

SENATE BILL REPORT

SB 6226

AS PASSED SENATE, FEBRUARY 10, 1992

Brief Description: Changing the standards for the investment of the moneys of the firemen's pension fund.

SPONSORS: Senators McCaslin, Madsen and Conner

SENATE COMMITTEE ON GOVERNMENTAL OPERATIONS

Majority Report: Do pass.

Signed by Senators McCaslin, Chairman; Roach, Vice Chairman; Madsen, and Sutherland.

Staff: Rod McAulay (786-7754)

Hearing Dates: January 27, 1992

BACKGROUND:

Approximately 40 cities in the state of Washington have Municipal Firemen's Pension Boards. These were established in municipalities which had paid fire departments prior to the establishment of the Law Enforcement Officers and Fire Fighters (LEOFF) retirement system in 1969.

These boards oversee the collection of contributions, investment, and disbursement of pensions and benefits to participating firefighters and their surviving spouses. Funds collected may only be invested in the types of securities specifically described in the enabling statute. This list of authorized types of securities is more restrictive than those types permitted for the investment of funds held by the state and other local governmental entities.

Specifically, the authority to invest in corporate bonds or to invest more than 25 percent of a fund in "open-end" securities has been questioned.

SUMMARY:

The Municipal Firemen's Pension Board is authorized to invest funds held by it in any type of security in which cities, towns, counties and other specified state and local governmental units are authorized to invest.

Appropriation: none

Revenue: none

Fiscal Note: none requested

TESTIMONY FOR:

Will clear up ambiguity about investment authority of
Firemen's Pension Boards.

TESTIMONY AGAINST: None

TESTIFIED: Stan Finkelstein, AWC; Dan Clements, City of Renton