



## Revised Code of Washington

### **RCW 39.58.080: Deposit of public funds in public depository required-Deposits in institutions located outside the state.**

[text omitted]

(3) Notwithstanding subsection (1) of this section, public funds may be deposited in institutions located outside of Washington state if the following conditions are met:

- (a) The funds must initially be deposited in a public depository selected by the state or local government that is located in the state of Washington;
- (b) The selected Washington state public depository must arrange for the funds to be deposited in one or more federally insured banks or savings and loan associations, including out-of-state institutions, for the account of the state or local government;
- (c) The full amount of the principal and any accrued interest of each deposit of funds into a depository pursuant to (b) of this subsection must be insured by an agency of the federal government;
- (d) The public depository selected under (a) of this subsection must act as a custodian for the state or local government with respect to any deposits made pursuant to (b) of this subsection; and
- (e) On the same date that the state or local government funds are deposited, the selected public depository must receive deposits from customers of other financial institutions, which may include out-of-state institutions, in an amount equal to or greater than the amount of the funds initially deposited by the state or local government.<sup>1</sup>

Disclaimer: Neither Reich & Tang nor any of its affiliates provides legal advice. You should consult with your own legal advisor.

Prepared October 2016

---

<sup>1</sup> Highlight added editorially; participating banks should take note that the rule requires the bank to take reciprocal deposits in order to qualify under these provisions.