

CERTIFICATION OF ENROLLMENT

HOUSE BILL 2661

54th Legislature
1996 Regular Session

Passed by the House February 5, 1996
Yeas 96 Nays 0

**Speaker of the
House of Representatives**

Passed by the Senate March 1, 1996
Yeas 47 Nays 0

President of the Senate

Approved

Governor of the State of Washington

CERTIFICATE

I, Timothy A. Martin, Chief Clerk of the House of Representatives of the State of Washington, do hereby certify that the attached is **HOUSE BILL 2661** as passed by the House of Representatives and the Senate on the dates hereon set forth.

Chief Clerk

FILED

**Secretary of State
State of Washington**

HOUSE BILL 2661

Passed Legislature - 1996 Regular Session

State of Washington 54th Legislature 1996 Regular Session

By Representatives L. Thomas and Wolfe; by request of State Treasurer

Read first time 01/16/96. Referred to Committee on Financial
Institutions & Insurance.

1 AN ACT Relating to public funds; amending RCW 39.58.010, 39.58.020,
2 39.58.040, 39.58.050, 39.58.060, 39.58.065, 39.58.070, 39.58.080,
3 39.58.085, 39.58.090, 39.58.100, 39.58.105, 39.58.108, 39.58.130,
4 39.58.135, 39.58.140, and 39.58.150; adding new sections to chapter
5 43.09 RCW; adding a new section to chapter 39.58 RCW; recodifying RCW
6 39.58.160, 39.58.170, 39.58.180, and 39.58.150; and declaring an
7 emergency.

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

9 **Sec. 1.** RCW 39.58.010 and 1994 c 92 s 494 are each amended to read
10 as follows:

11 In this chapter, unless the context otherwise requires:

12 (1) "Public funds" means moneys under the control of a treasurer or
13 custodian belonging to, or held for the benefit of, the state or any of
14 its political subdivisions, public corporations, municipal
15 corporations, agencies, courts, boards, commissions, or committees,
16 including moneys held as trustee, agent, or bailee;

17 (2) (~~"Qualified public depository," "public depository," or~~
18 ~~"depository"~~) "Public depository" means a financial institution which
19 does not claim exemption from the payment of any sales or compensating

1 use or ad valorem taxes under the laws of this state, which has been
2 approved by the commission to hold public deposits, and which has
3 segregated for the benefit of the commission eligible collateral having
4 a value of not less than its maximum liability. Addition of the word
5 "bank" denotes a bank, trust company, or national banking association
6 and the word "thrift" denotes a savings ~~((and loan))~~ association(~~(~~
7 ~~mutual savings bank, or stock))~~ or savings bank;

8 (3) "Loss" means the issuance of an order by a regulatory or
9 supervisory authority or a court of competent jurisdiction (a)
10 restraining a ~~((qualified))~~ public depository from making payments of
11 deposit liabilities or (b) appointing a receiver for a ~~((qualified))~~
12 public depository;

13 (4) "Commission" means the Washington public deposit protection
14 commission created under RCW 39.58.030;

15 (5) "Eligible collateral" means securities which are enumerated in
16 RCW 39.58.050 (5) and (6) as eligible collateral for public deposits;

17 (6) The "maximum liability" of a ~~((qualified))~~ public depository on
18 any given date means a sum equal to ten percent of (a) all public
19 deposits held by the qualified public depository on the then most
20 recent commission report date, or (b) the average of the balances of
21 said public deposits on the last four immediately preceding reports
22 required pursuant to RCW 39.58.100, whichever amount is greater, less
23 any assessments paid to the commission pursuant to this chapter since
24 the then most recent commission report date;

25 (7) "Public funds available for investment" means such public funds
26 as are in excess of the anticipated cash needs throughout the duration
27 of the contemplated investment period;

28 (8) "Investment deposits" means time deposits, money market deposit
29 accounts, and savings deposits of public funds available for
30 investment;

31 (9) "Treasurer" shall mean the state treasurer, a county treasurer,
32 a city treasurer, a treasurer of any other municipal corporation, and
33 ~~((the))~~ any other custodian of ~~((any other))~~ public funds;

34 (10) "Financial institution" means ~~((a branch of a bank engaged in~~
35 ~~banking in this state in accordance with RCW 30.04.300, and))~~ any
36 national or state chartered commercial bank or trust company,
37 ~~((national banking association, stock savings bank, mutual))~~ savings
38 bank, or savings ~~((and loan))~~ association, or branch or branches
39 thereof, located in this state and lawfully engaged in business;

1 (11) "Commission report" means a formal accounting rendered by all
2 (~~qualified~~) public depositaries to the commission in response to a
3 demand for specific information made (~~upon all depositaries~~) by the
4 commission detailing pertinent affairs of each public depositary as of
5 the close of business on a specified date, which is the "commission
6 report date." "Commission report due date" is the last day for the
7 timely filing of a commission report;

8 (12) "Director of financial institutions" means the Washington
9 state director of the department of financial institutions;

10 (13) "Net worth" of a public depositary means (a) (~~for a bank~~
11 ~~depositary, the aggregate of capital, surplus, undivided profits and~~
12 ~~all capital notes and debentures which are subordinate to the interest~~
13 ~~of depositors, and (b) for a thrift depositary, the aggregate of such~~
14 ~~capital stock, guaranty fund, general reserves, surplus, undivided~~
15 ~~profits, and~~) the equity capital as reported to its primary regulatory
16 authority on the quarterly report of condition or statement of
17 condition and may include capital notes and debentures which are
18 subordinate to the interests of depositors, (~~as are eligible for~~
19 inclusion in otherwise determining the net worth of a mutual savings
20 bank, stock savings bank, or savings and loan association)) or (b)
21 equity capital adjusted by rule of the commission;

22 (14) "Depositary pledge agreement" means a tripartite agreement
23 executed by the commission with a financial institution and its
24 designated trustee. Such agreement shall be approved by the directors
25 or the loan committee of the financial institution and shall
26 continuously be a record of the financial institution. New securities
27 may be pledged under this agreement in substitution of or in addition
28 to securities originally pledged without executing a new agreement;

29 (15) "Trustee" means a third-party safekeeping agent which has
30 completed a depositary pledge agreement with a public depositary and
31 the commission. Such third-party safekeeping agent may be the federal
32 reserve bank of San Francisco, the federal home loan bank of Seattle,
33 the trust department of the public depositary, or such other third-
34 party safekeeping agent approved by the commission.

35 **Sec. 2.** RCW 39.58.020 and 1984 c 177 s 11 are each amended to read
36 as follows:

1 All public funds deposited in ((qualified)) public depositaries,
2 including investment deposits and accrued interest thereon, shall be
3 protected against loss, as provided in this chapter.

4 **Sec. 3.** RCW 39.58.040 and 1986 c 25 s 2 are each amended to read
5 as follows:

6 The commission shall have power (1) to make and enforce regulations
7 necessary and proper to the full and complete performance of its
8 functions under this chapter; (2) to require any ((qualified)) public
9 depository to furnish such information dealing with public deposits and
10 the exact status of its net worth as the commission shall request. Any
11 public depository which refuses or neglects to give promptly and
12 accurately or to allow verification of any information so requested
13 shall no longer be a ((qualified)) public depository and shall be
14 excluded from the right to receive or hold public deposits until such
15 time as the commission shall acknowledge that such depository has
16 furnished the information requested; (3) to take such action as it
17 deems best for the protection, collection, compromise or settlement of
18 any claim arising in case of loss; (4) to prescribe regulations,
19 subject to this chapter, fixing the requirements for qualification of
20 financial institutions as public depositaries, and fixing other terms
21 and conditions consistent with this chapter, under which public
22 deposits may be received and held; (5) to make and enforce regulations
23 setting forth criteria establishing minimum standards for the financial
24 condition of bank and thrift depositaries and, if the minimum standards
25 are not met, providing for additional collateral requirements or
26 restrictions regarding a public depository's right to receive or hold
27 public deposits; (6) to fix the official date on which any loss shall
28 be deemed to have occurred taking into consideration the orders, rules
29 and regulations of supervisory authority as they affect the failure or
30 inability of a ((qualified)) public depository to repay public deposits
31 in full; and (7) in case loss occurs in more than one ((qualified))
32 public depository, to determine the allocation and time of payment of
33 any sums due to public depositors under this chapter.

34 **Sec. 4.** RCW 39.58.050 and 1989 c 97 s 4 are each amended to read
35 as follows:

36 (1) Every ((qualified)) public depository shall complete a
37 depository pledge agreement with the commission and a trustee, and

1 shall at all times maintain, segregated from its other assets, eligible
2 collateral in the form of securities enumerated in this section having
3 a value at least equal to its maximum liability and as otherwise
4 prescribed in this chapter. Such collateral ~~((may))~~ shall be
5 segregated by deposit ~~((in the trust department of the depository or in
6 such other manner as the commission approves))~~ with the depository's
7 trustee and shall be clearly designated as security for the benefit of
8 public depositors under this chapter.

9 (2) Securities eligible as collateral shall be valued at market
10 value, and the total market value of securities pledged in accordance
11 with this chapter shall not be reduced by withdrawal or substitution of
12 securities except by prior authorization, in writing, by the
13 commission.

14 (3) The public depository shall have the right to make
15 substitutions of an equal or greater amount of such collateral at any
16 time.

17 (4) The income from the securities which have been segregated as
18 collateral shall belong to the public depository without restriction.

19 (5) Each of the following enumerated classes of securities,
20 providing there has been no default in the payment of principal or
21 interest thereon, shall be eligible to qualify as collateral:

22 (a) ~~((i) Bonds, notes, or other securities constituting direct and
23 general obligations of the United States or the bonds, notes, or other
24 securities constituting the direct and general obligation of any
25 instrumentality of the United States, the interest and principal of
26 which is unconditionally guaranteed by the United States;~~

27 ~~((ii) Securities of, or other interests in, an open end or closed-
28 end management type investment company or investment trust registered
29 under the federal investment company act of 1940, as now or hereafter
30 amended, if both of the following conditions are met:~~

31 ~~(A) The portfolio of the investment company or investment trust is
32 limited to the obligations of the United States as described in (a) of
33 this subsection and to repurchase agreements fully collateralized by
34 such obligations; and~~

35 ~~(B) The investment company or investment trust takes delivery of
36 the collateral for any repurchase agreement either directly or through
37 an authorized custodian; and~~

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

4 (b) State, county, municipal, or school district bonds or warrants
5 of taxing districts of the state of Washington or any other state of
6 the United States, provided that such bonds and warrants shall be only
7 those found to be within the limit of indebtedness prescribed by law
8 for the taxing district issuing them and to be general obligations;

9 (c) The obligations of any United States government-sponsored
10 corporation whose obligations are or may become eligible as collateral
11 for advances to member banks as determined by the board of governors of
12 the federal reserve system;

13 (d) Bonds, notes, letters of credit, or other securities or
14 evidence of indebtedness constituting the direct and general obligation
15 of a federal home loan bank or federal reserve bank;

16 ~~((b)(i) Direct and general obligation bonds and warrants of the~~
17 ~~state of Washington or of any other state of the United States;~~

18 ~~(ii))~~ (e) Revenue bonds of this state or any authority, board,
19 commission, committee, or similar agency thereof, and any municipality
20 or taxing district of this state;

21 ~~((e))~~ (f) Direct and general obligation bonds and warrants of any
22 city, town, county, school district, port district, or other political
23 subdivision of any state, having the power to levy general taxes, which
24 are payable from general ad valorem taxes;

25 ~~((d))~~ (g) Bonds issued by public utility districts as authorized
26 under the provisions of Title 54 RCW, as now or hereafter amended;

27 ~~((e))~~ (h) Bonds of any city of the state of Washington for the
28 payment of which the entire revenues of the city's water system, power
29 and light system, or both, less maintenance and operating costs, are
30 irrevocably pledged, even though such bonds are not general obligations
31 of such city;

32 (6) In addition to the securities enumerated in ~~((subsections~~
33 ~~(5)(a) through (e) of))~~ this section, every public depository may also
34 segregate such bonds, securities, and other obligations as are
35 designated to be authorized security for ~~((all))~~ public deposits
36 ~~((pursuant to RCW 35.58.510, 35.81.110, 35.82.220, 39.60.030, 39.60.040~~
37 ~~and 54.24.120, as now or hereafter amended))~~ under the laws of this
38 state.

1 (7) The commission may at any time or times declare any particular
2 security as ineligible to qualify as collateral when in the
3 commission's judgment it is deemed desirable to do so.

4 **Sec. 5.** RCW 39.58.060 and 1983 c 66 s 9 are each amended to read
5 as follows:

6 When the commission determines that a loss has occurred in a bank
7 public depository, it shall as soon as possible make payment to the
8 proper public officers of all funds subject to such loss, pursuant to
9 the following procedures:

10 (1) For the purposes of determining the sums to be paid, the
11 (~~supervisor~~) director of financial institutions or the receiver
12 shall, within twenty days after issuance of a restraining order or
13 taking possession of any (~~qualified~~) bank public depository,
14 ascertain the amount of public funds on deposit therein as disclosed by
15 its records and the amount thereof covered by deposit insurance and
16 certify the amounts thereof to the commission and each such public
17 depositor;

18 (2) Within ten days after receipt of such certification, each such
19 public depositor shall furnish to the commission verified statements of
20 its deposits in such bank public depository as disclosed by its
21 records;

22 (3) Upon receipt of such certificate and statements, the commission
23 shall ascertain and fix the amount of such public deposits, net after
24 deduction of any amount received from deposit insurance, and, after
25 determining and declaring the apparent net loss, assess the same
26 against all then (~~qualified~~) bank public depositories, as follows:
27 First, against the public depository in which the loss occurred, to the
28 extent of the full value of collateral segregated pursuant to this
29 chapter; second, against all other (~~qualified~~) bank public
30 depositories pro rata in proportion to the maximum liability of each
31 such depository as it existed on the date of loss;

32 (4) Assessments made by the commission shall be payable on the
33 second business day following demand, and in case of the failure of any
34 (~~qualified~~) public depository so to pay, the commission shall
35 forthwith take possession of the securities segregated as collateral by
36 such depository pursuant to this chapter and liquidate the same for the
37 purpose of paying such assessment;

1 (5) Upon receipt of such assessment payments, the commission shall
2 reimburse the public depositors of the public depository in which the
3 loss occurred to the extent of the depository's net deposit liability
4 to them.

5 **Sec. 6.** RCW 39.58.065 and 1983 c 66 s 10 are each amended to read
6 as follows:

7 When the commission determines that a loss has occurred in a thrift
8 public depository, it shall as soon as possible make payment to the
9 proper public officers of all funds subject to such loss, pursuant to
10 the following procedures:

11 (1) For the purposes of determining the sums to be paid, the
12 (~~supervisor~~) director of financial institutions or the receiver
13 shall, within twenty days after issuance of a restraining order or
14 taking possession of any (~~qualified~~) thrift public depository,
15 ascertain the amount of public funds on deposit therein as disclosed by
16 its records and the amount thereof covered by deposit insurance and
17 certify the amounts thereof to the commission and each such public
18 depositor;

19 (2) Within ten days after receipt of such certification, each such
20 public depositor shall furnish to the commission verified statements of
21 its deposits in such thrift depository as disclosed by its records;

22 (3) Upon receipt of such certificate and statements, the commission
23 shall ascertain and fix the amount of such public deposits, net after
24 deduction of any amount received from deposit insurance, and, after
25 determining and declaring the apparent net loss, assess the same
26 against all then (~~qualified~~) thrift public depositories, as follows:
27 First, against the public depository in which the loss occurred, to the
28 extent of the full value of collateral segregated pursuant to this
29 chapter; second, against all other (~~qualified~~) thrift public
30 depositories pro rata in proportion to the maximum liability of each
31 such depository as it existed on the date of loss;

32 (4) Assessments made by the commission shall be payable on the
33 second business day following demand, and in case of the failure of any
34 (~~qualified~~) public depository so to pay, the commission shall
35 forthwith take possession of the securities segregated as collateral by
36 such depository pursuant to this chapter and liquidate the same for the
37 purpose of paying such assessment;

1 (5) Upon receipt of such assessment payments, the commission shall
2 reimburse the public depositors of the public depository in which the
3 loss occurred to the extent of the depository's net deposit liability
4 to them.

5 **Sec. 7.** RCW 39.58.070 and 1973 c 126 s 13 are each amended to read
6 as follows:

7 Upon payment to any public depositor, the commission shall be
8 subrogated to all of such depositor's right, title and interest against
9 the public depository in which the loss occurred and shall share in any
10 distribution of its assets ratably with other depositors. Any sums
11 received from any distribution shall be paid to the public depositors
12 to the extent of any unpaid net deposit liability and the balance
13 remaining shall be paid to the (~~qualified~~) public depositories
14 against which assessments were made, pro rata in proportion to the
15 assessments actually paid by each such depository: PROVIDED, That the
16 public depository in which the loss occurred shall not share in any
17 such distribution of the balance remaining. If the commission incurs
18 expense in enforcing any such claim, the amount thereof shall be paid
19 as a liquidation expense of the public depository in which the loss
20 occurred.

21 **Sec. 8.** RCW 39.58.080 and 1991 sp.s. c 30 s 27 are each amended to
22 read as follows:

23 Except for funds deposited pursuant to a fiscal agency contract
24 with the state fiscal agent or its correspondent bank, funds deposited
25 pursuant to a custodial bank contract with the state's custodial bank,
26 and funds deposited pursuant to a local government multistate joint
27 self-insurance program as provided in RCW 48.62.081, no public funds
28 shall be deposited in demand or investment deposits except in a
29 (~~qualified~~) public depository located in this state or as otherwise
30 expressly permitted by statute: PROVIDED, That the commission, or the
31 chair upon delegation by the commission, upon good cause shown, may
32 authorize, for such time and upon such terms and conditions as the
33 commission or chair deem appropriate, a treasurer to maintain a demand
34 deposit account with a banking institution located outside the state of
35 Washington solely for the purpose of transmitting money received to
36 (~~financial institutions~~) public depositories in the state of

1 Washington for deposit (~~for such time and upon such terms and~~
2 ~~conditions as the commission deems appropriate~~)).

3 **Sec. 9.** RCW 39.58.085 and 1987 c 505 s 21 are each amended to read
4 as follows:

5 (~~With the written approval of~~) The commission, or the chair upon
6 delegation by the commission, may authorize state and local
7 governmental entities (~~may~~) to establish demand accounts in out-of-
8 state and alien banks in an aggregate amount not to exceed one million
9 dollars. No single governmental entity shall be authorized to hold
10 more than fifty thousand dollars in one demand account.

11 The governmental entities establishing such demand accounts shall
12 be solely responsible for their proper and prudent management and shall
13 bear total responsibility for any losses incurred by such accounts.
14 Accounts established under the provisions of this section shall not be
15 considered insured by the commission.

16 The state auditor shall annually monitor compliance with this
17 section and the financial status of such demand accounts.

18 **Sec. 10.** RCW 39.58.090 and 1984 c 177 s 15 are each amended to
19 read as follows:

20 All institutions located in this state which are permitted by the
21 statutes of this state to hold and receive public funds shall have
22 power to secure such deposits in accordance with this chapter. Except
23 as provided in this chapter, no bond or other security shall be
24 required of or given by any (~~qualified~~) public depository for any
25 public funds on deposit.

26 **Sec. 11.** RCW 39.58.100 and 1984 c 177 s 16 are each amended to
27 read as follows:

28 On or before each commission report due date, each public
29 depository shall render to the commission a written report, certified
30 under oath, indicating the total amount of public funds on deposit held
31 by it (~~on the commission report date~~), the net worth of the
32 depository, and the amount and nature of eligible collateral then
33 segregated for the benefit of the commission.

34 The commission may instruct the (~~supervisor~~) director of
35 financial institutions to examine and thereafter certify as to the

1 accuracy of any statement (~~as to the segregation of securities~~) to
2 the commission by any public depository.

3 **Sec. 12.** RCW 39.58.105 and 1983 c 66 s 14 are each amended to read
4 as follows:

5 The commission may require the state auditor or the (~~supervisor~~)
6 director of financial institutions to thoroughly investigate and report
7 to it concerning the condition of any financial institution which makes
8 application to become a (~~qualified~~) public depository, and may also
9 as often as it deems necessary require such investigation and report
10 concerning the condition of any financial institution which has been
11 designated as a (~~qualified~~) public depository. The expense of all
12 such investigations or reports shall be borne by the financial
13 institution examined. In lieu of any such investigation or report, the
14 commission may rely upon information made available to it or the
15 (~~supervisor~~) director of financial institutions by the office of the
16 comptroller of the currency, the office of thrift supervision, the
17 federal deposit insurance corporation, the federal reserve board, (~~the~~
18 ~~federal savings and loan insurance corporation, or the federal home~~
19 ~~loan bank board~~) or any state bank or thrift regulatory agency.

20 The (~~supervisor~~) director of financial institutions shall in
21 addition advise the commission of any action (~~the supervisor~~) he or
22 she has directed any (~~qualified~~) public depository to take which will
23 result in a reduction of greater than ten percent of the net worth of
24 such depository as shown on the most recent report it submitted
25 pursuant to RCW 39.58.100.

26 **Sec. 13.** RCW 39.58.108 and 1984 c 177 s 17 are each amended to
27 read as follows:

28 Any financial institution may become a (~~qualified~~) depository
29 upon approval by the commission and segregation of collateral in the
30 manner as set forth in this chapter, and upon compliance with all rules
31 as promulgated by the commission. (~~Until such time as depositories~~
32 ~~have submitted four consecutive reports to the commission as required~~
33 ~~by RCW 39.58.100, they~~) For the first twelve-month period following
34 qualification as a public depository, the depository shall at all times
35 pledge and segregate eligible securities in an amount equal to not less
36 than ten percent of all public funds on deposit in (~~said~~) the
37 depository.

1 **Sec. 14.** RCW 39.58.130 and 1984 c 177 s 18 are each amended to
2 read as follows:

3 A treasurer (~~((as defined in RCW 39.58.010))~~) is authorized to
4 deposit (~~((in investment deposits))~~) in a (~~((qualified))~~) public depositary
5 any public funds available for investment and secured by collateral in
6 accordance with the provisions of this chapter, and receive interest
7 thereon. The authority provided by this section is additional to any
8 authority now or hereafter provided by law for the investment or
9 deposit of public funds by any such treasurer: PROVIDED, That in no
10 case shall the (~~((deposit or))~~) aggregate of demand and investment
11 deposits of public funds by any such treasurer in any one (~~((qualified))~~)
12 public depositary exceed at any time the net worth of that depositary.
13 If a public depositary's net worth is reduced, a treasurer may allow
14 public funds on deposit in excess of the reduced net worth to remain
15 until maturity upon pledging by the depositary of eligible securities
16 valued at market value in an amount at least equal to the amount of the
17 excess deposits. The collateral shall be segregated as provided in RCW
18 39.58.050. If the additional securities required by this section are
19 not pledged by the depositary, the depositary shall permit withdrawal
20 prior to maturity by the treasurer of deposits, including accrued
21 interest, in accordance with applicable statutes and governmental
22 regulations.

23 **Sec. 15.** RCW 39.58.135 and 1986 c 25 s 1 are each amended to read
24 as follows:

25 Notwithstanding RCW 39.58.130, (1) aggregate deposits received by
26 a (~~((qualified))~~) public depositary from all public treasurers shall not
27 exceed at any time one hundred fifty percent of the value of the
28 depositary's net worth (~~((as of the close of business of the most recent~~
29 ~~calendar quarter))~~), nor (2) shall the aggregate deposits received by
30 any (~~((qualified))~~) public depositary exceed thirty percent of the total
31 aggregate deposits of all public treasurers in all depositaries as
32 determined by the public deposit protection commission. However, a
33 (~~((qualified))~~) public depositary may receive deposits in excess of the
34 limits provided in this section if eligible securities, as prescribed
35 in RCW 39.58.050, are pledged as collateral in an amount equal to one
36 hundred percent of the value of deposits received in excess of the
37 limitations prescribed in this section.

1 **Sec. 16.** RCW 39.58.140 and 1969 ex.s. c 193 s 29 are each amended
2 to read as follows:

3 When deposits are made in accordance with this chapter, a treasurer
4 shall not be liable for any loss thereof resulting from the failure or
5 default of any public depository without fault or neglect on his or her
6 part or on the part of his or her assistants or clerks.

7 **Sec. 17.** RCW 39.58.150 and 1981 c 101 s 1 are each amended to read
8 as follows:

9 Notwithstanding any provision of law to the contrary, the state
10 treasurer or any county, city, or other municipal treasurer or other
11 custodian of public funds may receive, disburse, or transfer public
12 funds under his or her jurisdiction by means of wire or other
13 electronic communication in accordance with accounting standards
14 established by the state auditor under RCW 43.09.200 with regard to
15 municipal treasurers or other custodians or by the office of financial
16 management under RCW 43.88.160 in the case of the state treasurer and
17 other state custodians to safeguard and insure accountability for the
18 funds involved.

19 NEW SECTION. **Sec. 18.** (1) RCW 39.58.160, 39.58.170, and 39.58.180
20 are each recodified as sections in chapter 43.09 RCW under the
21 subchapter heading "municipal corporations."

22 (2) RCW 39.58.150 is recodified as RCW 39.58.750.

23 NEW SECTION. **Sec. 19.** This act is necessary for the immediate
24 preservation of the public peace, health, or safety, or support of the
25 state government and its existing public institutions, and shall take
26 effect immediately.

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