

CERTIFICATION OF ENROLLMENT

SUBSTITUTE SENATE BILL 6012

Chapter 265, Laws of 1999

56th Legislature
1999 Regular Session

STATE INVESTMENT BOARD--MONTHLY UNIT VALUATIONS

EFFECTIVE DATE: 7/25/99

Passed by the Senate March 13, 1999
YEAS 43 NAYS 0

BRAD OWEN
President of the Senate

Passed by the House April 12, 1999
YEAS 93 NAYS 0

CLYDE BALLARD
**Speaker of the
House of Representatives**

FRANK CHOPP
**Speaker of the
House of Representatives**

Approved May 10, 1999

GARY LOCKE
Governor of the State of Washington

CERTIFICATE

I, Tony M. Cook, Secretary of the Senate of the State of Washington, do hereby certify that the attached is **SUBSTITUTE SENATE BILL 6012** as passed by the Senate and the House of Representatives on the dates hereon set forth.

TONY M. COOK
Secretary

FILED

May 10, 1999 - 4:55 p.m.

**Secretary of State
State of Washington**

SUBSTITUTE SENATE BILL 6012

Passed Legislature - 1999 Regular Session

State of Washington 56th Legislature 1999 Regular Session

By Senate Committee on Ways & Means (originally sponsored by Senators Long and Fraser)

Read first time 03/05/99.

1 AN ACT Relating to a monthly unit valuation for certain portfolios
2 and funds managed by the state investment board; and amending RCW
3 41.34.060 and 41.34.140.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

5 **Sec. 1.** RCW 41.34.060 and 1998 c 341 s 303 are each amended to
6 read as follows:

7 (1) Except as provided in subsection (~~(2)~~) (3) of this section,
8 the member's account shall be invested by the state investment board.
9 In order to reduce transaction costs and address liquidity issues,
10 based upon recommendations of the state investment board, the
11 department may require members to provide up to ninety days' notice
12 prior to moving funds from the state investment board portfolio to
13 self-directed investment options provided under subsection (~~(2)~~) (3)
14 of this section.

15 (a) For members of the retirement system as provided for in chapter
16 41.32 RCW of plan III, investment shall be in the same portfolio as
17 that of the teachers' retirement system combined plan II and III fund
18 under RCW 41.50.075(2).

1 (b) For members of the retirement system as provided for in chapter
2 41.35 RCW of plan III, investment shall be in the same portfolio as
3 that of the school employees' retirement system combined plan II and
4 III fund under RCW 41.50.075(4).

5 (2) The state investment board shall declare monthly unit values
6 for the portfolios or funds, or portions thereof, utilized under
7 subsection (1)(a) and (b) of this section. The declared values shall
8 be an approximation of portfolio or fund values, based on internal
9 procedures of the state investment board. Such declared unit values
10 and internal procedures shall be in the sole discretion of the state
11 investment board. The state investment board may delegate any of the
12 powers and duties under this subsection, including discretion, pursuant
13 to RCW 43.33A.030. Member accounts shall be credited by the department
14 with a rate of return based on changes to such unit values.

15 (3) Members may elect to self-direct their investments as set forth
16 in RCW 41.34.130 and 43.33A.190.

17 **Sec. 2.** RCW 41.34.140 and 1998 c 341 s 308 are each amended to
18 read as follows:

19 (1) A state board or commission, agency, or any officer, employee,
20 or member thereof is not liable for any loss or deficiency resulting
21 from member defined contribution investments selected or required
22 pursuant to RCW 41.34.060 (1) or ~~((+2))~~ (3).

23 (2) Neither the board nor the state investment board, nor any
24 officer, employee, or member thereof is liable for any loss or
25 deficiency resulting from reasonable efforts to implement investment
26 directions pursuant to RCW 41.34.060 (1) or ~~((+2))~~ (3).

27 (3) The state investment board, or any officer, employee, or member
28 thereof is not liable with respect to any declared monthly unit
29 valuations or crediting of rates of return, or any other exercise of
30 powers or duties, including discretion, under RCW 41.34.060(2).

31 (4) The department, or any officer or employee thereof, is not
32 liable for crediting rates of return which are consistent with the
33 state investment board's declaration of monthly unit valuations
34 pursuant to RCW 41.34.060(2).

Passed the Senate March 13, 1999.

Passed the House April 12, 1999.

Approved by the Governor May 10, 1999.

Filed in Office of Secretary of State May 10, 1999.