

CHAPTER 219

[Engrossed Senate Bill No. 3740]
STATE INVESTMENT BOARD

AN ACT Relating to state investments; amending section 2, chapter 3, Laws of 1981 and RCW 43.____; amending section 4, chapter 3, Laws of 1981 and RCW 43.____; amending section 10, chapter __ (House Bill No. 1610), Laws of 1981 and RCW 43.____; amending section 11, chapter __ (House Bill No. 1610), Laws of 1981 and RCW 43.____; amending section 16, chapter __ (House Bill No. 1610), Laws of 1981 and RCW 43.____; providing an effective date; and declaring an emergency.

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

Section 1. Section 2, chapter 3, Laws of 1981 and RCW 43.____ are each amended to read as follows:

There is hereby created the state investment board to consist of fourteen members to be appointed as provided in this section.

(1) One member who is an active member of the public employees' retirement system and has been an active member for at least five years. This member shall be appointed by the governor, subject to confirmation by the senate, from a list of nominations submitted by organizations representing active members of the system. The initial term of appointment shall be one year.

(2) One member who is an active member of the law enforcement officers' and fire fighters' retirement system and has been an active member for at least five years. This member shall be appointed by the governor, subject to confirmation by the senate, from a list of nominations submitted by organizations representing active members of the system. The initial term of appointment shall be two years.

(3) One member who is an active member of the teachers' retirement system and has been an active member for at least five years. This member shall be appointed by the superintendent of public instruction subject to confirmation by the senate. The initial term of appointment shall be three years.

(4) The state treasurer.

(5) A member of the state house of representatives. This member shall be appointed by the speaker of the house of representatives.

(6) A member of the state senate. This member shall be appointed by the president of the senate.

(7) One member who is a retired member of a state retirement system shall be appointed by the governor, subject to confirmation by the senate. The initial term of appointment shall be three years.

(8) The director of the department of labor and industries.

(9) The director of the department of retirement systems.

(10) Five nonvoting members appointed by the state investment board who are considered experienced and qualified in the field of investments.

The legislative members shall serve terms of two years. The initial legislative members appointed to the board shall be appointed no sooner than January ~~((12, 1981))~~ 10, 1983. The position of a legislative member on the board shall become vacant at the end of that member's term on the board or whenever the member ceases to be a member of the senate or house of representatives from which the member was appointed.

After the initial term of appointment, all other members of the state investment board, except ex officio members, shall serve terms of three years and shall hold office until successors are appointed. Members' terms, except for ex officio members, shall commence on January 1 of the year in which the appointments are made.

Members may be reappointed for additional terms. Appointments for vacancies shall be made for the unexpired terms in the same manner as the original appointments. Any member may be removed from the board for cause by the member's respective appointing authority.

Sec. 2. Section 4, chapter 3, Laws of 1981 and RCW 43.____ are each amended to read as follows:

(1) A quorum to conduct the business of the state investment board consists of at least ~~((five))~~ four voting members of the board before January 10, 1983, and five voting members thereafter. No action may be taken by the board without the affirmative vote of four members before January 10, 1983, and five members thereafter.

(2) The state investment board shall meet at least quarterly at such times as it may fix. The board shall elect a chairperson and vice chairperson annually: PROVIDED, That the legislative members are not eligible to serve as chairperson.

Sec. 3. Section 10, chapter __ (House Bill No. 1610), Laws of 1981 and RCW 43.____ are each amended to read as follows:

The state investment board shall maintain appropriate offices and employ such personnel as may be necessary to perform its duties. Employment by the investment board shall include but not be limited to an executive director, ~~((the state))~~ investment officers, and a confidential secretary, which positions are exempt from classified service under chapter 41.06 RCW. Employment of the executive director by the board shall be for a term of three years, and such employment shall be subject to confirmation of the state finance committee: PROVIDED, That nothing shall prevent the board from dismissing the director for cause before the expiration of the term nor shall anything prohibit the board, with the confirmation of the state finance committee, from employing the same individual as director in succeeding terms. Compensation levels for the investment officers employed by the investment board shall be established by the state personnel board.

As of July 1, 1981, all employees classified under chapter 41.06 RCW and engaged in duties assumed by the state investment board on July 1,

1981, are assigned to the state investment board. The transfer shall not diminish any rights granted these employees under chapter 41.06 RCW nor exempt the employees from any action which may occur thereafter in accordance with chapter 41.06 RCW.

All existing contracts and obligations pertaining to the functions transferred to the state investment board in this 1980 act shall remain in full force and effect, and shall be performed by the board. None of the transfers directed by this 1980 act shall affect the validity of any act performed by a state entity or by any official or employee thereof prior to July 1, 1981.

Sec. 4. Section 11, chapter __ (House Bill No. 1610), Laws of 1981 and RCW 43.__. __ are each amended to read as follows:

The state investment board may make appropriate rules and regulations for the performance of its duties. The board shall establish investment policies and procedures designed exclusively to maximize return at a prudent level of risk. The board shall adopt rules to ensure that its members perform their functions in compliance with chapter 42.18 RCW. Rules adopted by the board shall be adopted pursuant to chapter 34.04 RCW.

Sec. 5. Section 16, chapter __ (House Bill No. 1610), Laws of 1981 and RCW 43.__. __ are each amended to read as follows:

The state investment board shall be funded from the ~~((investment reserve account created by RCW 43.84.090))~~ earnings of the funds managed, proportional to the value of the assets of each fund managed, subject to legislative appropriation.

NEW SECTION. Sec. 6. This act is necessary for the immediate preservation of the public peace, health, and safety, the support of the state government and its existing public institutions, and shall take effect immediately, except sections 1 and 2 of this act shall take effect July 1, 1981.

Passed the Senate March 24, 1981.

Passed the House April 20, 1981.

Approved by the Governor May 14, 1981.

Filed in Office of Secretary of State May 14, 1981.

CHAPTER 220

[Senate Bill No. 3745]

STATE LIBRARY—NEWSPAPER DEPOSITORY

AN ACT Relating to the state library; and adding a new section to chapter 27.04 RCW.

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

NEW SECTION. Section 1. There is added to chapter 27.04 RCW a new section to read as follows: