

# FINAL BILL REPORT

## SHB 2225

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Synopsis as Enacted

**Brief Description:** Allowing certain higher education endowment grant funds to be deposited outside the state.

**Sponsors:** By House Committee on Financial Institutions & Insurance (originally sponsored by Representative Kirby; by request of State Treasurer).

**House Committee on Financial Institutions & Insurance**  
**Senate Committee on Financial Institutions, Housing & Consumer Protection**

**Background:**

The Public Deposit Protection Commission (Commission) protects deposits of public funds which exceed the amount insured by the Federal Deposit Insurance Corporation. The State Treasurer, Lieutenant Governor, and the Governor, ex officio, constitute the Commission. The Commission is administered through the State Treasurer's office.

There is a general prohibition on the deposit of public funds in a public depository outside of the state. There are several exceptions to the general prohibition, including:

- funds deposited under a fiscal agency contract with the state fiscal agent;
- funds deposited under a custodial bank contract with the state's custodial bank;
- funds deposited under a local government multi-state joint self-insurance program; and
- a demand deposit account maintained by a treasurer outside Washington solely for the purpose of transmitting money for deposit in public depositories. An account must be authorized by the Commission or the Commission Chair, if delegated that authority by the Commission. There must be good cause for the account. The account may be limited in time, terms, and conditions as the Commission or the Chair deem appropriate.

**Summary:**

An additional exemption is created to the prohibition on depositing public funds in out-of-state depositories. A demand deposit account may be maintained by a treasurer for deposit of higher education endowment grants for specified study or research program being performed outside Washington. The account must to be authorized by the Commission or the Chair, if delegated that authority by the Commission. There must be good cause for the account. The account may be limited in time, terms, and conditions as the Commission or the Chair deem appropriate.

**Votes on Final Passage:**

House	96	0
Senate	46	0

**Effective:** July 24, 2005