otherwise discipline or sanction the  
20 licensee, in a state or country in which the licensee engages in  
21 business or is licensed;

22 (d) The cancellation or other impairment of the licensee's bond or  
23 other security;

24 (e) A charge or conviction of the licensee or of an executive  
25 officer, responsible individual, board director of the licensee, or  
26 person in control of the licensee, for a felony; or

27 (f) A charge or conviction of an authorized delegate for a felony.

28 **Sec. 7.** RCW 19.230.200 and 2010 c 73 s 9 are each amended to read  
29 as follows:

30 (1)(a) A money transmitter licensee shall maintain, at all times,  
31 permissible investments that have a market value computed in accordance  
32 with generally accepted accounting principles of not less than the  
33 amount of the licensee's average outstanding money transmission  
34 liability.

35 (b) For the purposes of this section, average outstanding money  
36 transmission liability means the sum of the daily amounts of a

1 licensee's outstanding money transmissions, as computed each day of the  
2 month divided by the number of days in the month.

3 (2) The director, with respect to any money transmitter licensee,  
4 may limit the extent to which a type of investment within a class of  
5 permissible investments may be considered a permissible investment,  
6 except for money, time deposits, savings deposits, demand deposits, and  
7 certificates of deposit issued by a federally insured financial  
8 institution. The director may prescribe in rule, or by order allow,  
9 other types of investments that the director determines to have a  
10 safety substantially equivalent to other permissible investments.

11 **Sec. 8.** RCW 19.230.310 and 2003 c 287 s 33 are each amended to  
12 read as follows:

13 The director has the authority and administrative discretion to  
14 administer and interpret this chapter to fulfill the intent of the  
15 legislature as expressed in RCW 19.230.005. In accordance with chapter  
16 34.05 RCW, the director may issue rules under this chapter that are  
17 clearly required to govern the activities of licensees and other  
18 persons subject to this chapter.

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