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HOUSE BILL 2225

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State of Washington

59th Legislature

2005 Regular Session

By Representative Kirby; by request of State Treasurer

Read first time 02/24/2005. Referred to Committee on Financial Institutions & Insurance.

1 AN ACT Relating to allowing certain higher education endowment  
2 grant funds to be deposited outside the state; and amending RCW  
3 39.58.080 and 39.58.085.

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

5 **Sec. 1.** RCW 39.58.080 and 1996 c 256 s 8 are each amended to read  
6 as follows:

7 (1) Except for funds deposited pursuant to a fiscal agency contract  
8 with the state fiscal agent or its correspondent bank, funds deposited  
9 pursuant to a custodial bank contract with the state's custodial bank,  
10 and funds deposited pursuant to a local government multistate joint  
11 self-insurance program as provided in RCW 48.62.081, no public funds  
12 shall be deposited in demand or investment deposits except in a public  
13 depository located in this state or as otherwise expressly permitted by  
14 statute: PROVIDED, That the commission, or the chair upon delegation  
15 by the commission, upon good cause shown, may authorize, for such time  
16 and upon such terms and conditions as the commission or chair deem  
17 appropriate, a treasurer to maintain a demand deposit account with a  
18 banking institution located outside the state of Washington solely for

1 the purpose of transmitting money received to public depositaries in  
2 the state of Washington for deposit.

3 (2) Notwithstanding subsection (1) of this section, the commission,  
4 or the chair upon delegation by the commission, upon good cause shown,  
5 may authorize, for that time and upon the terms and conditions as the  
6 commission or chair deem appropriate, a treasurer to maintain a demand  
7 deposit account with a banking institution located outside the state of  
8 Washington for deposit of certain higher education endowment grant  
9 funds, for a specified study or research program being performed  
10 outside the state of Washington.

11 **Sec. 2.** RCW 39.58.085 and 1996 c 256 s 9 are each amended to read  
12 as follows:

13 (1)(a) The commission, or the chair upon delegation by the  
14 commission, may authorize state and local governmental entities to  
15 establish demand accounts in out-of-state and alien banks in an  
16 aggregate amount not to exceed one million dollars. No single  
17 governmental entity shall be authorized to hold more than fifty  
18 thousand dollars in one demand account.

19 (b) The governmental entities establishing such demand accounts  
20 shall be solely responsible for their proper and prudent management and  
21 shall bear total responsibility for any losses incurred by such  
22 accounts. Accounts established under the provisions of this section  
23 shall not be considered insured by the commission.

24 (c) The state auditor shall annually monitor compliance with this  
25 section and the financial status of such demand accounts.

26 (2) Subsection (1)(a) of this section does not apply to RCW  
27 39.58.080(2).

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