
State Government & Tribal Affairs
Committee

HB 2450

Brief Description: Concerning clarification and expansion of eligibility to use the state's local government investment pool.

Sponsors: Representative McCoy; by request of State Treasurer.

Brief Summary of Bill

- Expands the number and type of entities that may participate in the Local Government Investment Pool.

Hearing Date: 1/14/10

Staff: Pam Madson (786-7111).

Background:

The Local Government Investment Pool (LGIP) was established in 1986 as a voluntary tool local governments can use for investing their funds while maintaining liquidity to meet cash flow needs. Since then institutions of higher education, and state funds that are the proceeds of bonds and other indebtedness authorized by the State Finance Committee, have been added as eligible participants.

Participants in the LGIP include all counties, all cities with a population over 10,000, 232 cities and towns, 154 special taxing districts, and 30 community colleges and universities. The size of the investment pool varies but is in the range of \$7 to \$8 billion. The State Treasurer's Office administers the pool and is authorized to recoup expenses incurred by the office.

Summary of Bill:

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

The entities eligible to participate in the Local Government Investment Pool (LGIP) are expanded to include:

- qualifying federally recognized tribes or subdivisions;
- quasi-municipal corporations;
- public corporations;
- instrumentalities of governmental entities created under the Interlocal Cooperation Act;
- any agency of state government; and
- an entity issuing or executing bonds or certificates of participation respecting financing contracts approved by the State Finance Committee.

Appropriation: None.

Fiscal Note: Available.

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