

## CHAPTER 104.

[ House Bill No. 451. ]

## PERMANENT FUNDS—INVESTMENTS.

AN ACT relating to the investment of the permanent common school fund, the agricultural college permanent fund, the normal school permanent fund, the scientific school permanent fund, and the university permanent fund; repealing section 43.84.010, chapter 8, Laws of 1965 (Senate Bill No. 4) and RCW 43.84.010; repealing section 43.84.020, chapter 8, Laws of 1965 (Senate Bill No. 4) and RCW 43.84.020; repealing section 43.84.030, chapter 8, Laws of 1965 (Senate Bill No. 4) and RCW 43.84.030; repealing section 43.84.040, chapter 8, Laws of 1965 (Senate Bill No. 4) and RCW 43.84.040; repealing section 43.84.050, chapter 8, Laws of 1965 (Senate Bill No. 4) and RCW 43.84.050; repealing section 43.84.060, chapter 8, Laws of 1965 (Senate Bill No. 4) and RCW 43.84.060; and repealing section 43.84.070, chapter 8, Laws of 1965 (Senate Bill No. 4) and RCW 43.84.070.

*Be it enacted by the Legislature of the State of Washington:*

New section.

SECTION 1. There is added to chapter 8, Laws of 1965 (Senate Bill No. 4) and to chapter 43.84 RCW, a new section to read as follows:

Permanent state funds, investment of. Surplus moneys in permanent funds, investments of authorized.

Whenever there are surplus moneys available for investment in the agricultural college permanent fund, normal school permanent fund, scientific school permanent fund, or the university permanent fund, the state finance committee shall invest such moneys in bonds, notes, or other obligations now or hereafter authorized as an investment for the funds of the teachers' retirement system.

New section.

SEC. 2. There is added to chapter 8, Laws of 1965 (Senate Bill No. 4) and to chapter 43.84 RCW, a new section to read as follows:

Surplus moneys in permanent common school fund, investment of authorized.

Whenever there are surplus moneys available for investment in the permanent common school fund, the state finance committee shall invest the same in accordance with the provisions of Article

XVI, section 5 of the Constitution of this state as now or hereafter amended.

SEC. 3. There is added to chapter 8, Laws of 1965 (Senate Bill No. 4) and to chapter 43.84 RCW, a new section to read as follows: New section.

Subject to the limitation of authority delegated by this 1965 amendatory act, the state finance committee may by unanimous approval adopt procedural policies governing the management of said permanent trust funds: *Provided*, That all such bonds, notes or other obligations shall be purchased at the current market price and no sale or exchange shall be at a price less than the market price of the securities or investments to be sold or exchanged. Procedural policies—  
Limitation.

SEC. 4. There is added to chapter 8, Laws of 1965 (Senate Bill No. 4) and to chapter 43.84 RCW, a new section to read as follows: New section.

All securities purchased or held on behalf of said funds, shall be held and disbursed through the state treasury and shall be in the physical custody of the state treasurer, who may deposit with the fiscal agent of the state, or with a state depository, such of said securities as he shall consider advisable to be held in safekeeping by said agent or bank for collection of principal and interest, or of the proceeds of sale thereof. Securities—  
Custody.

SEC. 5. There is added to chapter 8, Laws of 1965 (Senate Bill No. 4) and to chapter 43.84 RCW, a new section to read as follows: New section.

It shall be the duty of the state treasurer to collect the interest, or other income on, and the principal of the securities held in his custody pursuant to section 4 of this 1965 amendatory act as the said sums become due and payable, and to pay the same when so collected into the respective funds to which the principal and interest shall accrue. Treasurer to collect and pay on securities.

New section.

SEC. 6. There is added to chapter 8, Laws of 1965 (Senate Bill No. 4) and to chapter 43.84 RCW, a new section to read as follows:

Permanent  
state funds,  
investment of.  
Standard of  
diligence in  
investments.

Any investments made hereunder shall be made with the exercise of that degree of judgment and care, under circumstances then prevailing, which men of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation but for investment, considering the probable safety of their capital as well as the probable income to be derived.

Repeal.

SEC. 7. The following acts or parts of acts are hereby repealed:

(1) Section 43.84.010, chapter 8, Laws of 1965 (Senate Bill No. 4) and RCW 43.84.010;

(2) Section 43.84.020, chapter 8, Laws of 1965 (Senate Bill No. 4) and RCW 43.84.020;

(3) Section 43.84.030, chapter 8, Laws of 1965 (Senate Bill No. 4) and RCW 43.84.030;

(4) Section 43.84.040, chapter 8, Laws of 1965 (Senate Bill No. 4) and RCW 43.84.040;

(5) Section 43.84.050, chapter 8, Laws of 1965 (Senate Bill No. 4) and RCW 43.84.050;

(6) Section 43.84.060, chapter 8, Laws of 1965 (Senate Bill No. 4) and RCW 43.84.060; and

(7) Section 43.84.070, chapter 8, Laws of 1965 (Senate Bill No. 4) and RCW 43.84.070.

Passed the House March 22, 1965.

Passed the Senate March 25, 1965.

Approved by the Governor April 6, 1965.