

support of the state government and its existing public institutions, and shall take effect immediately.

Passed the House March 9, 1947.

Passed the Senate March 9, 1947.

Approved by the Governor March 19, 1947.

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CHAPTER 245.

[ H. B. 449. ]

DEPOSIT OF PUBLIC FUNDS.

AN ACT relating to the deposit of public funds in banks by City Treasurers; authorizing the deposit of revenue bonds of cities; and amending section 1, chapter 118, Laws of 1913, as last amended by section 1, chapter 240, Laws of 1945 (sec. 5569, Rem. Rev. Stat.; sec. 398-43, PPC).

*Be it enacted by the Legislature of the State of Washington:*

SECTION 1. Section 1, chapter 118, Laws of 1913, as last amended by section 1, chapter 240, Laws of 1945 (sec. 5569, Rem. Rev. Stat.; sec. 398-43, PPC), is amended to read as follows:

Section 1. Before any such designation shall become effectual and entitle the Treasurer to make deposits in such bank or banks, the bank or banks so designated shall, within ten (10) days after the same is filed with the Comptroller, file with the Comptroller of such city a contract with the said city wherein said bank shall agree to pay such rate of interest on the cash daily balance of all municipal funds kept by such Treasurer in said bank, while acting as such depository, as shall be fixed from time to time by the City Finance Committee; such payments to be made monthly to said city while said deposit continues in said depository; said contract shall run to said city and be in such form as shall be approved by the mayor or corporation counsel; and such bank shall also file with the Comptroller of such city a surety bond or bonds to such city

Banks to contract to pay interest as fixed by City Finance Committee.

Bond.

to the amount of the deposits of such city that may be carried in such bank, conditioned for the prompt payment thereof on checks duly drawn by the said Treasurer; or in lieu thereof shall deposit with the said Comptroller any of the following enumerated securities, if there has been no default in the payment of principal or interest thereon, the aggregate market value of which shall at all times be not less than one hundred and ten per cent (110%) of the amount of the funds deposited by said Treasurer: (1) Bonds, notes or other securities constituting the direct and general obligations of the United States or the bonds, notes or other securities constituting the direct and general obligation of any instrumentality of the United States, the interest and principal of which is unconditionally guaranteed by the United States;

Deposit of securities.

United States.

(2) direct and general obligation bonds and warrants of the State of Washington, or of any other state of the United States;

States.

(3) direct and general obligation bonds and warrants of any city, town, county, school district, port district or other political subdivision in the State of Washington, having the power to levy general taxes, which are payable from general ad valorem taxes;

Political subdivisions.

(4) bonds issued by public utility districts as authorized under the provisions of section 6 (f), chapter 1, Laws of 1931;

Public utilities.

(5) bonds of any city of the State of Washington for the payment of which the entire revenues of the city's water system, power and light system, or both, less maintenance and operating costs, are irrevocably pledged, even though such bonds are not general obligations of such city: *Provided*, That said Comptroller need not accept for deposit any collateral described in this subdivision if in his judgment it is not desirable so to do.

Revenue bonds.

Approval.

Such surety bonds or securities shall be in such form as shall be approved by the Corporation Counsel of such city and the sufficiency of such surety bonds or such securities shall be approved by the Mayor and Comptroller of such city. When such bonds have been duly approved and filed with the Comptroller of said city, he shall immediately certify to the City Treasurer the amount of bonds or securities filed by such bank or banks, whereupon the City Treasurer shall be authorized to make deposits in such bank: *Provided*, That in the event repayment of deposits in any such depositary is insured by the Federal Deposit Insurance Corporation, or by any other corporation, agency or instrumentality organized under and acting under and pursuant to the laws of the United States of America, the execution and filing of a bond with such Treasurer shall be required only for so much of the designated maximum amount of deposits as such designated maximum amount exceeds the amount of such insurance, and if such depositary elects to deposit securities only to the amount necessary to secure the excess of the moneys on deposit with it over the amount covered by such insurance.

Federal  
Deposit  
Insurance.

Passed the House March 4, 1947.

Passed the Senate March 9, 1947.

Approved by the Governor March 19, 1947.