

# SENATE BILL REPORT

## HB 1422

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

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### 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.

The State Treasurer may register the SIB's securities in the name of a nominee, often a custodian bank. Under current law, the custodian bank is required to take instructions regarding the securities from the State Treasurer on the direction of the SIB. This procedure may be less efficient because the SIB generally makes these decisions. The SIB is also required to provide the accounting and reporting functions of securities transactions, which was previously the responsibility of the State Treasurer.

**Summary of Bill:** The custodian bank is required to take instructions regarding securities directly from the SIB.

**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.