

CERTIFICATION OF ENROLLMENT

HOUSE BILL 2811

54th Legislature
1996 Regular Session

Passed by the House February 6, 1996
Yeas 96 Nays 0

**Speaker of the
House of Representatives**

Passed by the Senate March 1, 1996
Yeas 47 Nays 0

President of the Senate

Approved

Governor of the State of Washington

CERTIFICATE

I, Timothy A. Martin, Chief Clerk of the House of Representatives of the State of Washington, do hereby certify that the attached is **HOUSE BILL 2811** as passed by the House of Representatives and the Senate on the dates hereon set forth.

Chief Clerk

FILED

**Secretary of State
State of Washington**

HOUSE BILL 2811

Passed Legislature - 1996 Regular Session

State of Washington 54th Legislature 1996 Regular Session

By Representatives L. Thomas, Robertson, Hickel, Pelesky, Mitchell, Kessler, Keiser, Blanton, Wolfe, Boldt and Thompson

Read first time 01/22/96. Referred to Committee on Financial Institutions & Insurance.

1 AN ACT Relating to investments of surplus funds by community and
2 technical college districts and the state board for community and
3 technical colleges; and amending RCW 43.250.010, 43.250.020, and
4 43.250.040.

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

6 **Sec. 1.** RCW 43.250.010 and 1986 c 294 s 1 are each amended to read
7 as follows:

8 The purpose of this chapter is to enable political subdivisions,
9 community and technical college districts, and the state board for
10 community and technical colleges as established in chapter 28B.50 RCW
11 to participate with the state in providing maximum opportunities for
12 the investment of surplus public funds consistent with the safety and
13 protection of such funds. The legislature finds and declares that the
14 public interest is found in providing maximum prudent investment of
15 surplus funds, thereby reducing the need for additional taxation. The
16 legislature also recognizes that not all political subdivisions are
17 able to maximize the return on their temporary surplus funds. The
18 legislature therefore provides in this chapter a mechanism whereby
19 political subdivisions, community and technical colleges, and the state

1 board for community and technical colleges may, at their option,
2 utilize the resources of the state treasurer's office to maximize the
3 potential of surplus funds while ensuring the safety of public funds.

4 **Sec. 2.** RCW 43.250.020 and 1990 c 106 s 1 are each amended to read
5 as follows:

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

8 (1) "Public funds investment account" or "investment pool" means
9 the aggregate of all funds as defined in subsection (~~((4))~~) (5) of this
10 section that are placed in the custody of the state treasurer for
11 investment and reinvestment.

12 (2) "Political subdivision" means any county, city, town, municipal
13 corporation, political subdivision, or special purpose taxing district
14 in the state.

15 (3) "Local government official" means any officer or employee of a
16 political subdivision who has been designated by statute or by local
17 charter, ordinance, or resolution as the officer having the authority
18 to invest the funds of the political subdivision. However, the county
19 treasurer shall be deemed the only local government official for all
20 political subdivisions for which the county treasurer has exclusive
21 statutory authority to invest the funds thereof.

22 (4) "Financial officer" means the board-appointed treasurer of a
23 community or technical college district or the state board for
24 community and technical colleges.

25 (5) "Funds" means:

26 (a) Public funds under the control of or in the custody of any
27 local government official or local funds, as defined by the office of
28 financial management publication "Policies, Regulations and
29 Procedures," under the control of or in the custody of a financial
30 officer by virtue of the official's authority that are not immediately
31 required to meet current demands;

32 (b) State funds deposited in the investment pool by the state
33 treasurer that are the proceeds of bonds, notes, or other evidences of
34 indebtedness authorized by the state finance committee under chapter
35 39.42 RCW or payments pursuant to financing contracts under chapter
36 39.94 RCW, when the investments are made in order to comply with the
37 Internal Revenue Code of 1986, as amended.

1 **Sec. 3.** RCW 43.250.040 and 1986 c 294 s 4 are each amended to read
2 as follows:

3 If authorized by statute, local ordinance, or resolution, a local
4 government official or financial officer may place funds into the
5 public funds investment account for investment and reinvestment by the
6 state treasurer in those securities and investments set forth in RCW
7 43.84.080 and chapter 39.58 RCW. The state treasurer shall invest the
8 funds in such manner as to effectively maximize the yield to the
9 investment pool. In investing and reinvesting moneys in the public
10 funds investment account and in acquiring, retaining, managing, and
11 disposing of investments of the investment pool, there shall be
12 exercised the judgment and care under the circumstances then prevailing
13 which persons of prudence, discretion, and intelligence exercise in the
14 management of their own affairs, not in regard to speculation but in
15 regard to the permanent disposition of the funds considering the
16 probable income as well as the probable safety of the capital.

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