
Local Government Committee

HB 2161

Brief Description: Providing for consistency between code cities and noncode cities in the apportionment of investment funds.

Sponsors: Representatives Simpson, Curtis, Eddy and Ormsby.

<p style="text-align: center;">Brief Summary of Bill</p> <ul style="list-style-type: none">• Allows income derived from a code city's common investment portfolio to be apportioned among the general or current expense fund as determined by ordinance or resolution.
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Hearing Date: 2/22/07

Staff: Jessica Nowakowski (786-7291).

Background:

Cities may be classified as code cities or non-code cities and towns. Code cities have broad statutory home rule authority in matters of local concern. Code cities and non-code cities and towns have separate statutory requirements for governance and operation.

Excess and inactive funds in the treasury of a code or non-code city may be invested according to provisions prescribed in statute. Funds may be invested in:

- United States bonds or certificates of indebtedness;
- bonds or warrants of the state;
- general obligation or utility revenue bonds or warrants;
- bonds or warrants of a local improvement district; or
- other investments authorized by law for any other taxing district.

The responsibility for determining the amount of money available in each fund for investment purposes in code cities must be made by the department, division, or board responsible for the administration of such funds. Unless otherwise restricted, moneys determined available may be invested on an individual fund basis or may be commingled within one common investment portfolio for the mutual benefit of all participating funds. If moneys are commingled in a common

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investment portfolio, all income subsequently derived must be apportioned among the various participating funds in direct proportion to the amount of money invested by each.

Any excess or inactive funds of a non-code city not invested for the specific benefit of any particular fund may be invested by the city treasurer for the benefit of the general or current expense fund.

All investments must be approved by the council or legislative body of the code or non-code city.

Summary of Bill:

Code city income derived from the investment of commingled monies from excess and inactive funds must be apportioned among the various participating funds or the general or current expense fund as determined by ordinance or resolution of the city's governing body.

Appropriation: None.

Fiscal Note: Not requested.

Effective Date: The bill takes effect 90 days after adjournment of session in which bill is passed.