

**FINAL BILL REPORT**

**SB 6226**

**C 89 L 92**

**SYNOPSIS AS ENACTED**

**Brief Description:** Changing the standards for the investment of the moneys of the firemen's pension fund.

**SPONSORS:** Senators McCaslin, Madsen and Conner

**SENATE COMMITTEE ON GOVERNMENTAL OPERATIONS**

**HOUSE COMMITTEE ON STATE GOVERNMENT**

**BACKGROUND:**

Approximately 40 cities in the state of Washington have Municipal Firemen's Pension Boards. These were established in municipalities which had paid fire departments prior to the establishment of the Law Enforcement Officers and Fire Fighters (LEOFF) retirement system in 1969.

These boards oversee the collection of contributions, investment, and disbursement of pensions and benefits to participating firefighters and their surviving spouses. Funds collected may only be invested in the types of securities specifically described in the enabling statute. This list of authorized types of securities is more restrictive than what is permitted for the investment of funds held by the state and other local governmental entities.

Specifically, the authority to invest in corporate bonds or to invest more than 25 percent of a fund in "open-end" securities has been questioned.

**SUMMARY:**

The Municipal Firemen's Pension Board is authorized to invest funds held by it in any type of security in which cities, towns, counties and other specified state and local governmental units are authorized to invest.

**VOTES ON FINAL PASSAGE:**

Senate	43	0
House	95	0

**EFFECTIVE:** June 11, 1992