

ESB 6349 - H AMD 915

By Representative Kirby

ADOPTED 03/04/2016

1 On page 8, after line 7, insert the following:

2 "Sec. 8. RCW 28B.07.040 and 2012 c 229 s 508 are each amended to
3 read as follows:

4 The authority is authorized and empowered to do the following, on
5 such terms, with such security and undertakings, subject to such
6 conditions, and in return for such consideration, as the authority
7 shall determine in its discretion to be necessary, useful, or
8 convenient in accomplishing the purposes of this chapter:

9 (1) To promulgate rules in accordance with chapter 34.05 RCW;

10 (2) To adopt an official seal and to alter the same at pleasure;

11 (3) To maintain an office at any place or places as the authority
12 may designate;

13 (4) To sue and be sued in its own name, and to plead and be
14 impleaded;

15 (5) To make and execute agreements with participants and others
16 and all other instruments necessary, useful, or convenient for the
17 accomplishment of the purposes of this chapter;

18 (6) To provide long-term or short-term financing or refinancing
19 to participants for project costs, by way of loan, lease, conditional
20 sales contract, mortgage, option to purchase, or other financing or
21 security device or any such combination;

22 (7) If, in order to provide to participants the financing or
23 refinancing of project costs described in subsection (6) of this
24 section, the authority deems it necessary or convenient for it to own
25 a project or projects or any part of a project or projects, for any
26 period of time, it may acquire, contract, improve, alter,
27 rehabilitate, repair, manage, operate, mortgage, subject to a
28 security interest, lease, sell, or convey the project;

29 (8) To fix, revise from time to time, and charge and collect from
30 participants and others rates, rents, fees, charges, and repayments
31 as necessary to fully and timely reimburse the authority for all
32 expenses incurred by it in providing the financing and refinancing

1 and other services under this section and for the repayment, when
2 due, of all the principal of, redemption premium, if any, and
3 interest on all bonds issued under this chapter to provide the
4 financing, refinancing, and services;

5 (9) To accept and receive funds, grants, gifts, pledges,
6 guarantees, mortgages, trust deeds, and other security instruments,
7 and property from the federal government or the state or other public
8 body, entity, or agency and from any public or private institution,
9 association, corporation, or organization, including participants. It
10 shall not accept or receive from the state or any taxing agency any
11 money derived from taxes, except money to be devoted to the purposes
12 of a project of the state or of a taxing agency;

13 (10) To open and maintain a bank account or accounts in one or
14 more qualified public depositories in this state and to deposit all
15 or any part of authority funds therein;

16 (11) To employ consulting engineers, architects, attorneys,
17 accountants, construction and financial experts, superintendents,
18 managers, an executive director, and such other employees and agents
19 as may be necessary in its judgment to carry out the purposes of this
20 chapter, and to fix their compensation;

21 (12) To provide financing or refinancing to two or more
22 participants for a single project or for several projects in such
23 combinations as the authority deems necessary, useful, or convenient;

24 (13) To charge to and equitably apportion among participants the
25 administrative costs and expenses incurred in the exercise of the
26 powers and duties conferred by this chapter;

27 (14) To consult with the student achievement council to determine
28 project priorities under the purposes of this chapter; ((and))

29 (15) Provide for the investment of any funds, including funds
30 held in reserve, not required for immediate disbursement, and provide
31 for the selection of investments; and

32 (16) To do all other things necessary, useful, or convenient to
33 carry out the purposes of this chapter.

34 In the exercise of any of these powers, the authority shall incur
35 no expense or liability which shall be an obligation, either general
36 or special, of the state, or a general obligation of the authority,
37 and shall pay no expense or liability from funds other than funds of
38 the authority. Funds of the state shall not be used for such purpose.

1 **Sec. 9.** RCW 39.59.010 and 2015 c 225 s 50 are each amended to
2 read as follows:

3 Unless the context clearly requires otherwise, the definitions in
4 this section apply throughout this chapter.

5 (1) "Bond" means any agreement which may or may not be
6 represented by a physical instrument, including but not limited to
7 bonds, notes, warrants, or certificates of indebtedness, that
8 evidences an obligation under which the issuer agrees to pay a
9 specified amount of money, with or without interest, at a designated
10 time or times either to registered owners or bearers.

11 (2) "Local government" means any county, city, town, special
12 purpose district, political subdivision, municipal corporation, or
13 quasi-municipal corporation, including any public corporation,
14 authority, or other instrumentality created by such an entity.

15 ~~(3) ("Money market fund" means a mutual fund the portfolio which
16 consists of only bonds having maturities or demand or tender
17 provisions of not more than one year, managed by an investment
18 advisor who has posted with the office of risk management in the
19 department of enterprise services a bond or other similar instrument
20 in the amount of at least five percent of the amount invested in the
21 fund pursuant to RCW 39.59.030 (2) or (3).~~

22 ~~(4) "Mutual fund" means a diversified mutual fund registered with
23 the federal securities and exchange commission and which is managed
24 by an investment advisor with assets under management of at least
25 five hundred million dollars and with at least five years' experience
26 in investing in bonds authorized for investment by this chapter and
27 who has posted with the office of risk management in the department
28 of enterprise services a bond or other similar instrument in the
29 amount of at least five percent of the amount invested in the fund
30 pursuant to RCW 39.59.030(1).~~

31 ~~(5)) "State" includes ((a state, agencies, authorities, and
32 instrumentalities of a state, and public corporations created by a
33 state or agencies, authorities, or instrumentalities of a state)) any
34 state in the United States, other than the state of Washington.~~

35 **Sec. 10.** RCW 39.59.020 and 1988 c 281 s 2 are each amended to
36 read as follows:

37 ~~((In addition to any other investment authority granted by law
38 and notwithstanding any provision of law to the contrary, the state
39 of Washington and)) (1) Local governments in the state of Washington~~

1 are authorized to invest their funds and money in their custody or
2 possession, eligible for investment, in((+)

3 ~~(1) Bonds of the state of Washington and any local government in~~
4 ~~the state of Washington, which bonds have at the time of investment~~
5 ~~one of the three highest credit ratings of a nationally recognized~~
6 ~~rating agency;~~

7 ~~(2) General obligation bonds of a state other than the state of~~
8 ~~Washington and general obligation bonds of a local government of a~~
9 ~~state other than the state of Washington, which bonds have at the~~
10 ~~time of investment one of the three highest credit ratings of a~~
11 ~~nationally recognized rating agency;~~

12 ~~(3) Subject to compliance with RCW 39.56.030, registered warrants~~
13 ~~of a local government in the same county as the government making the~~
14 ~~investment; or~~

15 ~~(4) Any investments authorized by law for the treasurer of the~~
16 ~~state of Washington or any local government of the state of~~
17 ~~Washington other than a metropolitan municipal corporation but,~~
18 ~~except as provided in chapter 39.58 RCW, such investments shall not~~
19 ~~include certificates of deposit of banks or bank branches not located~~
20 ~~in the state of Washington)) investments authorized by this chapter.~~

21 (2) Nothing in this section is intended to limit or otherwise
22 restrict a local government from investing in additional authorized
23 investments if that local government has specific authority to do so.

24 NEW SECTION. Sec. 11. A new section is added to chapter 39.59
25 RCW to read as follows:

26 Any local government in the state of Washington may invest in:

27 (1) Bonds of the state of Washington and any local government in
28 the state of Washington;

29 (2) General obligation bonds of a state and general obligation
30 bonds of a local government of a state, which bonds have at the time
31 of investment one of the three highest credit ratings of a nationally
32 recognized rating agency;

33 (3) Subject to compliance with RCW 39.56.030, registered warrants
34 of a local government in the same county as the government making the
35 investment;

36 (4) Certificates, notes, or bonds of the United States, or other
37 obligations of the United States or its agencies, or of any
38 corporation wholly owned by the government of the United States; or
39 United States dollar denominated bonds, notes, or other obligations

1 that are issued or guaranteed by supranational institutions, provided
2 that, at the time of investment, the institution has the United
3 States government as its largest shareholder;

4 (5) Federal home loan bank notes and bonds, federal land bank
5 bonds and federal national mortgage association notes, debentures and
6 guaranteed certificates of participation, or the obligations of any
7 other government sponsored corporation whose obligations are or may
8 become eligible as collateral for advances to member banks as
9 determined by the board of governors of the federal reserve system;

10 (6) Bankers' acceptances purchased on the secondary market;

11 (7) Commercial paper purchased in the secondary market, provided
12 that any local government of the state of Washington that invests in
13 such commercial paper must adhere to the investment policies and
14 procedures adopted by the state investment board; and

15 (8) Corporate notes purchased on the secondary market, provided
16 that any local government of the state of Washington that invests in
17 such notes must adhere to the investment policies and procedures
18 adopted by the state investment board.

19 NEW SECTION. **Sec. 12.** RCW 39.59.030 (Authorized investments—
20 Mutual funds and money market funds) and 1988 c 281 s 3 are each
21 repealed.

22 **Sec. 13.** RCW 39.60.010 and 1939 c 32 s 1 are each amended to
23 read as follows:

24 Notwithstanding the provisions of any other statute of the state
25 of Washington to the contrary, it shall be lawful (~~for the state of~~
26 ~~Washington and any of its departments, institutions and agencies,~~
27 ~~municipalities, districts, and any other political subdivision of the~~
28 ~~state, or any political or public corporation of the state, or~~) for
29 any insurance company, savings and loan association, or for any bank,
30 trust company or other financial institution, operating under the
31 laws of the state of Washington, or for any executor, administrator,
32 guardian or conservator, trustee or other fiduciary to invest its
33 funds or the moneys in its custody or possession, eligible for
34 investment, in notes or bonds secured by mortgage which the Federal
35 Housing Administrator has insured or has made a commitment to insure
36 in obligations of national mortgage associations, in debentures
37 issued by the Federal Housing Administrator, and in the bonds of the
38 Home Owner's Loan Corporation, a corporation organized under and by

1 virtue of the authority granted in H.R. 5240, designated as the Home
2 Owner's Loan Act of 1933, passed by the congress of the United States
3 and approved June 13, 1933, and in bonds of any other corporation
4 which is or hereafter may be created by the United States, as a
5 governmental agency or instrumentality.

6 **Sec. 14.** RCW 39.60.020 and 1933 ex.s. c 37 s 2 are each amended
7 to read as follows:

8 Notwithstanding the provisions of any other statute of the state
9 of Washington to the contrary, it shall be also lawful (~~for the~~
10 ~~state of Washington and any of its departments, institutions and~~
11 ~~agencies, municipalities, districts, and any other political~~
12 ~~subdivisions of the state, or any political or public corporation of~~
13 ~~the state, or~~) for any insurance company, savings and loan
14 association, building and loan association, or for any bank, trust
15 company or other financial institution, operating under the laws of
16 the state of Washington, or for any executor, administrator, guardian
17 or conservator, trustee or other fiduciary, to exchange any
18 mortgages, contracts, judgments or liens owned or held by it, for the
19 bonds of the Home Owners' Loan Corporation, a corporation organized
20 under and by virtue of the authority granted in H.R. 5240, designated
21 as The Home Owners' Loan Act of 1933, passed by the congress of the
22 United States and approved June 13, 1933, or for the bonds of any
23 other corporation which is or hereafter may be created by the United
24 States as a governmental agency or instrumentality; and to accept
25 said bonds at their par value in any such exchange.

26 **Sec. 15.** RCW 39.60.030 and 1939 c 32 s 2 are each amended to
27 read as follows:

28 Wherever, by statute of this state, collateral is required as
29 security for the deposit of (~~public or other~~) funds; or deposits
30 are required to be made with any public official or department; or an
31 investment of capital or surplus, or a reserve or other fund is
32 required to be maintained consisting of designated securities, the
33 bonds and other securities herein made eligible for investment shall
34 also be eligible for such purpose.

35 **Sec. 16.** RCW 39.60.040 and 1967 ex.s. c 48 s 1 are each amended
36 to read as follows:

1 The obligations issued pursuant to said Federal Home Loan Bank
2 Act and to said Title IV of the National Housing Act as such acts are
3 now or hereafter amended, and the shares, deposits or accounts of any
4 institution which has the insurance protection provided by Title IV
5 of the National Housing Act, as now or hereafter amended, may be used
6 at face value or withdrawal value, and bonds or other interest
7 bearing obligations as to which the payment of some but less than the
8 full principal and interest is guaranteed by the United States of
9 America or any agency thereof may be used to the extent of the
10 portion so guaranteed, wherever, by statute of this state or
11 otherwise, collateral is required as security for the deposit of
12 (~~public or other~~) funds, or deposits are required to be made with
13 any public official or department, or an investment of capital or
14 surplus, or a reserve or other fund, is required to be maintained
15 consisting of designated security, or wherever by statute of this
16 state or otherwise, any surety, whether personal, corporate, or
17 otherwise, or any collateral or security, is required or permitted
18 for any purpose, including without limitation on the generality of
19 the foregoing, any bond, recognizance, or undertaking.

20 **Sec. 17.** RCW 39.60.050 and 1970 ex.s. c 93 s 1 are each amended
21 to read as follows:

22 Notwithstanding the provisions of any other statute of the state
23 of Washington to the contrary, it shall be lawful (~~for the state of~~
24 ~~Washington and any of its departments, institutions and agencies,~~
25 ~~municipalities, districts, and any other political subdivision, or~~
26 ~~any political or public corporation of the state, or~~) for any
27 executor, administrator, guardian, or conservator, trustee or other
28 fiduciary, to invest its funds or the moneys in its custody or
29 possession, eligible for investment, in notes, bonds, or debentures
30 of savings and loan associations, banks, mutual savings banks,
31 savings and loan service corporations operating with approval of the
32 federal home loan bank, and corporate mortgage companies: PROVIDED,
33 That the notes, bonds or debentures are rated not less than "A" by a
34 nationally recognized rating agency, or are insured or guaranteed by
35 an agency of the federal government or by private insurer authorized
36 to do business in the state: PROVIDED FURTHER, That the notes, bonds
37 and debentures insured or guaranteed by a private insurer shall also
38 be backed by a pool of mortgages equal to the amount of the notes,
39 bonds or debentures.

1 **Sec. 18.** RCW 43.84.080 and 1982 c 148 s 1 are each amended to
2 read as follows:

3 Wherever there is in any fund or in cash balances in the state
4 treasury more than sufficient to meet the current expenditures
5 properly payable therefrom, the state treasurer may invest or
6 reinvest such portion of such funds or balances as the state
7 treasurer deems expedient in the following (~~defined securities or~~
8 ~~classes of investments~~):

9 (1) Certificates, notes, or bonds of the United States, or other
10 obligations of the United States or its agencies, or of any
11 corporation wholly owned by the government of the United States or
12 United States dollar denominated bonds, notes, or other obligations
13 that are issued or guaranteed by supranational institutions, provided
14 that, at the time of investment, the institution has the United
15 States government as its largest shareholder;

16 (2) In state, county, municipal, or school district bonds, notes,
17 or in warrants of taxing districts of the state. Such bonds and
18 warrants shall be only those found to be within the limit of
19 indebtedness prescribed by law for the taxing district issuing them
20 and to be general obligations. The state treasurer may purchase such
21 bonds or warrants directly from the taxing district or in the open
22 market at such prices and upon such terms as it may determine, and
23 may sell them at such times as it deems advisable;

24 (~~3~~) (~~In motor vehicle fund warrants when authorized by agreement~~
25 ~~between the state treasurer and the department of transportation~~
26 ~~requiring repayment of invested funds from any moneys in the motor~~
27 ~~vehicle fund available for state highway construction;~~

28 (~~4~~) In federal home loan bank notes and bonds, federal land
29 bank bonds and federal national mortgage association notes,
30 debentures and guaranteed certificates of participation, or the
31 obligations of any other government sponsored corporation whose
32 obligations are or may become eligible as collateral for advances to
33 member banks as determined by the board of governors of the federal
34 reserve system;

35 (~~5~~) (4) Bankers' acceptances purchased on the secondary
36 market;

37 (~~6~~) ~~Negotiable certificates of deposit of any national or state~~
38 ~~commercial or mutual savings bank or savings and loan association~~
39 ~~doing business in the United States: PROVIDED, That the treasurer~~

1 ~~shall adhere to the investment policies and procedures adopted by the~~
2 ~~state investment board;~~

3 ~~(7))~~ (5) Commercial paper (~~(:—PROVIDED,)~~) purchased on the
4 secondary market, provided that the state treasurer (~~(shall)~~) adheres
5 to the investment policies and procedures adopted by the state
6 investment board;

7 (6) General obligation bonds of any state and general obligation
8 bonds of local governments of other states, which bonds have at the
9 time of investment one of the three highest credit ratings of a
10 nationally recognized rating agency; and

11 (7) Corporate notes purchased on the secondary market, provided
12 that the state treasurer adheres to the investment policies and
13 procedures adopted by the state investment board.

14 **Sec. 19.** RCW 43.250.020 and 2010 1st sp.s. c 10 s 2 are each
15 reenacted and amended to read as follows:

16 Unless the context clearly requires otherwise, the definitions in
17 this section shall apply throughout this chapter.

18 (1) "Authorized tribal official" means any officer or employee of
19 a qualifying federally recognized tribe who has been expressly
20 designated by tribal constitution, ordinance, or resolution as the
21 officer having the authority to invest the funds of the qualifying
22 federally recognized tribe or federally recognized political
23 subdivisions thereof.

24 (2) "Eligible governmental entity" means any county, city, town,
25 municipal corporation, quasi-municipal corporation, public
26 corporation, political subdivision, or special purpose taxing
27 district in the state, an instrumentality of any of the foregoing
28 governmental entities created under chapter 39.34 RCW, any agency of
29 state government, any entity issuing or executing and delivering
30 bonds or certificates of participation with respect to financing
31 contracts approved by the state finance committee under RCW
32 39.94.040, and any qualifying federally recognized tribe or federally
33 recognized political subdivisions thereof.

34 (3) "Financial officer" means the board-appointed treasurer of a
35 community or technical college district, the state board for
36 community and technical colleges, or a public four-year institution
37 of higher education.

38 (4) "Funds" means:

1 (a) Funds of an eligible governmental entity under the control of
2 or in the custody of any government finance official or local funds,
3 as defined by the office of financial management publication
4 "Policies, Regulations and Procedures," under the control of or in
5 the custody of a financial officer by virtue of the official's
6 authority that are not immediately required to meet current
7 demands((+)

8 ~~(b) State funds deposited in the investment pool by the state~~
9 ~~treasurer that are the proceeds of bonds, notes, or other evidences~~
10 ~~of indebtedness authorized by the state finance committee under~~
11 ~~chapter 39.42 RCW, or the proceeds of bonds or certificates of~~
12 ~~participation with respect to financing contracts approved by the~~
13 ~~state finance committee under RCW 39.94.040, or payments pursuant to~~
14 ~~financing contracts under chapter 39.94 RCW, when the investments are~~
15 ~~made in order to comply with the Internal Revenue Code of 1986, as~~
16 ~~amended)); and~~

17 ((+)) (b) Tribal funds under the control of or in the custody
18 of any qualifying federally recognized tribe or federally recognized
19 political subdivisions thereof, where the tribe warrants that the use
20 or disposition of the funds are either not subject to, or are used
21 and deposited with federal approval, and where the tribe warrants
22 that the funds are not immediately required to meet current demands.

23 (5) "Government finance official" means any officer or employee
24 of an eligible governmental entity who has been designated by statute
25 or by local charter, ordinance, resolution, or other appropriate
26 official action, as the officer having the authority to invest the
27 funds of the eligible governmental entity. However, the county
28 treasurer shall be deemed the only government finance official for
29 all public agencies for which the county treasurer has exclusive
30 statutory authority to invest the funds thereof.

31 (6) "Public funds investment account" or "investment pool" means
32 the aggregate of all funds as defined in subsection (4) of this
33 section that are placed in the custody of the state treasurer for
34 investment and reinvestment.

35 (7) "Qualifying federally recognized tribe or federally
36 recognized political subdivisions thereof" means any federally
37 recognized tribe, located in the state of Washington, authorized and
38 empowered by its constitution or ordinance to invest its surplus
39 funds pursuant to this section, and whose authorized tribal official
40 has executed a deposit agreement with the office of the treasurer.

1 NEW SECTION. **Sec. 20.** RCW 43.250.090 (Administration of chapter
2 —Rules) and 1986 c 294 s 9 are each repealed.

3 NEW SECTION. **Sec. 21.** A new section is added to chapter 28B.10
4 RCW to read as follows:

5 (1) The following definitions apply throughout this section
6 unless the context clearly requires otherwise.

7 (a) "Bond" means any agreement which may or may not be
8 represented by a physical instrument, including but not limited to
9 bonds, notes, warrants, or certificates of indebtedness, that
10 evidences an obligation under which the issuer agrees to pay a
11 specified amount of money, with or without interest, at a designated
12 time or times either to registered owners or bearers.

13 (b) "Local government" means any county, city, town, special
14 purpose district, political subdivision, municipal corporation, or
15 quasi-municipal corporation, including any public corporation,
16 authority, or other instrumentality created by such an entity.

17 (c) "State" includes any state in the United States, other than
18 the state of Washington.

19 (2) In addition to any other statutorily authorized investments
20 permissible pursuant to chapters 28B.20, 28B.30, 28B.35, 28B.40, and
21 28B.50 RCW, institutions of higher education may invest in:

22 (a) Bonds of the state of Washington and any local government in
23 the state of Washington, which bonds have at the time of investment
24 one of the three highest credit ratings of a nationally recognized
25 rating agency;

26 (b) General obligation bonds of a state and general obligation
27 bonds of a local government of a state, which bonds have at the time
28 of investment one of the three highest credit ratings of a nationally
29 recognized rating agency;

30 (c) Subject to compliance with RCW 39.56.030, registered warrants
31 of a local government in the same county as the institution of higher
32 education making the investment;

33 (d) Certificates, notes, or bonds of the United States, or other
34 obligations of the United States or its agencies, or of any
35 corporation wholly owned by the government of the United States; or
36 United States dollar denominated bonds, notes, or other obligations
37 that are issued or guaranteed by supranational institutions, provided
38 that, at the time of investment, the institution has the United
39 States government as its largest shareholder;

1 (e) Federal home loan bank notes and bonds, federal land bank
2 bonds and federal national mortgage association notes, debentures and
3 guaranteed certificates of participation, or the obligations of any
4 other government sponsored corporation whose obligations are or may
5 become eligible as collateral for advances to member banks as
6 determined by the board of governors of the federal reserve system;

7 (f) Bankers' acceptances purchased on the secondary market;

8 (g) Commercial paper purchased in the secondary market, provided
9 that any institution of higher education that invests in such
10 commercial paper must adhere to the investment policies and
11 procedures adopted by the state investment board; and

12 (h) Corporate notes purchased on the secondary market, provided
13 that any institution of higher education that invests in such notes
14 must adhere to the investment policies and procedures adopted by the
15 state investment board.

16 (3) Nothing in this section limits the investment authority
17 granted pursuant to chapters 28B.20, 28B.30, 28B.35, 28B.40, and
18 28B.50 RCW."

19 Correct the title.

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