
SENATE BILL 6630

State of Washington

66th Legislature

2020 Regular Session

By Senators Zeiger, Kuderer, and Wellman

Read first time 01/28/20. Referred to Committee on Housing Stability & Affordability.

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 by a certified public accountant and must file the
9 audited financial statements with the clerk, or clerks in the case of
10 joint housing authorities, within ninety days of the audit report. If
11 the audited financial statement contains any findings or deficiencies
12 with the authority, the clerk must report the findings or
13 deficiencies to the city or county legislative authority.

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

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

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

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

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

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

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

35 (6) A report of such examination shall be made and filed in the
36 office of state auditor, and one copy shall be transmitted to the
37 local government. A report of such examination of a public housing
38 authority as defined in RCW 35.82.020(1) or joint housing authority
39 as defined in RCW 35.82.300 shall also be transmitted to the clerk or
40 clerks as defined in RCW 35.82.020(5). A copy of any report

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

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

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