
SENATE BILL 6359

State of Washington

52nd Legislature

1992 Regular Session

By Senator Metcalf

Read first time 01/27/92. Referred to Committee on Financial Institutions & Insurance.

1 AN ACT Relating to pension funds investment policy; and amending
2 RCW 41.50.080 and 43.33A.110.

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

4 **Sec. 1.** RCW 41.50.080 and 1981 c 3 s 34 are each amended to read
5 as follows:

6 (1) The state investment board shall provide for the investment of
7 all funds of the Washington public employees' retirement system, the
8 teachers' retirement system, the Washington law enforcement officers'
9 and fire fighters' retirement system, the Washington state patrol
10 retirement system, the Washington judicial retirement system, and the
11 judges' retirement fund, pursuant to RCW 43.84.150, and may sell or
12 exchange investments acquired in the exercise of that authority.

13 (2) After the effective date of this act, any additional, new, or
14 renewed investments of the funds of the retirement systems listed in

1 subsection (1) of this section shall be primarily for the purpose of
2 capital improvements to roads, schools, utilities, and other
3 infrastructure and shall be limited to the following classes of
4 investments:

5 (a) Investment deposits in banks, trust companies, mutual savings
6 banks, and savings and loan associations, which are doing business in
7 this state, available for investment and secured by collateral in
8 accordance with the provisions of chapter 39.58 RCW, limited to
9 collateral located in this state listed in RCW 39.58.050(5)(b)(c)(e)
10 and (6);

11 (b) Direct and general obligation bonds and warrants of the state
12 of Washington;

13 (c) Direct and general obligation bonds and warrants of any local
14 governmental entity of this state having the power to levy general
15 taxes which are payable from general ad valorem taxes;

16 (d) Revenue bonds of this state or any authority, board,
17 commission, committee, or similar agency thereof;

18 (e) Motor vehicle fund warrants when authorized by agreement
19 between the state finance committee and the state transportation
20 commission requiring repayment of invested funds from any moneys in the
21 motor vehicle fund available for state highway construction; and

22 (f) Bonds, securities, and obligations which are designated to be
23 authorized security for all public deposits pursuant to RCW 35.58.510,
24 35.81.110, 35.82.220, 39.60.030, 39.60.040, and 54.24.120.

25 **Sec. 2.** RCW 43.33A.110 and 1989 c 179 s 1 are each amended to read
26 as follows:

27 The state investment board may make appropriate rules and
28 regulations for the performance of its duties. The board shall
29 establish investment policies and procedures designed exclusively to

1 maximize return at a prudent level of risk. However, in the case of
2 the department of labor and industries' accident, medical aid, and
3 reserve funds, the board shall establish investment policies and
4 procedures designed to attempt to limit fluctuations in industrial
5 insurance premiums and, subject to this purpose, to maximize return at
6 a prudent level of risk; and, in the case of all retirement system
7 funds subject to the board's authority pursuant to RCW 41.50.080(1),
8 the board shall establish investment policies and procedures that
9 comply with RCW 41.50.080(2). The board shall adopt rules to ensure
10 that its members perform their functions in compliance with chapter
11 42.18 RCW. Rules adopted by the board shall be adopted pursuant to
12 chapter 34.05 RCW.