

SHB 1341 - S COMM AMD

By Committee on Government Operations & Elections

1 Strike everything after the enacting clause and insert the
2 following:

3 "NEW SECTION. **Sec. 1.** A new section is added to chapter 70.44 RCW
4 to read as follows:

5 (1) In addition to any other investment authority granted by law,
6 a public hospital district with annual revenues exceeding one hundred
7 million dollars, of which less than five percent is derived from
8 regular property taxes as defined in RCW 84.04.140, is authorized to
9 invest eligible funds and moneys in accordance with the applicable
10 investment policies established by the state investment board, subject
11 to the following conditions:

12 (a) The district's board of commissioners first must adopt a policy
13 that governs the investment of eligible funds and moneys; and

14 (b) The district must use an investment manager that currently
15 manages at least five hundred million dollars in assets and has at
16 least five years of experience managing investments authorized by the
17 district's policy that governs the investment of eligible funds and
18 moneys.

19 (2) For the purposes of this section, "eligible funds and moneys"
20 means funds and moneys that belong to the district, are in its custody
21 or possession, and are available for investing in long-term investment
22 vehicles as defined by generally accepted accounting principles.

23 **Sec. 2.** RCW 35.39.030 and 1975 1st ex.s. c 11 s 1 are each amended
24 to read as follows:

25 Every city and town may invest any portion of the moneys in its
26 inactive funds or in other funds in excess of current needs in:

27 (1) United States bonds;

28 (2) United States certificates of indebtedness;

29 (3) Bonds or warrants of this state;

1 (4) General obligation or utility revenue bonds or warrants of its
2 own or of any other city or town in the state;

3 (5) Its own bonds or warrants of a local improvement district which
4 are within the protection of the local improvement guaranty fund law;
5 and

6 (6) In any other investments authorized by law for any other taxing
7 districts, except for investments authorized for public hospital
8 districts under section 1 of this act.

9 **Sec. 3.** RCW 39.59.020 and 1988 c 281 s 2 are each amended to read
10 as follows:

11 In addition to any other investment authority granted by law and
12 notwithstanding any provision of law to the contrary, the state of
13 Washington and local governments in the state of Washington are
14 authorized to invest their funds and money in their custody or
15 possession, eligible for investment, in:

16 (1) Bonds of the state of Washington and any local government in
17 the state of Washington, which bonds have at the time of investment one
18 of the three highest credit ratings of a nationally recognized rating
19 agency;

20 (2) General obligation bonds of a state other than the state of
21 Washington and general obligation bonds of a local government of a
22 state other than the state of Washington, which bonds have at the time
23 of investment one of the three highest credit ratings of a nationally
24 recognized rating agency;

25 (3) Subject to compliance with RCW 39.56.030, registered warrants
26 of a local government in the same county as the government making the
27 investment; or

28 (4) Any investments authorized by law for the treasurer of the
29 state of Washington or any local government of the state of Washington
30 other than a public hospital district authorized to invest funds under
31 section 1 of this act and a metropolitan municipal corporation but,
32 except as provided in chapter 39.58 RCW, such investments shall not
33 include certificates of deposit of banks or bank branches not located
34 in the state of Washington.

35 **Sec. 4.** RCW 39.59.030 and 1988 c 281 s 3 are each amended to read
36 as follows:

1 In addition to any other investment authority granted by law, the
2 state of Washington and local governments in the state of Washington
3 are authorized to invest their funds and money in their custody or
4 possession, eligible for investment and subject to the arbitrage
5 provisions of section 148 of the federal internal revenue code or
6 similar provision concerning the investment of state and local money
7 and funds, in:

8 (1) Shares of mutual funds with portfolios consisting of only
9 United States government bonds or United States government guaranteed
10 bonds issued by federal agencies with average maturities less than four
11 years, or bonds described in RCW 39.59.020 (1) or (2), except that
12 bonds otherwise described in RCW 39.59.020 (1) or (2) shall have one of
13 the four highest credit ratings of a nationally recognized rating
14 agency;

15 (2) Shares of money market funds with portfolios consisting of only
16 bonds of states and local governments or other issuers authorized by
17 law for investment by local governments, which bonds have at the time
18 of investment one of the two highest credit ratings of a nationally
19 recognized rating agency; or

20 (3) Shares of money market funds with portfolios consisting of
21 securities otherwise authorized by law for investment by local
22 governments other than public hospital districts authorized to invest
23 funds under section 1 of this act."

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24 On page 1, line 2 of the title, after "investments;" strike the
25 remainder of the title and insert "amending RCW 35.39.030, 39.59.020,
26 and 39.59.030; and adding a new section to chapter 70.44 RCW."

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