
SUBSTITUTE HOUSE BILL 1352

State of Washington

68th Legislature

2023 Regular Session

By House Local Government (originally sponsored by Representatives Stearns, Low, Cortes, Entenman, Couture, Ramel, Lekanoff, Pollet, and Fosse)

READ FIRST TIME 01/31/23.

1 AN ACT Relating to authorizing tribal investment in county
2 investment pools; and amending RCW 36.29.020, 36.29.022, and
3 36.29.024.

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

5 **Sec. 1.** RCW 36.29.020 and 1999 c 18 s 4 are each amended to read
6 as follows:

7 (1)(a) The county treasurer shall keep all moneys belonging to
8 the state, or to any county, in his or her own possession until
9 disbursed according to law. The county treasurer shall not place the
10 same in the possession of any person to be used for any purpose; nor
11 shall he or she loan or in any manner use or permit any person to use
12 the same; but it shall be lawful for a county treasurer to deposit
13 any such moneys in any regularly designated qualified public
14 depository. Any municipal corporation may by action of its governing
15 body authorize any of its funds which are not required for immediate
16 expenditure, and which are in the custody of the county treasurer or
17 other municipal corporation treasurer, to be invested by such
18 treasurer.

19 (b) Subject to the approval of the county treasurer, an
20 authorized tribal official may, when expressly designated by a tribal
21 constitution, ordinance, or resolution as having the authority to

1 invest funds of a qualifying federally recognized tribe or federally
2 recognized political subdivisions thereof, enter into an
3 intergovernmental agreement to invest tribal funds with the county
4 treasurer. Tribal funds invested in this way must be under the
5 control of or in the custody of the tribe or a political subdivision
6 thereof, and the tribe must warrant that the use or disposition of
7 the funds are not subject to, or are used and deposited with, federal
8 approval, and must warrant that the funds are not immediately
9 required to meet current demands.

10 (c) The county treasurer may invest in savings or time accounts
11 in designated qualified public depositories or in certificates,
12 notes, or bonds of the United States, or other obligations of the
13 United States or its agencies, or of any corporation wholly owned by
14 the government of the United States; in bankers' acceptances
15 purchased on the secondary market, in federal home loan bank notes
16 and bonds, federal land bank bonds and federal national mortgage
17 association notes, debentures and guaranteed certificates of
18 participation, or the obligations of any other government sponsored
19 corporation whose obligations are or may become eligible as
20 collateral for advances to member banks as determined by the board of
21 governors of the federal reserve system or deposit such funds or any
22 portion thereof in investment deposits as defined in RCW 39.58.010
23 secured by collateral in accordance with the provisions of chapters
24 39.58 and 39.59 RCW: PROVIDED, Five percent of the earnings, with an
25 annual maximum of (~~fifty dollars~~) \$50, on each transaction
26 authorized by the governing body or authorized tribal official shall
27 be paid as an investment service fee to the office of the county
28 treasurer or other municipal corporation treasurer when the earnings
29 become available to the governing body or tribe: PROVIDED FURTHER,
30 That if such investment service fee amounts to five dollars or less
31 the county treasurer or other municipal corporation treasurer may
32 waive such fee.

33 (d) If in the judgment of the governing body of the municipal
34 corporation, the authorized tribal official, or the county treasurer
35 it is necessary to redeem or to sell any of the purchased securities
36 before their ultimate maturity date, the governing body or authorized
37 tribal official may, by resolution or by official request, direct the
38 county treasurer pursuant to RCW 36.29.010(8) to cause such
39 redemption to be had at the redemption value of the securities or to

1 sell the securities at not less than market value and accrued
2 interest.

3 (2) Whenever the funds of any municipal corporation which are not
4 required for immediate expenditure are in the custody or control of
5 the county treasurer, and the governing body of such municipal
6 corporation has not taken any action pertaining to the investment of
7 any such funds, the county finance committee shall direct the county
8 treasurer, under the investment policy of the county finance
9 committee, to invest, to the maximum prudent extent, such funds or
10 any portion thereof in savings or time accounts in designated
11 qualified public depositories or in certificates, notes, or bonds of
12 the United States, or other obligations of the United States or its
13 agencies, or of any corporation wholly owned by the government of the
14 United States, in bankers' acceptances purchased on the secondary
15 market, in federal home loan bank notes and bonds, federal land bank
16 bonds and federal national mortgage association notes, debentures and
17 guaranteed certificates of participation, or the obligations of any
18 other government sponsored corporation whose obligations are or may
19 become eligible as collateral for advances to member banks as
20 determined by the board of governors of the federal reserve system or
21 deposit such funds or any portion thereof in investment deposits as
22 defined in RCW 39.58.010 secured by collateral in accordance with the
23 provisions of chapters 39.58 and 39.59 RCW: PROVIDED, That the county
24 treasurer shall have the power to select the specific qualified
25 financial institution in which the funds may be invested. The
26 interest or other earnings from such investments or deposits shall be
27 deposited in the current expense fund of the county and may be used
28 for general county purposes. The investment or deposit and
29 disposition of the interest or other earnings therefrom authorized by
30 this paragraph shall not apply to such funds as may be prohibited by
31 the state Constitution from being so invested or deposited.

32 **Sec. 2.** RCW 36.29.022 and 1986 c 294 s 11 are each amended to
33 read as follows:

34 Upon the request of one or several units of local government or
35 authorized tribal officials of tribes that invest their money with
36 the county under the provisions of RCW 36.29.020, the treasurer of
37 that county may combine those units' and/or tribes' moneys for the
38 purposes of investment.

1 **Sec. 3.** RCW 36.29.024 and 2009 c 553 s 1 are each amended to
2 read as follows:

3 (1) The county treasurer may deduct the amounts necessary to
4 reimburse the treasurer's office for the actual expenses the office
5 incurs and to repay any county funds appropriated and expended for
6 the initial administrative costs of establishing a county investment
7 pool provided in RCW 36.29.022. These funds shall be used by the
8 county treasurer as a revolving fund to defray the cost of
9 administering the pool without regard to budget limitations. Any
10 credits or payments to political subdivisions or tribal governments
11 shall be calculated and made in a manner which equitably reflects the
12 differing amounts of the political subdivision's respective deposits
13 in the county investment pool and the differing periods of time for
14 which the amounts were placed in the county investment pool.

15 (2) A county investment pool must be available for investment of
16 funds of any local government or tribal government that invests its
17 money with the county under the provisions of RCW 36.29.020, and a
18 county treasurer shall follow the request from the local government
19 or tribal government to invest its funds in the pool.

20 (3) As used in this section "actual expenses" include only the
21 county treasurer's direct and out-of-pocket costs and do not include
22 indirect or loss of opportunity costs. As used in this section,
23 "direct costs" means those costs that can be identified specifically
24 with the administration of the county investment pool. Direct costs
25 include: ~~((1))~~ (a) Compensation of employees for the time devoted
26 and identified specifically to administering the pool; and ~~((2))~~
27 (b) the cost of materials, services, or equipment acquired, consumed,
28 or expended specifically for the purpose of administering the pool.

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