

SENATE BILL REPORT

HB 1421

As Reported By Senate Committee On:
Commerce, Trade, Housing & Financial Institutions, March 30, 1999

Title: An act relating to the state investment board.

Brief Description: Authorizing the state investment board to establish additional commingled trust funds.

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

Brief History:

Committee Activity: Commerce, Trade, Housing & Financial Institutions: 3/18/99, 3/30/99 [DP].

SENATE COMMITTEE ON COMMERCE, TRADE, HOUSING & FINANCIAL INSTITUTIONS

Majority Report: Do pass.

Signed by Senators Shin, Vice Chair; Benton, Gardner, Hale, Heavey, T. Sheldon, West and Winsley.

Staff: Susan Jones (786-7784)

Background: The Legislature created the Washington State Investment Board (SIB) in 1981. The SIB is responsible for safeguarding and investing public trust funds and retirement funds.

Currently, a single SIB commingled trust fund exists in the state treasury for the purpose of grouping various investment funds under the SIB's authority. Commingled trust funds may provide investment advantages by creating a single, large investment fund from a number of modestly sized individual funds.

The SIB currently utilizes the commingled trust fund for nine retirement funds. Earnings, losses, market changes, and each fund's value are accounted for separately. The SIB has 18 other funds, some of which it may be appropriate to group for investment purposes. It may be advantageous to authorize the SIB to create additional commingled trust funds to group similar funds with a common investment purpose.

Summary of Bill: The SIB may establish more than one commingled trust fund in the state treasury. Combining funds does not change the nature, character, or purpose of a fund.

Appropriation: None.

Fiscal Note: Not requested.

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

Testimony For: None.

Testimony Against: None.

Testified: No one.