

2630

Sponsor(s): Representatives Anderson, Armstrong and Benson

Brief Description: Regulating the state investment board.

HB 2630 - DIGEST

Finds, declares, and determines that public confidence in the responsible management and fiduciary oversight of all public pension funds under the authority of the state investment board is best served by an open and accountable process.

Creates an audit and accountability committee of the state investment board consisting of the state treasurer, the two members of the senate appointed to the board under RCW 43.33A.020(6), and the two members of the house of representatives appointed to the board under RCW 43.33A.020(5). The state treasurer is the chair of the committee.

Prohibits the state investment board from any direct or indirect equity or debt participation or holding in any investment services provider, securities dealer or brokerage firm, or any type of domestic or foreign investment partnership, that invests pension funds on behalf of the state investment board or receives fees for services rendered to the board.

Prohibits the board from conducting business with any former board member or former board employee for a period of two years following the cessation of membership or employment with the board.

Declares that a member of the state investment board is subject to civil liability only if he or she knowingly engages in malfeasance.

Provides that the willful alteration or destruction of any of the public records required under RCW 43.33A.090 constitutes a class B felony, if the alteration or destruction is done with the intent to hinder or obstruct actual or potential legal proceedings or legislative inquiry.

Provides that all accounts, files, and other records of the state investment board are subject at any time to examination by the state auditor, who shall be allowed free access to these records in order to conduct examinations.

Provides that, beginning in 2004, and every six years thereafter, the joint legislative audit and review committee shall conduct a performance review of the board's business operations and comparative financial performance, subject to the oversight of the board's audit and accountability committee.

Directs the joint legislative audit and review committee to report the findings of each performance review to the appropriate legislative committees, the ranking members of each party in the senate and the house of representatives, the state auditor, and the governor.

Directs the joint legislative audit and review committee, in conjunction with the state auditor, to conduct a net asset value audit of the state investment board private equity portfolio and provide a written report on the findings of the audit to the appropriate legislative committees and the governor by September 30, 2004. This audit shall be funded by the state investment

board.