
SENATE BILL 5390

State of Washington 64th Legislature 2015 Regular Session

By Senators Dansel, Liias, and Keiser; by request of State Treasurer

Read first time 01/21/15. Referred to Committee on Government Operations & State Security.

1 AN ACT Relating to implementing and operating state and county
2 government investment pools; amending RCW 36.29.022, 36.29.024,
3 36.29.020, 39.59.010, 39.59.020, 39.60.010, 39.60.020, 39.60.030,
4 39.60.040, 39.60.050, and 43.84.080; reenacting and amending RCW
5 43.250.020; adding a new section to chapter 39.59 RCW; adding a new
6 chapter to Title 36 RCW; recodifying RCW 36.29.022 and 36.29.024;
7 repealing RCW 39.59.030 and 43.250.090; and providing an effective
8 date.

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

10 NEW SECTION. **Sec. 1.** The legislature finds that state and
11 county government administered external investment pools provide an
12 important way to responsibly invest state and local funds for the
13 benefit of governments and their taxpayers. The legislature also
14 finds that financial markets into which these pools invest are
15 becoming more complex and that federal regulators are increasing
16 their oversight of these valuable investment pools. The legislature
17 intends to preserve, protect, and enhance the value provided by state
18 and county administered investment pools by providing a more complete
19 statutory framework for the creation and operation of the pools.
20 Specifically, the legislature intends to create minimum disclosure,

1 reporting, investment standards and policies, and training
2 requirements to improve transparency and public confidence.

3 NEW SECTION. **Sec. 2.** The definitions in this section apply
4 throughout this chapter unless the context clearly requires
5 otherwise.

6 (1) "Eligible entity" means any political subdivision, or unit of
7 local government of this state including, but not limited to,
8 municipal corporations, quasi-municipal corporations, special purpose
9 districts, and local service districts. "Eligible entity" does not
10 mean the state or any of its agencies.

11 (2) "External pool" means a pool in which funds of more than one
12 separate legal governmental entity are commingled by a treasurer into
13 a county administered pool for the purpose of investment.

14 (3) "Funds" means funds of an eligible entity.

15 (4) "Maturity" means the period remaining until the date on which
16 the principal amount of a security must unconditionally be paid.

17 **Sec. 3.** RCW 36.29.022 and 1986 c 294 s 11 are each amended to
18 read as follows:

19 (1) Upon the request of one or several (~~(units of local~~
20 ~~government))~~ eligible entities that invest their money with the
21 county under (~~(the provisions of))~~ RCW 36.29.020, the treasurer of
22 that county may combine those (~~(units'))~~ eligible entities' moneys in
23 an external pool for the purposes of investment.

24 (2) If an external pool is created pursuant to this section, it
25 must be available for the investment of funds of any eligible entity
26 that invests its money with the county under RCW 36.29.020, and a
27 county treasurer must follow the request from the eligible entity to
28 invest its funds in the external pool.

29 NEW SECTION. **Sec. 4.** If authorized by statute, ordinance, or
30 other appropriate official action of an eligible entity, an eligible
31 entity may invest funds in an external pool operated by the county in
32 which the eligible entity is situated. If an eligible entity is
33 situated within more than one county that operates an external pool,
34 the eligible entity may invest in either or both external pools.

35 NEW SECTION. **Sec. 5.** Every county treasurer that operates an
36 external pool must:

1 (1) Have policies and procedures for the operation of the
2 external pool that are approved by the county finance committee and
3 that have received certification from a statewide association
4 comprised of municipal treasurers;

5 (2) Provide appropriate disclosures regarding the operation and
6 management of the external pool consistent with securities and
7 exchange commission form N-1A or its successor;

8 (3) Set certain minimum continuing education standards for staff
9 members tasked with managing the external pool;

10 (4) Provide reports to the participants of the external pool on a
11 monthly basis that include, but are not limited to, portfolio
12 holdings and market value; and

13 (5) Obtain review by external advisors familiar with the
14 operation of external pools at least once every three years.

15 NEW SECTION. **Sec. 6.** The dollar-weighted average portfolio
16 maturity for securities held in an external pool must not exceed
17 three years. The maturity must be used for all securities in
18 calculating the dollar-weighted average portfolio maturity.

19 Beginning the effective date of this section, an external pool
20 that has a dollar-weighted average portfolio maturity in excess of
21 three years must purchase securities, as new funds are invested or as
22 securities in the external pool mature, in a manner that will bring
23 the external pool into compliance at the earliest possible date.

24 **Sec. 7.** RCW 36.29.024 and 2009 c 553 s 1 are each amended to
25 read as follows:

26 The county treasurer may deduct the amounts necessary to
27 reimburse the treasurer's office for the actual expenses the office
28 incurs for the operation of an external pool and to repay any county
29 funds appropriated and expended for the initial administrative costs
30 of establishing ((a county investment)) an external pool provided in
31 RCW 36.29.022 (as recodified by this act). These funds shall be used
32 by the county treasurer as a revolving fund to defray the cost of
33 administering the external pool without regard to budget limitations.
34 Any credits or payments to ((political subdivisions)) eligible
35 entities shall be calculated and made in a manner which equitably
36 reflects the differing amounts of the ((political subdivision's))
37 eligible entities' respective deposits in the ((county investment))
38 external pool and the differing periods of time for which the amounts

1 were placed in the (~~county investment~~) external pool. (~~A county~~
2 ~~investment pool must be available for investment of funds of any~~
3 ~~local government that invests its money with the county under the~~
4 ~~provisions of RCW 36.29.020, and a county treasurer shall follow the~~
5 ~~request from the local government to invest its funds in the pool.~~)
6 As used in this section "actual expenses" include only the county
7 treasurer's direct and out-of-pocket costs and do not include
8 indirect or loss of opportunity costs. As used in this section,
9 "direct costs" means those costs that can be identified specifically
10 with the administration of (~~the county investment~~) an external
11 pool. Direct costs include: (1) Compensation of employees for the
12 time devoted and identified specifically to administering the
13 external pool; and (2) the cost of materials, services, or equipment
14 acquired, consumed, or expended specifically for the purpose of
15 administering the external pool.

16 NEW SECTION. **Sec. 8.** The office of the state treasurer, in
17 consultation with the Washington state association of county
18 treasurers, must develop and maintain a list of educational
19 opportunities for state and local government personnel including, but
20 not limited to, elected officials, local finance committees, county
21 prosecutors, city attorneys, treasurers, and local officials
22 responsible for investing public funds.

23 **Sec. 9.** RCW 36.29.020 and 1999 c 18 s 4 are each amended to read
24 as follows:

25 The county treasurer shall keep all moneys belonging to the
26 state, or to any county, in his or her own possession until disbursed
27 according to law. The county treasurer shall not place the same in
28 the possession of any person to be used for any purpose; nor shall he
29 or she loan or in any manner use or permit any person to use the
30 same; but it shall be lawful for a county treasurer to deposit any
31 such moneys in any regularly designated qualified public depository.
32 Any municipal corporation may by action of its governing body
33 authorize any of its funds which are not required for immediate
34 expenditure, and which are in the custody of the county treasurer or
35 other municipal corporation treasurer, to be invested by such
36 treasurer. (~~The county treasurer may invest in savings or time~~
37 ~~accounts in designated qualified public depositories or in~~
38 ~~certificates, notes, or bonds of the United States, or other~~

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

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

27 Whenever the funds of any municipal corporation which are not
28 required for immediate expenditure are in the custody or control of
29 the county treasurer, and the governing body of such municipal
30 corporation has not taken any action pertaining to the investment of
31 any such funds, the county finance committee shall direct the county
32 treasurer, under the investment policy of the county finance
33 committee, to invest, to the maximum prudent extent, such funds or
34 any portion thereof ((in savings or time accounts in designated
35 qualified public depositories or in certificates, notes, or bonds of
36 the United States, or other obligations of the United States or its
37 agencies, or of any corporation wholly owned by the government of the
38 United States, in bankers' acceptances purchased on the secondary
39 market, in federal home loan bank notes and bonds, federal land bank
40 bonds and federal national mortgage association notes, debentures and

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

16 **Sec. 10.** RCW 39.59.010 and 2002 c 332 s 22 are each amended to
17 read as follows:

18 Unless the context clearly requires otherwise, the definitions in
19 this section apply throughout this chapter.

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

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

30 (~~(3) ("Money market fund" means a mutual fund the portfolio which~~
31 ~~consists of only bonds having maturities or demand or tender~~
32 ~~provisions of not more than one year, managed by an investment~~
33 ~~advisor who has posted with the risk management division of the~~
34 ~~office of financial management a bond or other similar instrument in~~
35 ~~the amount of at least five percent of the amount invested in the~~
36 ~~fund pursuant to RCW 39.59.030 (2) or (3).~~

37 (~~(4) "Mutual fund" means a diversified mutual fund registered with~~
38 ~~the federal securities and exchange commission and which is managed~~
39 ~~by an investment advisor with assets under management of at least~~

1 ~~five hundred million dollars and with at least five years' experience~~
2 ~~in investing in bonds authorized for investment by this chapter and~~
3 ~~who has posted with the risk management division of the office of~~
4 ~~financial management a bond or other similar instrument in the amount~~
5 ~~of at least five percent of the amount invested in the fund pursuant~~
6 ~~to RCW 39.59.030(1).~~

7 (5)) "State" includes a state, agencies, authorities, and
8 instrumentalities of a state, and public corporations created by a
9 state or agencies, authorities, or instrumentalities of a state.

10 (4) "State of Washington" does not include the state investment
11 board.

12 **Sec. 11.** RCW 39.59.020 and 1988 c 281 s 2 are each amended to
13 read as follows:

14 In addition to any other investment authority specifically
15 granted by law ((and notwithstanding any provision of law to the
16 contrary)) to the state of Washington or a local government in the
17 state of Washington, the state of Washington and local governments in
18 the state of Washington are authorized to invest their funds and
19 money in their custody or possession, eligible for investment, in(÷

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

24 ~~(2) General obligation bonds of a state other than the state of~~
25 ~~Washington and general obligation bonds of a local government of a~~
26 ~~state other than the state of Washington, which bonds have at the~~
27 ~~time of investment one of the three highest credit ratings of a~~
28 ~~nationally recognized rating agency;~~

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

32 ~~(4) Any investments authorized by law for the treasurer of the~~
33 ~~state of Washington or any local government of the state of~~
34 ~~Washington other than a metropolitan municipal corporation but,~~
35 ~~except as provided in chapter 39.58 RCW, such investments shall not~~
36 ~~include certificates of deposit of banks or bank branches not located~~
37 ~~in the state of Washington)) investments authorized under this~~
38 chapter.

1 NEW SECTION. **Sec. 12.** A new section is added to chapter 39.59
2 RCW to read as follows:

3 The state of Washington and any local government in the state of
4 Washington may invest in:

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

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

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

17 (4) Certificates, notes, or bonds of the United States, or other
18 obligations of the United States or its agencies, or of any
19 corporation wholly owned by the government of the United States;

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

28 (6) In motor vehicle fund warrants when authorized by agreement
29 between the state treasurer and the department of transportation
30 requiring repayment of invested funds from any moneys in the motor
31 vehicle fund available for state highway construction;

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

38 (8) Bankers' acceptances purchased on the secondary market;

39 (9) Notes, bonds, or debentures of savings and loan associations,
40 banks, mutual savings banks, savings and loan service corporations

1 operating with approval of the federal home loan bank, and corporate
2 mortgage companies. The notes, bonds, or debentures must be rated not
3 less than "A" by a nationally recognized rating agency or be insured
4 or guaranteed by an agency of the federal government or by private
5 insurer authorized to do business in the state. The notes, bonds, and
6 debentures insured or guaranteed by a private insurer must also be
7 backed by a pool of mortgages equal to the amount of the notes,
8 bonds, or debentures;

9 (10) Commercial paper purchased in the secondary market. The
10 state of Washington and local governments in the state of Washington
11 that invest in commercial paper must adhere to the investment
12 policies and procedures adopted by the state investment board.

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

15 Notwithstanding the provisions of any other statute of the state
16 of Washington to the contrary, it shall be lawful for (~~the state of~~
17 ~~Washington and any of its departments, institutions and agencies,~~
18 ~~municipalities, districts, and any other political subdivision of the~~
19 ~~state, or any political or public corporation of the state, or for~~)
20 any insurance company, savings and loan association, or (~~for~~) any
21 bank, trust company, or other financial institution, operating under
22 the laws of the state of Washington, or (~~for~~) any executor,
23 administrator, guardian or conservator, trustee, or other fiduciary
24 to invest its funds or the moneys in its custody or possession,
25 eligible for investment, in notes or bonds secured by mortgage which
26 the federal housing administrator has insured or has made a
27 commitment to insure in obligations of national mortgage
28 associations, in debentures issued by the federal housing
29 administrator, and in the bonds of the home owner's loan corporation,
30 a corporation organized under and by virtue of the authority granted
31 in H.R. 5240, designated as the home owner's loan act of 1933, passed
32 by the congress of the United States and approved June 13, 1933, and
33 in bonds of any other corporation which is or hereafter may be
34 created by the United States, as a governmental agency or
35 instrumentality.

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

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

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

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

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

31 The obligations issued pursuant to said federal home loan bank
32 act and to said Title IV of the national housing act as such acts are
33 now or hereafter amended, and the shares, deposits or accounts of any
34 institution which has the insurance protection provided by Title IV
35 of the national housing act, as now or hereafter amended, may be used
36 at face value or withdrawal value, and bonds or other interest
37 bearing obligations as to which the payment of some but less than the
38 full principal and interest is guaranteed by the United States of

1 America or any agency thereof may be used to the extent of the
2 portion so guaranteed, wherever, by statute of this state or
3 otherwise, collateral is required as security for the deposit of
4 (~~public or other~~) funds other than public funds, or deposits are
5 required to be made with any public official or department, or an
6 investment of capital or surplus, or a reserve or other fund, is
7 required to be maintained consisting of designated security, or
8 wherever by statute of this state or otherwise, any surety, whether
9 personal, corporate, or otherwise, or any collateral or security, is
10 required or permitted for any purpose, including without limitation
11 on the generality of the foregoing, any bond, recognizance, or
12 undertaking.

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

15 Notwithstanding the provisions of any other statute of the state
16 of Washington to the contrary, it shall be lawful for (~~the state of~~
17 ~~Washington and any of its departments, institutions and agencies,~~
18 ~~municipalities, districts, and any other political subdivision, or~~
19 ~~any political or public corporation of the state, or for~~) any
20 executor, administrator, guardian(~~(7)~~) or conservator, trustee, or
21 other fiduciary, to invest its funds or the moneys in its custody or
22 possession, eligible for investment, in notes, bonds, or debentures
23 of savings and loan associations, banks, mutual savings banks,
24 savings and loan service corporations operating with approval of the
25 federal home loan bank, and corporate mortgage companies: PROVIDED,
26 That the notes, bonds or debentures are rated not less than "A" by a
27 nationally recognized rating agency, or are insured or guaranteed by
28 an agency of the federal government or by private insurer authorized
29 to do business in the state: PROVIDED FURTHER, That the notes, bonds
30 and debentures insured or guaranteed by a private insurer shall also
31 be backed by a pool of mortgages equal to the amount of the notes,
32 bonds or debentures.

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

35 Wherever there is in any fund or in cash balances in the state
36 treasury more than sufficient to meet the current expenditures
37 properly payable therefrom, the state treasurer may invest or
38 reinvest such portion of such funds or balances as the state

1 treasurer deems expedient (~~(in the following defined securities or~~
2 ~~classes of investments:~~

3 ~~(1) Certificates, notes, or bonds of the United States, or other~~
4 ~~obligations of the United States or its agencies, or of any~~
5 ~~corporation wholly owned by the government of the United States;~~

6 ~~(2) In state, county, municipal, or school district bonds, or in~~
7 ~~warrants of taxing districts of the state. Such bonds and warrants~~
8 ~~shall be only those found to be within the limit of indebtedness~~
9 ~~prescribed by law for the taxing district issuing them and to be~~
10 ~~general obligations. The state treasurer may purchase such bonds or~~
11 ~~warrants directly from the taxing district or in the open market at~~
12 ~~such prices and upon such terms as it may determine, and may sell~~
13 ~~them at such times as it deems advisable;~~

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

18 ~~(4) In federal home loan bank notes and bonds, federal land bank~~
19 ~~bonds and federal national mortgage association notes, debentures and~~
20 ~~guaranteed certificates of participation, or the obligations of any~~
21 ~~other government sponsored corporation whose obligations are or may~~
22 ~~become eligible as collateral for advances to member banks as~~
23 ~~determined by the board of governors of the federal reserve system;~~

24 ~~(5) Bankers' acceptances purchased on the secondary market;~~

25 ~~(6) Negotiable certificates of deposit of any national or state~~
26 ~~commercial or mutual savings bank or savings and loan association~~
27 ~~doing business in the United States: PROVIDED, That the treasurer~~
28 ~~shall adhere to the investment policies and procedures adopted by the~~
29 ~~state investment board;~~

30 ~~(7) Commercial paper: PROVIDED, That the treasurer shall adhere~~
31 ~~to the investment policies and procedures adopted by the state~~
32 ~~investment board)).~~

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

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

37 (1) "Authorized tribal official" means any officer or employee of
38 a qualifying federally recognized tribe who has been expressly
39 designated by tribal constitution, ordinance, or resolution as the

1 officer having the authority to invest the funds of the qualifying
2 federally recognized tribe or federally recognized political
3 subdivisions thereof.

4 (2) "Eligible governmental entity" means any county, city, town,
5 municipal corporation, quasi-municipal corporation, public
6 corporation, political subdivision, or special purpose taxing
7 district in the state, an instrumentality of any of the foregoing
8 governmental entities created under chapter 39.34 RCW, any agency of
9 state government, any entity issuing or executing and delivering
10 bonds or certificates of participation with respect to financing
11 contracts approved by the state finance committee under RCW
12 39.94.040, and any qualifying federally recognized tribe or federally
13 recognized political subdivisions thereof.

14 (3) "Financial officer" means the board-appointed treasurer of a
15 community or technical college district, the state board for
16 community and technical colleges, or a public four-year institution
17 of higher education.

18 (4) "Funds" means:

19 (a) Funds of an eligible governmental entity under the control of
20 or in the custody of any government finance official or local funds,
21 as defined by the office of financial management publication
22 "Policies, Regulations and Procedures," under the control of or in
23 the custody of a financial officer by virtue of the official's
24 authority that are not immediately required to meet current demands;
25 and

26 ~~(b) ((State funds deposited in the investment pool by the state~~
27 ~~treasurer that are the proceeds of bonds, notes, or other evidences~~
28 ~~of indebtedness authorized by the state finance committee under~~
29 ~~chapter 39.42 RCW, or the proceeds of bonds or certificates of~~
30 ~~participation with respect to financing contracts approved by the~~
31 ~~state finance committee under RCW 39.94.040, or payments pursuant to~~
32 ~~financing contracts under chapter 39.94 RCW, when the investments are~~
33 ~~made in order to comply with the Internal Revenue Code of 1986, as~~
34 ~~amended; and~~

35 ~~(e))~~ Tribal funds under the control of or in the custody of any
36 qualifying federally recognized tribe or federally recognized
37 political subdivisions thereof, where the tribe warrants that the use
38 or disposition of the funds are either not subject to, or are used
39 and deposited with federal approval, and where the tribe warrants
40 that the funds are not immediately required to meet current demands.

1 (5) "Government finance official" means any officer or employee
2 of an eligible governmental entity who has been designated by statute
3 or by local charter, ordinance, resolution, or other appropriate
4 official action, as the officer having the authority to invest the
5 funds of the eligible governmental entity. However, the county
6 treasurer shall be deemed the only government finance official for
7 all public agencies for which the county treasurer has exclusive
8 statutory authority to invest the funds thereof.

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

13 (7) "Qualifying federally recognized tribe or federally
14 recognized political subdivisions thereof" means any federally
15 recognized tribe, located in the state of Washington, authorized and
16 empowered by its constitution or ordinance to invest its surplus
17 funds pursuant to this section, and whose authorized tribal official
18 has executed a deposit agreement with the office of the treasurer.

19 NEW SECTION. **Sec. 20.** The following acts or parts of acts are
20 each repealed:

21 (1) RCW 39.59.030 (Authorized investments—Mutual funds and money
22 market funds) and 1988 c 281 s 3; and

23 (2) RCW 43.250.090 (Administration of chapter—Rules) and 1986 c
24 294 s 9.

25 NEW SECTION. **Sec. 21.** RCW 36.29.022 and 36.29.024 are each
26 recodified as new sections in chapter 36.--- RCW (the new chapter
27 created in section 22 of this act).

28 NEW SECTION. **Sec. 22.** Sections 1, 2, 4, 5, 6, and 8 of this act
29 constitute a new chapter in Title 36 RCW.

30 NEW SECTION. **Sec. 23.** This act takes effect January 1, 2016.

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