

HOUSE BILL REPORT

HB 1422

As Reported By House Committee On:
Financial Institutions & Insurance

Title: An act relating to the state investment board.

Brief Description: Authorizing the state investment board to directly order actions relating to securities.

Sponsors: Representatives H. Sommers, Huff, Benson, Hatfield and McIntire; by request of State Investment Board.

Brief History:

Committee Activity:

Financial Institutions & Insurance: 2/2/99, 2/11/99 [DP].

Brief Summary of Bill

- The State Investment Board directly orders a nominee in whose name State Investment Board securities are registered to take action regarding the securities.

HOUSE COMMITTEE ON FINANCIAL INSTITUTIONS & INSURANCE

Majority Report: Do pass. Signed by 12 members: Representatives Benson, Republican Co-Chair; Hatfield, Democratic Co-Chair; Bush, Republican Vice Chair; McIntire, Democratic Vice Chair; Barlean; Cairnes; DeBolt; Keiser; Quall; Santos; Sullivan and Talcott.

Staff: Anntonette Alberti (786-7117).

Background:

The Legislature created the Washington State Investment Board in 1981 to administer public trust and retirement funds.

The State Treasurer may register the State Investment Board's securities in the name of a nominee, often a custodian bank. The nominee acts, with respect to the securities, only upon the order of the State Treasurer, who in turn acts only at the direction of the State Investment Board.

Summary of Bill:

The State Investment Board directly orders a nominee in whose name State Investment Board securities are registered to take action regarding the securities.

Appropriation: None.

Fiscal Note: Not requested.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Testimony For: This bill brings statutory law into alignment with current practice. The current statutory language is a holdover from the time before the State Investment Board had responsibility for investment accounting and reporting functions. The process identified by the bill is more efficient and clearly designates accountability for investment trading and settlement.

Testimony Against: None.

Testified: James Parker, State Investment Board.