

SENATE BILL REPORT

SJR 8214

As Passed Senate, February 10, 2000

Brief Description: Amending the Constitution to allow certain trust fund moneys to be invested as authorized by the legislature.

Sponsors: Senators Wojahn, McDonald, Loveland and Winsley.

Brief History:

Committee Activity: Health & Long-Term Care: 2/2/2000 [DP].

Passed Senate, 2/10/2000, 45-0.

SENATE COMMITTEE ON HEALTH & LONG-TERM CARE

Majority Report: Do pass.

Signed by Senators Thibaudeau, Chair; Wojahn, Vice Chair; Costa, Deccio, Franklin and Winsley.

Staff: Rhoda Jones (786-7198)

Background: The State Constitution prohibits the state from having an ownership interest in any corporation. This provision has been interpreted to mean that the state cannot place any investment funds in stock and other equities. In the past, some state funds have been specifically exempted from constitutional investment restrictions through constitutional amendments. Currently, these include public pension or retirements funds, and industrial insurance trust funds.

The Developmental Disabilities Endowment Trust Fund, established last year in ESSB 5693, and re-addressed in PSSB 6233, would be limited to current constitutional restrictions on private investments.

Summary of Bill: At the next general election, an amendment to the Constitution is presented to the voters which would add funds held in trust for the benefit of persons with developmental disabilities to the list of public funds exempt from current constitutional investment restrictions.

Appropriation: None.

Fiscal Note: Not requested.

Testimony For: The amendment is necessary to allow the state to invest in equities.

Testimony Against: None.

Testified: PRO: James Parker, SIB; Jenny Drop; Jeanne Marie Thomas, DCTED; Ted Daniels.

