

CERTIFICATION OF ENROLLMENT

HOUSE BILL 1623

57th Legislature
2001 Regular Session

Passed by the House March 9, 2001
Yeas 98 Nays 0

Speaker of the House of Representatives

Speaker of the House of Representatives

Passed by the Senate April 4, 2001
Yeas 48 Nays 0

President of the Senate

Approved

Governor of the State of Washington

CERTIFICATE

We, Timothy A. Martin and Cynthia Zehnder, Co-Chief Clerks of the House of Representatives of the State of Washington, do hereby certify that the attached is **HOUSE BILL 1623** as passed by the House of Representatives and the Senate on the dates hereon set forth.

Chief Clerk

Chief Clerk

FILED

Secretary of State
State of Washington

HOUSE BILL 1623

Passed Legislature - 2001 Regular Session

State of Washington

57th Legislature

2001 Regular Session

By Representatives Kenney, Cox, Skinner, Benson, Gombosky,
Rockefeller, Edwards and Mulliken

Read first time 01/31/2001. Referred to Committee on Higher
Education.

1 AN ACT Relating to investments of surplus funds by four-year
2 institutions of higher education; and amending RCW 43.250.010,
3 43.250.020, and 43.250.040.

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

5 **Sec. 1.** RCW 43.250.010 and 1996 c 268 s 1 are each amended to read
6 as follows:

7 The purpose of this chapter is to enable political
8 subdivisions, community and technical college districts, ((and))
9 the state board for community and technical colleges as
10 established in chapter 28B.50 RCW, and public four-year
11 institutions of higher education to participate with the state in
12 providing maximum opportunities for the investment of surplus
13 public funds consistent with the safety and protection of such
14 funds. The legislature finds and declares that the public interest
15 is found in providing maximum prudent investment of surplus funds,
16 thereby reducing the need for additional taxation. The legislature
17 also recognizes that not all political subdivisions are able to
18 maximize the return on their temporary surplus funds. The

1 legislature therefore provides in this chapter a mechanism whereby
2 political subdivisions, community and technical colleges, ~~((and))~~
3 the state board for community and technical colleges, and public
4 four-year institutions of higher education may, at their option,
5 utilize the resources of the state treasurer's office to maximize
6 the potential of surplus funds while ensuring the safety of public
7 funds.

8 **Sec. 2.** RCW 43.250.020 and 1996 c 268 s 2 are each amended to read
9 as follows:

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

12 (1) "Public funds investment account" or "investment pool"
13 means the aggregate of all funds as defined in subsection (5) of
14 this section that are placed in the custody of the state treasurer
15 for investment and reinvestment.

16 (2) "Political subdivision" means any county, city, town,
17 municipal corporation, political subdivision, or special purpose
18 taxing district in the state.

19 (3) "Local government official" means any officer or employee
20 of a political subdivision who has been designated by statute or
21 by local charter, ordinance, or resolution as the officer having
22 the authority to invest the funds of the political subdivision.
23 However, the county treasurer shall be deemed the only local
24 government official for all political subdivisions for which the
25 county treasurer has exclusive statutory authority to invest the
26 funds thereof.

27 (4) "Financial officer" means the board-appointed treasurer of
28 a community or technical college district ~~((or))~~, the state board
29 for community and technical colleges, or a public four-year
30 institution of higher education.

31 (5) "Funds" means:

32 (a) Public funds under the control of or in the custody of any
33 local government official or local funds, as defined by the office
34 of financial management publication "Policies, Regulations and
35 Procedures," under the control of or in the custody of a financial
36 officer by virtue of the official's authority that are not
37 immediately required to meet current demands;

1 (b) State funds deposited in the investment pool by the state
2 treasurer that are the proceeds of bonds, notes, or other
3 evidences of indebtedness authorized by the state finance
4 committee under chapter 39.42 RCW or payments pursuant to
5 financing contracts under chapter 39.94 RCW, when the investments
6 are made in order to comply with the Internal Revenue Code of
7 1986, as amended.

8 **Sec. 3.** RCW 43.250.040 and 1996 c 268 s 3 are each amended to read
9 as follows:

10 If authorized by statute, local ordinance, or resolution, a
11 local government official or financial officer or his or her
12 designee may place funds into the public funds investment account
13 for investment and reinvestment by the state treasurer in those
14 securities and investments set forth in RCW 43.84.080 and chapter
15 39.58 RCW. The state treasurer shall invest the funds in such
16 manner as to effectively maximize the yield to the investment
17 pool. In investing and reinvesting moneys in the public funds
18 investment account and in acquiring, retaining, managing, and
19 disposing of investments of the investment pool, there shall be
20 exercised the judgment and care under the circumstances then
21 prevailing which persons of prudence, discretion, and intelligence
22 exercise in the management of their own affairs, not in regard to
23 speculation but in regard to the permanent disposition of the
24 funds considering the probable income as well as the probable
25 s a f e t y o f t h e c a p i t a l .

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