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

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.

FRANK CHOPP
Speaker of the House of Representatives

Approved May 10, 1999

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

GARY LOCKE
Governor of the State of Washington

SECRETARY OF STATE
State of Washington
AN ACT Relating to a monthly unit valuation for certain portfolios and funds managed by the state investment board; and amending RCW 41.34.060 and 41.34.140.

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

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

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

(a) For members of the retirement system as provided for in chapter 41.32 RCW of plan III, investment shall be in the same portfolio as that of the teachers’ retirement system combined plan II and III fund under RCW 41.50.075(2).
(b) For members of the retirement system as provided for in chapter 41.35 RCW of plan III, investment shall be in the same portfolio as that of the school employees' retirement system combined plan II and III fund under RCW 41.50.075(4).

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

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

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

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

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

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

(4) The department, or any officer or employee thereof, is not liable for crediting rates of return which are consistent with the state investment board's declaration of monthly unit valuations 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.