

# SENATE BILL REPORT

## SSJR 8208

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As Passed Senate, March 17, 1999

**Brief Description:** Authorizing investments as specified by the legislature.

**Sponsors:** Senate Committee on Ways & Means (originally sponsored by Senators Loveland, West and Snyder).

**Brief History:**

**Committee Activity:** Ways & Means: 3/4/99, 3/5/99 [DPS].  
Passed Senate, 3/17/99, 42-5.

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### SENATE COMMITTEE ON WAYS & MEANS

**Majority Report:** That Substitute Senate Joint Resolution No. 8208 be substituted therefor, and the substitute joint resolution do pass.

Signed by Senators Loveland, Chair; Bauer, Vice Chair; Fairley, Fraser, Kline, Kohl-Welles, Rasmussen, Roach, Rossi, B. Sheldon, Snyder, Spanel, West, Winsley, Wojahn and Zarelli.

**Staff:** Steve Jones (786-7440)

**Background:** Article XII, Section 9 of the State Constitution prohibits the state from being "interested in the stock of any company, association, or corporation." This provision has prevented the investment of state moneys in corporate stock. State investments are limited to fixed-income securities such as government and corporate bonds and certificates of deposits.

State constitutional amendments were adopted in 1965, 1968, and 1985 to permit the Legislature to authorize stock investments by the Permanent Common School Fund, public employee retirement funds, and worker compensation funds.

**Summary of Bill:** The State Constitution is amended to allow the Emergency Reserve Fund to be invested in such investments as the Legislature may authorize by law.

**Appropriation:** None.

**Fiscal Note:** Not requested.

**Effective Date:** Thirty days after the election at which it is approved.

**Testimony For:** None.

**Testimony Against:** None.

**Testified:** No one.

**House Amendment(s):** In addition to the Emergency Reserve Fund, the House amendment adds the Health Care Trust Fund, a new account funded from tobacco litigation revenues.