
SENATE BILL 6171

State of Washington 52nd Legislature 1992 Regular Session

By Senators McCaslin and Madsen; by request of State Treasurer

Read first time 01/20/92. Referred to Committee on Financial
Institutions & Insurance.

1 AN ACT Relating to the definition of money market fund and mutual
2 fund for the sole purpose of investing public funds; and amending RCW
3 39.59.010.

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

5 **Sec. 1.** RCW 39.59.010 and 1988 c 281 s 1 are each amended to read
6 as follows:

7 Unless the context clearly requires otherwise, the definitions in
8 this section apply throughout this chapter.

9 (1) "Bond" means any agreement which may or may not be represented
10 by a physical instrument, including but not limited to bonds, notes,
11 warrants, or certificates of indebtedness, that evidences an obligation
12 under which the issuer agrees to pay a specified amount of money, with
13 or without interest, at a designated time or times either to registered
14 owners or bearers.

1 (2) "Local government" means any county, city, town, special
2 purpose district, political subdivision, municipal corporation, or
3 quasi-municipal corporation, including any public corporation,
4 authority, or other instrumentality created by such an entity.

5 (3) "Money market fund" means a diversified money market mutual
6 fund (~~((the portfolio which consists of only bonds having maturities or~~
7 ~~demand or tender provisions of not more than one year, managed by an~~
8 ~~investment advisor who has posted with the risk management office of~~
9 ~~the department of general administration a bond or other similar~~
10 ~~instrument in the amount of at least five percent of the amount~~
11 ~~invested in the fund pursuant to RCW 39.59.030 (2) or (3))~~) registered
12 with the federal securities and exchange commission and meeting the
13 requirements of the investment company act of 1940 (15 U.S.C. Sec. 80a
14 Subchapter I and 17 C.F.R. part 270).

15 (4) "Mutual fund" means a diversified mutual fund registered with
16 the federal securities and exchange commission and which meets the
17 requirements of the investment company act of 1940 (15 U.S.C. Sec. 80a
18 Subchapter I and 17 C.F.R. part 270) and is managed by an investment
19 advisor with assets under management of at least five hundred million
20 dollars and with at least five years' experience in investing in bonds
21 authorized for investment by this chapter (~~((and who has posted with the~~
22 ~~risk management office of the department of general administration a~~
23 ~~bond or other similar instrument in the amount of at least five percent~~
24 ~~of the amount invested in the fund pursuant to RCW 39.59.030(1))~~)).

25 (5) "State" includes a state, agencies, authorities, and
26 instrumentalities of a state, and public corporations created by a
27 state or agencies, authorities, or instrumentalities of a state.