

---

**HOUSE BILL 1283**

---

**State of Washington**

**68th Legislature**

**2023 Regular Session**

**By** Representatives Duerr, Berry, Ramel, Macri, Doglio, Reed, and Pollet

Read first time 01/13/23. Referred to Committee on Appropriations.

1 AN ACT Relating to environmental, social, and governance  
2 reporting and self-directed investment options at the Washington  
3 state investment board; reenacting and amending RCW 43.33A.190;  
4 adding a new section to chapter 43.33A RCW; and creating a new  
5 section.

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

7 NEW SECTION. **Sec. 1.** It is the intent of the legislature to  
8 increase the investment choices available to participants in the  
9 individual account plans administered by the Washington state  
10 investment board that incorporate environmental, social, and  
11 governance values. The legislature recognizes that the state  
12 investment board has broadly incorporated environmental, social, and  
13 governance considerations that are material to the long-term  
14 investment return of the commingled pension funds, and has provided  
15 limited offering of individual investment choices that more directly  
16 conform with these values.

17 NEW SECTION. **Sec. 2.** A new section is added to chapter 43.33A  
18 RCW to read as follows:

19 (1) By January 1, 2024, and every three years thereafter, the  
20 state investment board shall publicly report on its analysis of the

1 climate-related financial risk, social responsibility, and  
2 establishment and use of a proxy voting and corporate governance  
3 policies within its private and public market portfolios, including  
4 the alignment of the fund with the Paris climate agreement and  
5 Washington's climate policy goals, including those expressed in  
6 chapter 70A.65 RCW, the climate commitment act, and the exposure of  
7 the fund to long-term risks.

8 (2) "Climate-related financial risk" means risk that may include  
9 material financial risk posed to the fund by the effects of the  
10 changing climate, such as intense storms, rising sea levels, higher  
11 global temperatures, economic damages from carbon emissions, and  
12 other financial and transition risks due to public policies to  
13 address climate change, shifting consumer attitudes, and changing  
14 economics of traditional carbon-intense industries.

15 **Sec. 3.** RCW 43.33A.190 and 2016 c 69 s 20 and 2016 c 39 s 8 are  
16 each reenacted and amended to read as follows:

17 (1) The state investment board shall invest all self-directed  
18 investment moneys under teachers' retirement system plan 3, the  
19 school employees' retirement system plan 3, the public employees'  
20 retirement system plan 3, and the Washington achieving a better life  
21 experience program pursuant to RCW 41.34.130 and 43.330.464 and under  
22 the college savings program, if the committee on advanced tuition  
23 payment and college savings selects the state investment board as the  
24 investment manager pursuant to RCW 28B.95.032, with full power to  
25 establish investment policy, develop investment options, and manage  
26 self-directed investment funds.

27 (2) Beginning January 1, 2024, the board must provide no fewer  
28 than three investment options for individuals participating in self-  
29 directed investment funds that are consistent with the environmental,  
30 social, and governance policies examined in section 2 of this act.  
31 The options must, to the extent possible within the fiduciary  
32 responsibilities of the board, reflect a range of policy preferences  
33 and investment objectives consistent with environmental, social, and  
34 governance concerns.

--- END ---