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HOUSE BILL 1352

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State of Washington

68th Legislature

2023 Regular Session

By Representatives Stearns, Low, Cortes, Entenman, Couture, Ramel, Lekanoff, Pollet, and Fosse

Read first time 01/16/23. Referred to Committee on Local Government.

1 AN ACT Relating to authorizing tribal investment in county  
2 investment pools; and amending RCW 36.29.020, 36.29.022, and  
3 36.29.024.

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

19 (b) An authorized tribal official may, when expressly designated  
20 by a tribal constitution, ordinance, or resolution as having the  
21 authority to invest funds of a qualifying federally recognized tribe

1 or federally recognized political subdivisions thereof, invest tribal  
2 funds with the county treasurer. Tribal funds invested in this way  
3 must be under the control of or in the custody of the tribe or a  
4 political subdivision thereof, and the tribe must warrant that the  
5 use or disposition of the funds are not subject to, or are used and  
6 deposited with, federal approval, and must warrant that the funds are  
7 not immediately required to meet current demands.

8 (c) The county treasurer may invest in savings or time accounts  
9 in designated qualified public depositories or in certificates,  
10 notes, or bonds of the United States, or other obligations of the  
11 United States or its agencies, or of any corporation wholly owned by  
12 the government of the United States; in bankers' acceptances  
13 purchased on the secondary market, in federal home loan bank notes  
14 and bonds, federal land bank bonds and federal national mortgage  
15 association notes, debentures and guaranteed certificates of  
16 participation, or the obligations of any other government sponsored  
17 corporation whose obligations are or may become eligible as  
18 collateral for advances to member banks as determined by the board of  
19 governors of the federal reserve system or deposit such funds or any  
20 portion thereof in investment deposits as defined in RCW 39.58.010  
21 secured by collateral in accordance with the provisions of chapters  
22 39.58 and 39.59 RCW: PROVIDED, Five percent of the earnings, with an  
23 annual maximum of (~~fifty dollars~~) \$50, on each transaction  
24 authorized by the governing body or authorized tribal official shall  
25 be paid as an investment service fee to the office of the county  
26 treasurer or other municipal corporation treasurer when the earnings  
27 become available to the governing body or tribe: PROVIDED FURTHER,  
28 That if such investment service fee amounts to five dollars or less  
29 the county treasurer or other municipal corporation treasurer may  
30 waive such fee.

31 (d) If in the judgment of the governing body of the municipal  
32 corporation, the authorized tribal official, or the county treasurer  
33 it is necessary to redeem or to sell any of the purchased securities  
34 before their ultimate maturity date, the governing body or authorized  
35 tribal official may, by resolution or by official request, direct the  
36 county treasurer pursuant to RCW 36.29.010(8) to cause such  
37 redemption to be had at the redemption value of the securities or to  
38 sell the securities at not less than market value and accrued  
39 interest.

1       (2) Whenever the funds of any municipal corporation which are not  
2 required for immediate expenditure are in the custody or control of  
3 the county treasurer, and the governing body of such municipal  
4 corporation has not taken any action pertaining to the investment of  
5 any such funds, the county finance committee shall direct the county  
6 treasurer, under the investment policy of the county finance  
7 committee, to invest, to the maximum prudent extent, such funds or  
8 any portion thereof in savings or time accounts in designated  
9 qualified public depositories or in certificates, notes, or bonds of  
10 the United States, or other obligations of the United States or its  
11 agencies, or of any corporation wholly owned by the government of the  
12 United States, in bankers' acceptances purchased on the secondary  
13 market, in federal home loan bank notes and bonds, federal land bank  
14 bonds and federal national mortgage association notes, debentures and  
15 guaranteed certificates of participation, or the obligations of any  
16 other government sponsored corporation whose obligations are or may  
17 become eligible as collateral for advances to member banks as  
18 determined by the board of governors of the federal reserve system or  
19 deposit such funds or any portion thereof in investment deposits as  
20 defined in RCW 39.58.010 secured by collateral in accordance with the  
21 provisions of chapters 39.58 and 39.59 RCW: PROVIDED, That the county  
22 treasurer shall have the power to select the specific qualified  
23 financial institution in which the funds may be invested. The  
24 interest or other earnings from such investments or deposits shall be  
25 deposited in the current expense fund of the county and may be used  
26 for general county purposes. The investment or deposit and  
27 disposition of the interest or other earnings therefrom authorized by  
28 this paragraph shall not apply to such funds as may be prohibited by  
29 the state Constitution from being so invested or deposited.

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

32       Upon the request of one or several units of local government or  
33 authorized tribal officials of tribes that invest their money with  
34 the county under the provisions of RCW 36.29.020, the treasurer of  
35 that county may combine those units' and/or tribes' moneys for the  
36 purposes of investment.

37       **Sec. 3.** RCW 36.29.024 and 2009 c 553 s 1 are each amended to  
38 read as follows:

1       (1) The county treasurer may deduct the amounts necessary to  
2 reimburse the treasurer's office for the actual expenses the office  
3 incurs and to repay any county funds appropriated and expended for  
4 the initial administrative costs of establishing a county investment  
5 pool provided in RCW 36.29.022. These funds shall be used by the  
6 county treasurer as a revolving fund to defray the cost of  
7 administering the pool without regard to budget limitations. Any  
8 credits or payments to political subdivisions or tribal governments  
9 shall be calculated and made in a manner which equitably reflects the  
10 differing amounts of the political subdivision's respective deposits  
11 in the county investment pool and the differing periods of time for  
12 which the amounts were placed in the county investment pool.

13       (2) A county investment pool must be available for investment of  
14 funds of any local government or tribal government that invests its  
15 money with the county under the provisions of RCW 36.29.020, and a  
16 county treasurer shall follow the request from the local government  
17 or tribal government to invest its funds in the pool.

18       (3) As used in this section "actual expenses" include only the  
19 county treasurer's direct and out-of-pocket costs and do not include  
20 indirect or loss of opportunity costs. As used in this section,  
21 "direct costs" means those costs that can be identified specifically  
22 with the administration of the county investment pool. Direct costs  
23 include: ~~((1))~~ (a) Compensation of employees for the time devoted  
24 and identified specifically to administering the pool; and ~~((2))~~  
25 (b) the cost of materials, services, or equipment acquired, consumed,  
26 or expended specifically for the purpose of administering the pool.

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