

FINAL BILL REPORT

HB 2161

C 64 L 07

Synopsis as Enacted

Brief Description: Providing for consistency between code cities and noncode cities in the apportionment of investment funds.

Sponsors: By Representatives Simpson, Curtis, Eddy and Ormsby.

House Committee on Local Government

Senate Committee on Government Operations & Elections

Background:

Cities may be classified as code cities or non-code cities. Code cities have broad statutory home rule authority in matters of local concern. Code cities and non-code cities have separate statutory requirements for governance and operation.

Excess and inactive funds in the treasury of a code city may be invested according to provisions prescribed in statute. Examples of investment options for a code city include the following:

- U.S. bonds or certificates of indebtedness;
- bonds or warrants of the state;
- general obligation or utility revenue bonds or warrants;
- bonds or warrants of a local improvement district; or
- other investments authorized by law for any other taxing district.

The responsibility for determining the amount of money available in each fund for investment purposes in code cities must be made by the department, division, or board responsible for the administration of such funds. Unless otherwise restricted by law after "restricted," moneys determined available may be invested on an individual fund basis or may be commingled within one common investment portfolio for the mutual benefit of all participating funds. If moneys are commingled in a common investment portfolio code city provisions specify that all income subsequently derived must be apportioned among the various participating funds in direct proportion to the amount of money invested by each.

Any inactive funds of a non-code city not invested for the specific benefit of any particular fund may be invested by the city treasurer for the benefit of the general or current expense fund.

Investments must be approved by the council or legislative body of the code or non-code city.

Summary:

Code city income derived from the investment of commingled monies from excess and inactive funds must be apportioned among the various participating funds or the general or current expense fund as determined by ordinance or resolution of the city's governing body.

Votes on Final Passage:

House 96 0

Senate 49 0

Effective: July 22, 2007