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SENATE BILL 6012

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State of Washington

56th Legislature

1999 Regular Session

By Senators Long and Fraser

Read first time 02/22/1999. Referred to Committee on Commerce, Trade, Housing & Financial Institutions.

1 AN ACT Relating to a monthly unit valuation for certain portfolios  
2 and funds managed by the state investment board; and amending RCW  
3 41.34.060 and 41.34.140.

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

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

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

15 (a) For members of the retirement system as provided for in chapter  
16 41.32 RCW of plan III, investment shall be in the same portfolio as  
17 that of the teachers' retirement system combined plan II and III fund  
18 under RCW 41.50.075(2).

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

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

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

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

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

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

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

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