
SUBSTITUTE SENATE BILL 6630

State of Washington

66th Legislature

2020 Regular Session

By Senate Housing Stability & Affordability (originally sponsored by Senators Zeiger, Kuderer, and Wellman)

READ FIRST TIME 02/06/20.

1 AN ACT Relating to increasing accountability for public housing
2 authorities; and amending RCW 35.82.230 and 43.09.260.

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

4 **Sec. 1.** RCW 35.82.230 and 1965 c 7 s 35.82.230 are each amended
5 to read as follows:

6 (1) Each housing authority and each joint housing authority must
7 have its annual financial statements for the preceding accounting
8 year audited in accordance with RCW 43.09.020 and 43.09.260 and must
9 file the audited financial statements with the clerk, or clerks in
10 the case of joint housing authorities, within ninety days of the
11 audit report. If the audited financial statement contains any
12 findings or deficiencies with the authority, the clerk must report
13 the findings or deficiencies to the city or county legislative
14 authority.

15 (2) At least once a year, an authority shall file with the clerk
16 a report of its activities for the preceding year, and shall make
17 recommendations with reference to such additional legislation or
18 other action as it deems necessary in order to carry out the purposes
19 of this chapter.

1 **Sec. 2.** RCW 43.09.260 and 2009 c 564 s 927 are each amended to
2 read as follows:

3 (1) The examination of the financial affairs of all local
4 governments shall be made at such reasonable, periodic intervals as
5 the state auditor shall determine. However, an examination of the
6 financial affairs of all local governments shall be made at least
7 once in every three years, and an examination of individual local
8 government health and welfare benefit plans (~~and~~), local government
9 self-insurance programs, public housing authorities as defined in RCW
10 35.82.020(1), and joint housing authorities as defined in RCW
11 35.82.300 shall be made at least once every two years.

12 (2) During the 2009-2011 fiscal biennium, the state auditor shall
13 conduct audits no more often than once every two years of local
14 governments with annual general fund revenues of ten million dollars
15 or less and no findings of impropriety for the three-year period
16 immediately preceding the audit period. This subsection does not
17 prohibit the state auditor from conducting audits: (a) To address
18 suspected fraud or irregular conduct; (b) at the request of the local
19 government governing body; or (c) as required by federal laws or
20 regulations.

21 (3) The term local governments for purposes of this chapter
22 includes but is not limited to all counties, cities, and other
23 political subdivisions, municipal corporations, and quasi-municipal
24 corporations, however denominated.

25 (4) The state auditor shall establish a schedule to govern the
26 auditing of local governments which shall include: A designation of
27 the various classifications of local governments; a designation of
28 the frequency for auditing each type of local government; and a
29 description of events which cause a more frequent audit to be
30 conducted.

31 (5) On every such examination, inquiry shall be made as to the
32 financial condition and resources of the local government; whether
33 the Constitution and laws of the state, the ordinances and orders of
34 the local government, and the requirements of the state auditor have
35 been properly complied with; and into the methods and accuracy of the
36 accounts and reports.

37 (6) A report of such examination shall be made and filed in the
38 office of state auditor, and one copy shall be transmitted to the
39 local government. A report of such examination of a public housing
40 authority as defined in RCW 35.82.020(1) or joint housing authority

1 as defined in RCW 35.82.300 shall also be transmitted to the clerk or
2 clerks as defined in RCW 35.82.020(5). A copy of any report
3 containing findings of noncompliance with state law shall be
4 transmitted to the attorney general. If any such report discloses
5 malfeasance, misfeasance, or nonfeasance in office on the part of any
6 public officer or employee, within thirty days from the receipt of
7 his or her copy of the report, the attorney general shall institute,
8 in the proper county, such legal action as is proper in the premises
9 by civil process and prosecute the same to final determination to
10 carry into effect the findings of the examination.

11 (7) It shall be unlawful for any local government or the
12 responsible head thereof, to make a settlement or compromise of any
13 claim arising out of such malfeasance, misfeasance, or nonfeasance,
14 or any action commenced therefor, or for any court to enter upon any
15 compromise or settlement of such action, without the written approval
16 and consent of the attorney general and the state auditor.

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