
SENATE BILL 6114

State of Washington

63rd Legislature

2014 Regular Session

By Senators Benton and Cleveland

Read first time 01/15/14. Referred to Committee on Governmental Operations.

1 AN ACT Relating to local government treasury practices and
2 procedures; and amending RCW 36.29.020, 36.29.022, 36.29.190, and
3 39.72.010.

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

5 **Sec. 1.** RCW 36.29.020 and 1999 c 18 s 4 are each amended to read
6 as follows:

7 The county treasurer shall keep all moneys belonging to the
8 state((7)) or to any county, and public funds as defined in RCW
9 39.58.010, in his or her own possession until disbursed according to
10 law. The county treasurer shall not place the same in the possession
11 of any person to be used for any purpose; nor shall he or she loan or
12 in any manner use or permit any person to use the same; but it shall be
13 lawful for a county treasurer to deposit any such moneys in any
14 regularly designated qualified public depository. Any municipal
15 corporation may by action of its governing body authorize any of its
16 funds which are not required for immediate expenditure, and which are
17 in the custody of the county treasurer or other municipal corporation
18 treasurer, to be invested by such treasurer. The county treasurer may
19 invest in savings or time accounts in designated qualified public

1 depositaries or in certificates, notes, or bonds of the United States,
2 or other obligations of the United States or its agencies, or of any
3 corporation wholly owned by the government of the United States; in
4 bankers' acceptances purchased on the secondary market, in federal home
5 loan bank notes and bonds, federal land bank bonds and federal national
6 mortgage association notes, debentures and guaranteed certificates of
7 participation, or the obligations of any other government sponsored
8 corporation whose obligations are or may become eligible as collateral
9 for advances to member banks as determined by the board of governors of
10 the federal reserve system or deposit such funds or any portion thereof
11 in investment deposits as defined in RCW 39.58.010 secured by
12 collateral in accordance with the provisions of chapters 39.58 and
13 39.59 RCW: PROVIDED, Five percent of the earnings, with an annual
14 maximum of fifty dollars, on each transaction authorized by the
15 governing body shall be paid as an investment service fee to the office
16 of the county treasurer or other municipal corporation treasurer when
17 the earnings become available to the governing body: PROVIDED FURTHER,
18 That if such investment service fee amounts to five dollars or less the
19 county treasurer or other municipal corporation treasurer may waive
20 such fee.

21 If in the judgment of the governing body of the municipal
22 corporation or the county treasurer it is necessary to redeem or to
23 sell any of the purchased securities before their ultimate maturity
24 date, the governing body may, by resolution, direct the county
25 treasurer pursuant to RCW 36.29.010(8) to cause such redemption to be
26 had at the redemption value of the securities or to sell the securities
27 at not less than market value and accrued interest.

28 Whenever the funds of any municipal corporation which are not
29 required for immediate expenditure are in the custody or control of the
30 county treasurer, and the governing body of such municipal corporation
31 has not taken any action pertaining to the investment of any such
32 funds, the county finance committee shall direct the county treasurer,
33 under the investment policy of the county finance committee, to invest,
34 to the maximum prudent extent, such funds or any portion thereof in
35 savings or time accounts in designated qualified public depositaries or
36 in certificates, notes, or bonds of the United States, or other
37 obligations of the United States or its agencies, or of any corporation
38 wholly owned by the government of the United States, in bankers'

1 acceptances purchased on the secondary market, in federal home loan
2 bank notes and bonds, federal land bank bonds and federal national
3 mortgage association notes, debentures and guaranteed certificates of
4 participation, or the obligations of any other government sponsored
5 corporation whose obligations are or may become eligible as collateral
6 for advances to member banks as determined by the board of governors of
7 the federal reserve system or deposit such funds or any portion thereof
8 in investment deposits as defined in RCW 39.58.010 secured by
9 collateral in accordance with the provisions of chapters 39.58 and
10 39.59 RCW: PROVIDED, That the county treasurer shall have the power to
11 select the specific qualified financial institution in which the funds
12 may be invested. The interest or other earnings from such investments
13 or deposits shall be deposited in the current expense fund of the
14 county and may be used for general county purposes. The investment or
15 deposit and disposition of the interest or other earnings therefrom
16 authorized by this paragraph shall not apply to such funds as may be
17 prohibited by the state Constitution from being so invested or
18 deposited.

19 **Sec. 2.** RCW 36.29.022 and 1986 c 294 s 11 are each amended to read
20 as follows:

21 Upon the request of one or several units of local government that
22 invest their money with the county under the provisions of RCW
23 36.29.020, the treasurer of that county may combine those units' moneys
24 for the purposes of investment. In order to perform the daily
25 investment activities of an investment pool, the treasurer or any
26 person who is authorized by the treasurer to manage an investment pool
27 must obtain at least twenty-four hours of continuing education annually
28 in the field related to investments and at least eight hours must
29 relate to fixed income investing. An employee who holds a chartered
30 financial analyst designation may meet the continuing education
31 requirement by completing the continuing education program sponsored by
32 the chartered financial analyst institute or any successor
33 organization. An employee who does not hold a chartered financial
34 analyst designation may meet the continuing education requirement by
35 tracking the hours he or she spends completing investment-related
36 courses or training sponsored by professional organizations and
37 associations, universities or other educational providers, investment

1 firms, credit rating agencies, investment software vendors, and through
2 self-study using online programs, or reading investment-related books
3 or articles. An employee must submit documentation to the treasurer
4 of his or her compliance with the continuing education requirement
5 subject to the treasurer's approval of the employee's compliance with
6 the continuing education requirement.

7 **Sec. 3.** RCW 36.29.190 and 2003 c 23 s 8 are each amended to read
8 as follows:

9 County treasurers are authorized to accept credit cards, charge
10 cards, debit cards, smart cards, stored value cards, federal wire, and
11 automatic clearinghouse system transactions, or other electronic
12 communication, for any payment of any kind including, but not limited
13 to, taxes, fines, interest, penalties, special assessments, fees,
14 rates, charges, or moneys due counties. A payer desiring to pay by a
15 credit card, charge card, debit card, smart card, stored value card,
16 federal wire, automatic clearinghouse system, or other electronic
17 communication shall bear the cost of processing the transaction in an
18 amount determined by the treasurer(~~(, unless)~~) for taxes, interest
19 associated with taxes, and penalties associated with taxes. The
20 treasurer's cost determination must be based upon costs incurred by the
21 treasurer and may not, in any event, exceed the additional direct costs
22 incurred by the county to accept the specific form of payment utilized
23 by the payer. Payment of taxes, interest associated with taxes, and
24 penalties associated with taxes may be made by automatic clearinghouse
25 system, or federal wire or other electronic communication. Any fee
26 must be absorbed within the county treasurer's banking services budget,
27 if the county legislative authority or the legislative authority of a
28 district where the county treasurer serves as ex officio treasurer
29 finds that it is in the best interests of the county or district to not
30 charge transaction processing costs for all payment transactions made
31 for a specific category of nontax payments received by the county
32 treasurer(~~(,)~~) including, but not limited to, fines, interest not
33 associated with taxes, penalties not associated with taxes, special
34 assessments, fees, rates, and charges, or moneys due counties.
35 Interest associated with such transaction and penalties associated with
36 such transaction may be absorbed by the county department or taxing
37 district assessing the payment transactions. The treasurer's cost

1 determination shall be based upon costs incurred by the treasurer and
2 may not, in any event, exceed the additional direct costs incurred by
3 the county to accept the specific form of payment utilized by the
4 payer.

5 **Sec. 4.** RCW 39.72.010 and 1975-'76 2nd ex.s. c 77 s 1 are each
6 amended to read as follows:

7 (1) In case of the loss or destruction of a warrant for the payment
8 of money, or any bond or other instrument or evidence of indebtedness,
9 issued by any county, city or town, district or other political
10 subdivision or municipal corporation of the state of Washington,
11 hereinafter referred to as a municipal corporation, or by any
12 department or agency of such municipal corporation, such municipal
13 corporation may cause a duplicate to be issued in lieu thereof, subject
14 to the same requirements and conditions, and according to the same
15 procedure, as prescribed for the issuance of duplicate state
16 instruments in RCW 43.08.064 and 43.08.066 as now or hereafter amended:
17 PROVIDED, That the requirements of RCW 43.08.066(2) shall not be
18 applicable to instruments received by employees of the above issuers
19 for the payment of salary or wages or as other compensation for work
20 performed nor shall those requirements be applicable to instruments
21 received by former employees or their beneficiaries for the payment of
22 pension benefits.

23 (2)(a) In case of the loss or destruction of a warrant for the
24 payment of money, or any bond or other instrument or evidence of
25 indebtedness, issued by any local government officer or agency, the
26 officer or the agency through its appropriate officer may issue or
27 cause to be issued a duplicate in lieu thereof, bearing the same
28 designation and for the same amount as the original. The duplicate
29 instrument is subject in all other respects to the same provisions of
30 law as the original instrument.

31 (b) Before a duplicate instrument is issued, the issuing officer
32 shall require the person making application for its issue to file in
33 his or her office a written affidavit specifically alleging on oath
34 that he or she is the proper owner, payee, or legal representative of
35 such owner or payee of the original instrument, giving the date of
36 issue, the number, amount, and for what services or claim or purpose
37 the original instrument or series of instruments of which it is a part

1 was issued, and that the same has been lost or destroyed, and has not
2 been paid, or has not been received by him or her: PROVIDED, That in
3 the event that an original and its duplicate instrument are both
4 presented for payment as a result of forgery or fraud, the issuing
5 officer shall be the office responsible for endeavoring to recover any
6 losses suffered by the local government.

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