
Appropriations Committee

HJR 4204

Brief Description: Authorizing investment of funds held for the purpose of reducing persistent poverty.

Sponsors: Representatives Volz, Ormsby, Chandler, Ybarra, Fosse, Harris, Steele, Waters, Robertson, Griffey, Bateman, Macri, Thai, Riccelli, Barnard, Pollet and Reed; by request of State Treasurer.

<p style="text-align: center;">Brief Summary of Bill</p> <ul style="list-style-type: none">• Proposes a constitutional amendment to allow funds held for the purpose of reducing persistent poverty to be invested as provided by law.

Hearing Date: 2/24/23

Staff: David Pringle (786-7310).

Background:

The state Constitution prohibits the state from being interested in the stock, bonds, or credit instruments of any company, association, or corporation. This provision has been interpreted to mean that the state cannot place any investment funds in stock and other equities. As a result, state investments are limited to fixed-income securities such as government and specific types of corporate bonds and certificates of deposit.

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, industrial insurance trust funds, and funds held in trust for the benefit of persons with developmental disabilities.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not part of the legislation nor does it constitute a statement of legislative intent.

Summary of Bill:

At the next general election, an amendment to the state Constitution will be presented to the voters to add funds held for the purpose of reducing persistent poverty to the list of public funds exempt from current constitutional investment restrictions.

Appropriation: None.

Fiscal Note: Not requested.