

FINAL BILL REPORT

ESJR 8212

Synopsis as Enacted

Brief Description: Proposing an amendment to the Constitution concerning the investment of funds to provide for long-term care services and supports.

Sponsors: Senators Braun, Conway, Mullet, Schoesler and Palumbo.

Senate Committee on Ways & Means
House Committee on Appropriations

Background: The State Constitution prohibits the state from being interested in the stock 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 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.

The Family and Medical Leave Insurance Account was established in 2017 in SSB 5975 to provide paid family and medical leave insurance funded through a premium on employee wages. The Legislature is currently considering HB 1087 and SB 5331 to establish a program to provide long-term services and supports funded through a premium on employee wages for deposit into a Long-Term Care Services and Supports Trust Account. The funds in these accounts would be subject to the constitutional investment restrictions.

Summary: At the next general election, an amendment to the State Constitution will be presented to the voters to add the fund for long-term care services and supports to the list of public funds exempt from current constitutional investment restrictions.

Votes on Final Passage:

Senate	45	3
House	96	1

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