FINAL BILL REPORT

SSB 5231

C 18 L 99
Synopsis as Enacted

Brief Description: Revising the duties of the county treasurer pertaining to management of debt.

Sponsors: Senate Committee on State & Local Government (originally sponsored by Senators Hale, Winsley and Snyder).

Senate Committee on State & Local Government
House Committee on Local Government

Background: County treasurers do not have the statutory authority to invest funds from school districts that are not required for the immediate needs of the district in the same manner that they do funds from other units of local government. Other units of local government may request that the county treasurer combine their moneys for purposes of investment into a county investment pool. The county treasurer is authorized to deduct an amount for reimbursement for its actual expenses and to repay any county funds spent to establish the pool.

In addition, the county treasurer is authorized to invest state and local funds in bonds, warrants, mutual funds and money market funds. School boards may direct the county treasurer to invest school district funds in specified investment deposits or United States government obligations with all earnings inuring to school funds specified by the school board. Any interest earned that is not credited to the fund that earned the interest must be spent for instructional supplies, equipment or capital outlays.

The county treasurer is paid an investment service fee by the school district for each transaction the county treasurer completes as directed by resolution of the school board. The amount of the fee is 5 percent of the interest or earnings with an annual minimum of $10 up to an annual maximum of $50.

Authority for the county treasurer to make investments is clearly and specifically defined. The authority to redeem these investments prior to their stated maturity is not specifically defined.

The county finance committee approves the county investment policy. The committee is composed of the county treasurer, county auditor and the chair of the county legislative authority, ex officio. No provision is made for similar approval of a debt policy.

The county treasurer must issue a certificate of delinquency for purposes of foreclosure of liens for unpaid property taxes. The county treasurer must include taxes, interest and costs and any assessments.

Summary: Regarding funds not required for the immediate necessity of the school district, the common school boards of directors are permitted to choose to invest funds from state, county and federal sources in the county investment pool. School district moneys in the capital projects fund are not limited to investment only in United States government securities. These funds may be invested in the same manner as city and town excess or inactive funds are invested and may also be invested in bonds, warrants, mutual funds and money market funds as state and local funds are authorized to be invested.

A school board may direct the county treasurer to invest in and redeem investment securities through the county investment pool. Either the 5 percent investment service fee or the fees for transactions made by the county treasurer for school districts through the county investment pool applies to each resolution by which the school board directs the county treasurer to perform a transaction.

The governing body of a municipal corporation and, by reference, school districts, may direct the county treasurer to sell or redeem investments before their stated maturity dates.

The county finance committee is given authority effective January 1, 2000, to approve a debt policy.

Interest for purposes of the county treasurers' issuance of certificates of delinquency for unpaid property taxes is defined to include penalties, unless the context requires otherwise.

A public utility district (PUD) commission is not required to demand that a PUD treasurer, who is not the county treasurer, obtain a bond.

Votes on Final Passage:

Senate	44	0
House	92	0

Effective: July 25, 1999
January 1, 2000 (Section 5)