

SENATE BILL REPORT

SJR 8208

As Reported By Senate Committee On:
Ways & Means, March 5, 1999

Brief Description: Authorizing investments as specified by the legislature.

Sponsors: Senators Loveland, West and Snyder.

Brief History:

Committee Activity: Ways & Means: 3/4/99, 3/5/99 [DPS].

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 Substitute 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.

Substitute Bill Compared to Original Bill: The original bill authorized the Legislature to designate other funds and accounts to be invested in corporate stock. The substitute bill limits this authority to the Emergency Reserve Fund.

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.