

CERTIFICATION OF ENROLLMENT

SUBSTITUTE HOUSE BILL 1528

Chapter 500, Laws of 1993

(partial veto)

53rd Legislature
1993 Regular Session

STATE CASH MANAGEMENT

EFFECTIVE DATE: 7/1/93

Passed by the House April 20, 1993
Yeas 96 Nays 1

BRIAN EBERSOLE
**Speaker of the
House of Representatives**

Passed by the Senate April 1, 1993
Yeas 45 Nays 0

JOEL PRITCHARD
President of the Senate

Approved May 18, 1993, with the
exception of section 10, which is
vetoed.

MIKE LOWRY
Governor of the State of Washington

CERTIFICATE

I, Alan Thompson, Chief Clerk of the
House of Representatives of the State
of Washington, do hereby certify that
the attached is **SUBSTITUTE HOUSE BILL
1528** as passed by the House of
Representatives and the Senate on the
dates hereon set forth.

ALAN THOMPSON
Chief Clerk

FILED

May 18, 1993 - 2:31 p.m.

**Secretary of State
State of Washington**

SUBSTITUTE HOUSE BILL 1528

AS AMENDED BY THE SENATE

Passed Legislature - 1993 Regular Session

State of Washington

53rd Legislature

1993 Regular Session

By House Committee on Appropriations (originally sponsored by Representatives Dunshee, Locke and R. Meyers; by request of Office of Financial Management)

Read first time 03/01/93.

1 AN ACT Relating to cash management; amending RCW 43.41.040,
2 43.79A.040, 43.84.092, 43.88.160, 43.88.195, and 67.40.020; adding a
3 new section to chapter 43.41 RCW; adding a new section to chapter 43.08
4 RCW; creating new sections; repealing RCW 43.08.085 and 28B.10.290;
5 providing an effective date; and declaring an emergency.

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

7 NEW SECTION. **Sec. 1.** The legislature finds that:

8 (1) Effective and efficient management of the state's cash
9 resources requires expeditious revenue collection, aggregation, and
10 investment of available balances and timely payments;

11 (2) The use of credit cards, debit cards, and electronic transfers
12 of funds and information are customary and economical business
13 practices to improve cash management that the state should consider and
14 use when appropriate;

15 (3) Statutory changes are necessary to aid the state in complying
16 with the federal cash management improvement act of 1990; and

17 (4) The policies, procedures, and practices of cash management
18 should be reviewed and revised as required to ensure that the state
19 achieves the most effective cash management possible.

1 NEW SECTION. **Sec. 2.** A new section is added to chapter 43.41 RCW
2 to read as follows:

3 (1) The office of financial management is authorized to approve the
4 use of electronic and other technological means to transfer both funds
5 and information whenever economically feasible, to eliminate paper
6 documentation wherever possible, and to provide greater fiscal
7 responsibility. This authorization includes but is not limited to the
8 authority to approve use of electronic means to transfer payroll,
9 vendor payments, and benefit payments and acceptance of credit cards,
10 debit cards, and other consumer debt instruments for payment of taxes,
11 licenses, and fees. The office of financial management shall adopt
12 rules under RCW 43.41.110(13) to specify the manner in which electronic
13 and other technological means, including credit cards, are available to
14 state agencies.

15 (2) No state agency may use electronic or other technological
16 means, including credit cards, without specific continuing
17 authorization from the office of financial management.

18 NEW SECTION. **Sec. 3.** A new section is added to chapter 43.08 RCW
19 to read as follows:

20 Within the policies and procedures established pursuant to RCW
21 43.41.110(13) and 43.88.160(1), the state treasurer shall take such
22 actions as are necessary to ensure the effective cash management of
23 public funds. This cash management shall include the authority to
24 represent the state in all contractual relationships with financial
25 institutions. The state treasurer may delegate cash management
26 responsibilities to the affected agencies with the concurrence of the
27 office of financial management.

28 **Sec. 4.** RCW 43.41.040 and 1979 c 151 s 110 are each amended to
29 read as follows:

30 As used in this chapter, unless the context indicates otherwise:

- 31 (1) "Office" means the office of financial management.
32 (2) "Director" means the director of financial management.
33 (3) "Agency" means and includes every state agency, office,
34 officer, board, commission, department, state institution, or state
35 institution of higher education, which includes all state universities,
36 regional universities, The Evergreen State College, and community and
37 technical colleges.

1 **Sec. 5.** RCW 43.79A.040 and 1991 sp.s. c 13 s 82 are each amended
2 to read as follows:

3 (1) Money in the treasurer's trust fund may be deposited, invested
4 and reinvested by the state treasurer in accordance with RCW 43.84.080
5 in the same manner and to the same extent as if the money were in the
6 state treasury.

7 (2) All income received from investment of the treasurer's trust
8 fund shall be set aside in an account in the treasury trust fund to be
9 known as the investment income account.

10 (3) The investment income account may be utilized for the payment
11 of purchased banking services on behalf of treasurer's trust funds
12 including, but not limited to, depository, safekeeping, and
13 disbursement functions for the state treasurer or affected state
14 agencies. The investment income account is subject in all respects to
15 chapter 43.88 RCW, but no appropriation is required for payments to
16 financial institutions. Payments shall occur prior to distribution of
17 earnings set forth in subsection (4) of this section.

18 (4) Monthly, the state treasurer shall distribute the earnings
19 credited to the investment income account to the state general fund
20 except:

21 (a) The following accounts and funds shall receive their
22 proportionate share of earnings based upon each account's or fund's
23 average daily balance for the period: The American Indian scholarship
24 endowment fund, the energy account, the game farm alternative account,
25 and the self-insurance revolving fund. However, the earnings to be
26 distributed shall first be reduced by the allocation to the state
27 treasurer's service (~~(account-[fund])~~) fund pursuant to RCW 43.08.190.

28 (b) The following accounts and funds shall receive eighty percent
29 of their proportionate share of earnings based upon each account's or
30 fund's average daily balance for the period: The advanced right of way
31 revolving fund, the federal narcotics asset forfeitures account, the
32 ferry system account, the ferry system insurance claim reserve account,
33 the ferry system operation and maintenance account, the ferry system
34 revenue account, the ferry system revenue bond account, the high
35 occupancy vehicle account, and the local rail service assistance
36 account.

37 (~~(+3)~~) (5) In conformance with Article II, section 37 of the state
38 Constitution, no trust accounts or funds shall be allocated earnings
39 without the specific affirmative directive of this section.

1 **Sec. 6.** RCW 43.84.092 and 1992 c 235 s 4 are each amended to read
2 as follows:

3 (1) All earnings of investments of surplus balances in the state
4 treasury shall be deposited to the treasury income account, which
5 account is hereby established in the state treasury.

6 (2) The treasury income account shall be utilized to pay or receive
7 funds associated with federal programs as required by the federal cash
8 management improvement act of 1990. The treasury income account is
9 subject in all respects to chapter 43.88 RCW, but no appropriation is
10 required for refunds or allocations of interest earnings required by
11 the cash management improvement act. Refunds of interest to the
12 federal treasury required under the cash management improvement act
13 fall under RCW 43.88.180 and shall not require appropriation. The
14 office of financial management shall determine the amounts due to or
15 from the federal government pursuant to the cash management improvement
16 act. The office of financial management may direct transfers of funds
17 between accounts as deemed necessary to implement the provisions of the
18 cash management improvement act, and this subsection. Refunds or
19 allocations shall occur prior to the distributions of earnings set
20 forth in subsection (4) of this section.

21 (3) Except for the provisions of RCW 43.84.160, the treasury income
22 account may be utilized for the payment of purchased banking services
23 on behalf of treasury funds including, but not limited to, depository,
24 safekeeping, and disbursement functions for the state treasury and
25 affected state agencies. The treasury income account is subject in all
26 respects to chapter 43.88 RCW, but no appropriation is required for
27 payments to financial institutions. Payments shall occur prior to
28 distribution of earnings set forth in subsection (4) of this section.

29 (4) Monthly, the state treasurer shall distribute the earnings
30 credited to the treasury income account. The state treasurer shall
31 credit the general fund with all the earnings credited to the treasury
32 income account except:

33 (a) The following accounts and funds shall receive their
34 proportionate share of earnings based upon each account's and fund's
35 average daily balance for the period: The capitol building
36 construction account, the Cedar River channel construction and
37 operation account, the Central Washington University capital projects
38 account, the charitable, educational, penal and reformatory
39 institutions account, the common school construction fund, the county

1 criminal justice assistance account, the county sales and use tax
2 equalization account, the data processing building construction
3 account, the deferred compensation administrative account, the deferred
4 compensation principal account, the department of retirement systems
5 expense account, the Eastern Washington University capital projects
6 account, the federal forest revolving account, the industrial insurance
7 premium refund account, the judges' retirement account, the judicial
8 retirement administrative account, the judicial retirement principal
9 account, the local leasehold excise tax account, the local sales and
10 use tax account, the medical aid account, the municipal criminal
11 justice assistance account, the municipal sales and use tax
12 equalization account, the natural resources deposit account, the
13 perpetual surveillance and maintenance account, the public employees'
14 retirement system plan I account, the public employees' retirement
15 system plan II account, the Puyallup tribal settlement account, the
16 resource management cost account, the site closure account, the special
17 wildlife account, the state employees' insurance account, the state
18 employees' insurance reserve account, the state investment board
19 expense account, the state investment board commingled trust fund
20 accounts, the supplemental pension account, the teachers' retirement
21 system plan I account, the teachers' retirement system plan II account,
22 the University of Washington bond retirement fund, the University of
23 Washington building account, the volunteer fire fighters' relief and
24 pension principal account, the volunteer fire fighters' relief and
25 pension administrative account, the Washington judicial retirement
26 system account, the Washington law enforcement officers' and fire
27 fighters' system plan I retirement account, the Washington law
28 enforcement officers' and fire fighters' system plan II retirement
29 account, the Washington state patrol retirement account, the Washington
30 State University building account, the Washington State University bond
31 retirement fund, and the Western Washington University capital projects
32 account. Earnings derived from investing balances of the agricultural
33 permanent fund, the normal school permanent fund, the permanent common
34 school fund, the scientific permanent fund, and the state university
35 permanent fund shall be allocated to their respective beneficiary
36 accounts. All earnings to be distributed under this subsection ((+2))
37 (4)(a) shall first be reduced by the allocation to the state
38 treasurer's service fund pursuant to RCW 43.08.190.

1 (b) The following accounts and funds shall receive eighty percent
2 of their proportionate share of earnings based upon each account's or
3 fund's average daily balance for the period: The central Puget Sound
4 public transportation account, the city hardship assistance account,
5 the county arterial preservation account, the economic development
6 account, the essential rail assistance account, the essential rail
7 banking account, the ferry bond retirement fund, the grade crossing
8 protective fund, the high capacity transportation account, the highway
9 bond retirement fund, the highway construction stabilization account,
10 the highway safety account, the motor vehicle fund, the motorcycle
11 safety education account, the pilotage account, the public
12 transportation systems account, the Puget Sound capital construction
13 account, the Puget Sound ferry operations account, the recreational
14 vehicle account, the rural arterial trust account, the special category
15 C account, the state patrol highway account, the transfer relief
16 account, the transportation capital facilities account, the
17 transportation equipment fund, the transportation fund, the
18 transportation improvement account, and the urban arterial trust
19 account.

20 ((+3)) (5) In conformance with Article II, section 37 of the state
21 Constitution, no treasury accounts or funds shall be allocated earnings
22 without the specific affirmative directive of this section.

23 **Sec. 7.** RCW 43.88.160 and 1992 c 118 s 8 are each amended to read
24 as follows:

25 This section sets forth the major fiscal duties and
26 responsibilities of officers and agencies of the executive branch. The
27 regulations issued by the governor pursuant to this chapter shall
28 provide for a comprehensive, orderly basis for fiscal management and
29 control, including efficient accounting and reporting therefor, for the
30 executive branch of the state government and may include, in addition,
31 such requirements as will generally promote more efficient public
32 management in the state.

33 (1) Governor; director of financial management. The governor,
34 through the director of financial management, shall devise and
35 supervise a modern and complete accounting system for each agency to
36 the end that all revenues, expenditures, receipts, disbursements,
37 resources, and obligations of the state shall be properly and
38 systematically accounted for. The accounting system shall include the

1 development of accurate, timely records and reports of all financial
2 affairs of the state. The system shall also provide for central
3 accounts in the office of financial management at the level of detail
4 deemed necessary by the director to perform central financial
5 management. The director of financial management shall adopt and
6 periodically update an accounting procedures manual. Any agency
7 maintaining its own accounting and reporting system shall comply with
8 the updated accounting procedures manual and the rules of the director
9 adopted under this chapter. An agency may receive a waiver from
10 complying with this requirement if the waiver is approved by the
11 director. Waivers expire at the end of the fiscal biennium for which
12 they are granted. The director shall forward notice of waivers granted
13 to the appropriate legislative fiscal committees. The director of
14 financial management may require such financial, statistical, and other
15 reports as the director deems necessary from all agencies covering any
16 period.

17 (2) The director of financial management is responsible for
18 quarterly reporting of primary operating budget drivers such as
19 applicable workloads, caseload estimates, and appropriate unit cost
20 data. These reports shall be transmitted to the legislative fiscal
21 committees or by electronic means to the legislative evaluation and
22 accountability program committee. Quarterly reports shall include
23 actual monthly data and the variance between actual and estimated data
24 to date. The reports shall also include estimates of these items for
25 the remainder of the budget period.

26 (3) The director of financial management shall report at least
27 annually to the appropriate legislative committees regarding the status
28 of all appropriated capital projects, including transportation
29 projects, showing significant cost overruns or underruns. If funds are
30 shifted from one project to another, the office of financial management
31 shall also reflect this in the annual variance report. Once a project
32 is complete, the report shall provide a final summary showing estimated
33 start and completion dates of each project phase compared to actual
34 dates, estimated costs of each project phase compared to actual costs,
35 and whether or not there are any outstanding liabilities or unsettled
36 claims at the time of completion.

37 (4) In addition, the director of financial management, as agent of
38 the governor, shall:

1 (a) Make surveys and analyses of agencies with the object of
2 determining better methods and increased effectiveness in the use of
3 manpower and materials; and the director shall authorize expenditures
4 for employee training to the end that the state may benefit from
5 training facilities made available to state employees;

6 (b) Report to the governor with regard to duplication of effort or
7 lack of coordination among agencies;

8 (c) Review any pay and classification plans, and changes
9 thereunder, developed by any agency for their fiscal impact: PROVIDED,
10 That none of the provisions of this subsection shall affect merit
11 systems of personnel management now existing or hereafter established
12 by statute relating to the fixing of qualifications requirements for
13 recruitment, appointment, or promotion of employees of any agency. The
14 director shall advise and confer with agencies including appropriate
15 standing committees of the legislature as may be designated by the
16 speaker of the house and the president of the senate regarding the
17 fiscal impact of such plans and may amend or alter said plans, except
18 that for the following agencies no amendment or alteration of said
19 plans may be made without the approval of the agency concerned:
20 Agencies headed by elective officials;

21 (d) Fix the number and classes of positions or authorized man years
22 of employment for each agency and during the fiscal period amend the
23 determinations previously fixed by the director except that the
24 director shall not be empowered to fix said number or said classes for
25 the following: Agencies headed by elective officials;

26 (e) Provide for transfers and repayments between the budget
27 stabilization account and the general fund as directed by appropriation
28 and RCW 43.88.525 through 43.88.540;

29 (f) Promulgate regulations to effectuate provisions contained in
30 (a) through (e) of this subsection.

31 (5) The treasurer shall:

32 (a) Receive, keep, and disburse all public funds of the state not
33 expressly required by law to be received, kept, and disbursed by some
34 other persons: PROVIDED, That this subsection shall not apply to those
35 public funds of the institutions of higher learning which are not
36 subject to appropriation;

37 (b) Receive, disburse, or transfer public funds under the
38 treasurer's supervision or custody (~~by warrant or check~~);

1 (c) Keep a correct and current account of all moneys received and
2 disbursed by the treasurer, classified by fund or account;

3 (d) Coordinate agencies' acceptance and use of credit cards and
4 other payment methods, if the agencies have received authorization
5 under section 2 of this act.

6 (e) Perform such other duties as may be required by law or by
7 regulations issued pursuant to this law.

8 It shall be unlawful for the treasurer to (~~issue any warrant or~~
9 ~~check for~~) disburse public funds in the treasury except upon forms or
10 by alternative means duly prescribed by the director of financial
11 management. (~~Said~~) These forms or alternative means shall provide
12 for authentication and certification by the agency head or the agency
13 head's designee that the services have been rendered or the materials
14 have been furnished; or, in the case of loans or grants, that the loans
15 or grants are authorized by law; or, in the case of payments for
16 periodic maintenance services to be performed on state owned equipment,
17 that a written contract for such periodic maintenance services is
18 currently in effect and copies thereof are on file with the office of
19 financial management; and the treasurer shall not be liable under the
20 treasurer's surety bond for erroneous or improper payments so made:
21 PROVIDED, That when services are lawfully paid for in advance of full
22 performance by any private individual or business entity other than as
23 provided for by RCW 42.24.035, such individual or entity other than
24 central stores rendering such services shall make a cash deposit or
25 furnish surety bond coverage to the state as shall be fixed in an
26 amount by law, or if not fixed by law, then in such amounts as shall be
27 fixed by the director of the department of general administration but
28 in no case shall such required cash deposit or surety bond be less than
29 an amount which will fully indemnify the state against any and all
30 losses on account of breach of promise to fully perform such services:
31 AND PROVIDED FURTHER, That no payments shall be made in advance for any
32 equipment maintenance services to be performed more than three months
33 after such payment. Any such bond so furnished shall be conditioned
34 that the person, firm or corporation receiving the advance payment will
35 apply it toward performance of the contract. The responsibility for
36 recovery of erroneous or improper payments made under this section
37 shall lie with the agency head or the agency head's designee in
38 accordance with regulations issued pursuant to this chapter. Nothing
39 in this section shall be construed to permit a public body to advance

1 funds to a private service provider pursuant to a grant or loan before
2 services have been rendered or material furnished.

3 (6) The state auditor shall:

4 (a) Report to the legislature the results of current post audits
5 that have been made of the financial transactions of each agency; to
6 this end the auditor may, in the auditor's discretion, examine the
7 books and accounts of any agency, official or employee charged with the
8 receipt, custody or safekeeping of public funds. The current post
9 audit of each agency may include a section on recommendations to the
10 legislature as provided in (c) of this subsection.

11 (b) Give information to the legislature, whenever required, upon
12 any subject relating to the financial affairs of the state.

13 (c) Make the auditor's official report on or before the thirty-
14 first of December which precedes the meeting of the legislature. The
15 report shall be for the last complete fiscal period and shall include
16 at least the following:

17 Determinations as to whether agencies, in making expenditures,
18 complied with the laws of this state: PROVIDED, That nothing in this
19 section may be construed to grant the state auditor the right to
20 perform performance audits. A performance audit for the purpose of
21 this section is the examination of the effectiveness of the
22 administration, its efficiency, and its adequacy in terms of the
23 programs of departments or agencies as previously approved by the
24 legislature. The authority and responsibility to conduct such an
25 examination shall be vested in the legislative budget committee as
26 prescribed in RCW 44.28.085.

27 (d) Be empowered to take exception to specific expenditures that
28 have been incurred by any agency or to take exception to other
29 practices related in any way to the agency's financial transactions and
30 to cause such exceptions to be made a matter of public record,
31 including disclosure to the agency concerned and to the director of
32 financial management. It shall be the duty of the director of
33 financial management to cause corrective action to be taken promptly,
34 such action to include, as appropriate, the withholding of funds as
35 provided in RCW 43.88.110.

36 (e) Promptly report any irregularities to the attorney general.

37 (f) Investigate improper governmental activity under chapter 42.40
38 RCW.

39 (7) The legislative budget committee may:

1 (a) Make post audits of the financial transactions of any agency
2 and management surveys and program reviews as provided for in RCW
3 44.28.085. To this end the committee may in its discretion examine the
4 books, accounts, and other records of any agency, official, or
5 employee.

6 (b) Give information to the legislature or any legislative
7 committee whenever required upon any subject relating to the
8 performance and management of state agencies.

9 (c) Make a report to the legislature which shall include at least
10 the following:

11 (i) Determinations as to the extent to which agencies in making
12 expenditures have complied with the will of the legislature and in this
13 connection, may take exception to specific expenditures or financial
14 practices of any agencies; and

15 (ii) Such plans as it deems expedient for the support of the
16 state's credit, for lessening expenditures, for promoting frugality and
17 economy in agency affairs and generally for an improved level of fiscal
18 management.

19 **Sec. 8.** RCW 43.88.195 and 1991 c 201 s 19 are each amended to read
20 as follows:

21 After August 11, 1969, no state agency, state institution, state
22 institution of higher education, which shall include all state
23 universities, regional universities, The Evergreen State College, and
24 community colleges, shall establish any new accounts or funds which are
25 to be located outside of the state treasury: PROVIDED, That the office
26 of financial management shall be authorized to grant permission for the
27 establishment of such an account or fund outside of the state treasury
28 only when the requesting agency presents compelling reasons of economy
29 and efficiency which could not be achieved by placing such funds in the
30 state treasury. When the director of financial management authorizes
31 the creation of such fund or account, the director shall forthwith give
32 written notice of the fact to the standing committees on ways and means
33 of the house and senate: PROVIDED FURTHER, That the office of
34 financial management may grant permission for the establishment of
35 accounts outside of the state treasury for the purposes of RCW
36 39.35C.120. Agencies authorized to create local accounts will utilize
37 the services of the state treasurer's office to ensure that new or

1 ongoing relationships with financial institutions are in concert with
2 state-wide policies and procedures pursuant to RCW 43.88.160(1).

3 **Sec. 9.** RCW 67.40.020 and 1988 ex.s. c 1 s 1 are each amended to
4 read as follows:

5 (1) The governor is authorized to form a public nonprofit
6 corporation in the same manner as a private nonprofit corporation is
7 formed under chapter 24.03 RCW. The public corporation shall be an
8 instrumentality of the state and have all the powers and be subject to
9 the same restrictions as are permitted or prescribed to private
10 nonprofit corporations, but shall exercise those powers only for
11 carrying out the purposes of this chapter and those purposes
12 necessarily implied therefrom. The governor shall appoint a board of
13 nine directors for the corporation who shall serve terms of six years,
14 except that two of the original directors shall serve for two years and
15 two of the original directors shall serve for four years. After
16 January 1, 1991, at least one position on the board shall be filled by
17 a member representing management in the hotel or motel industry subject
18 to taxation under RCW 67.40.090. The directors may provide for the
19 payment of their expenses. The corporation may cause a state
20 convention and trade center with an overall size of approximately three
21 hundred thousand square feet to be designed and constructed on a site
22 in the city of Seattle. In acquiring, designing, and constructing the
23 state convention and trade center, the corporation shall consider the
24 recommendations and proposals issued on December 11, 1981, by the joint
25 select committee on the state convention and trade center.

26 (2) The corporation may acquire and transfer real and personal
27 property by lease, sublease, purchase, or sale, and further acquire
28 property by condemnation of privately owned property or rights to and
29 interests in such property pursuant to the procedure in chapter 8.04
30 RCW. However, acquisitions and transfers of real property, other than
31 by lease, may be made only if the acquisition or transfer is approved
32 by the director of financial management in consultation with the
33 chairpersons of the committees on ways and means of the senate and
34 house of representatives. The corporation may accept gifts or grants,
35 request the financing provided for in RCW 67.40.030, cause the state
36 convention and trade center facilities to be constructed, and do
37 whatever is necessary or appropriate to carry out those purposes. Upon
38 approval by the director of financial management in consultation with

1 the chairpersons of the ways and means committees of the house of
2 representatives and the senate, the corporation may enter into lease
3 and sublease contracts for a term exceeding the fiscal period in which
4 these lease and sublease contracts are made. The terms of sale or
5 lease of properties acquired by the corporation on February 9, 1987,
6 pursuant to the property purchase and settlement agreement entered into
7 by the corporation on June 12, 1986, including the McKay parcel which
8 the corporation is contractually obligated to sell under that
9 agreement, shall also be subject to the approval of the director of
10 financial management in consultation with the chairpersons of the ways
11 and means committees of the house of representatives and the senate.
12 No approval by the director of financial management is required for
13 leases of individual retail space, meeting rooms, or convention-related
14 facilities. In order to allow the corporation flexibility to secure
15 appropriate insurance by negotiation, the corporation is exempt from
16 RCW 48.30.270. The corporation shall maintain, operate, promote, and
17 manage the state convention and trade center.

18 (3) In order to allow the corporation flexibility in its personnel
19 policies, the corporation is exempt from chapter 41.06 RCW, chapter
20 41.05 RCW, RCW 43.01.040 through 43.01.044, chapter 41.04 RCW and
21 chapter 41.40 RCW.

22 ~~((4) In order to allow the corporation to receive payment for
23 goods and services consistent with the practice of the convention and
24 trade show industry, the corporation may honor credit cards in payment
25 for food and beverage purchases, rental of space or facilities,
26 electrical services, equipment, and other goods or services offered by
27 the corporation.))~~

28 ****NEW SECTION. Sec. 10. The state treasurer shall submit a report***
29 ***to the fiscal committees of the legislature by January 1, 1995, and by***
30 ***January 1, 1996, on the costs, financial benefits, and staffing***
31 ***requirements of the following: (1) The use of electronic fund transfer***
32 ***mechanisms by state agencies for the previous fiscal year; (2) local***
33 ***account compliance for the previous fiscal year with financial***
34 ***standards developed by the office of financial management; (3)***
35 ***compliance with the federal cash management improvement act of 1990;***
36 ***and (4) the total banking costs of treasury accounts during the***

1 *previous two fiscal years. The report shall also identify the savings*
2 *realized by agencies as a result of this act.*

3 *Sec. 10 was vetoed, see message at end of chapter.

4 NEW SECTION. **Sec. 11.** The following acts or parts of acts are
5 each repealed:

6 (1) RCW 43.08.085 and 1979 c 93 s 1; and

7 (2) RCW 28B.10.290 and 1977 ex.s. c 169 s 12 & 1969 ex.s. c 269 s
8 10.

9 NEW SECTION. **Sec. 12.** If any provision of this act or its
10 application to any person or circumstance is held invalid, the
11 remainder of the act or the application of the provision to other
12 persons or circumstances is not affected.

13 NEW SECTION. **Sec. 13.** This act is necessary for the immediate
14 preservation of the public peace, health, or safety, or support of the
15 state government and its existing public institutions, and shall take
16 effect July 1, 1993.

Passed the House April 20, 1993.

Passed the Senate April 1, 1993.

Approved by the Governor May 18, 1993, with the exception of
certain items which were vetoed.

Filed in Office of Secretary of State May 18, 1993.

1 Note: Governor's explanation of partial veto is as follows:

2 "I am returning herewith, without my approval as to section 10,
3 Substitute House Bill No. 1528 entitled:

4 "AN ACT Relating to cash management;"

5 Section 10 of Substitute House Bill No. 1528 requires the State
6 Treasurer to prepare and submit to the Legislature a cost-benefit
7 report on the implementation of this act. While I agree the
8 information generated by such an analysis would be useful, I question
9 the need for a specific statutory requirement for the Treasurer to
10 perform this duty. Of primary concern is that no additional funds were
11 provided to the Treasurer for this function. With agencies facing
12 severe funding and staffing limitations in the coming biennium, the
13 resources available to carry out these kinds of duties will be in short
14 supply.

15 Also, some of the required study items in section 10 relate to
16 functions assigned to the Office of Financial Management, so the
17 requirement that the State Treasurer submit the report is somewhat
18 misdirected. Much of the information should be developed and submitted
19 jointly by the State Treasurer and the Office of Financial Management.
20 I have, therefore, directed the Office of Financial Management to work

1 with the State Treasurer's office to provide the legislative fiscal
2 committees with progress reports, as needed, on the implementation of
3 this act.

4 For these reasons, I have vetoed section 10 of Substitute House
5 Bill No. 1528.

6 With the exception of section 10, Substitute House Bill No. 1528 is
7 approved."