State of Washington

Office of Program Research **House of Representatives** **August 20, 2025**

Summary of Senate Joint Resolution 8201

Prepared for members of the Washington House of Representatives by the House Office of Program Research.

This information has been prepared in response to various requests for a summary of Senate Joint Resolution 8201. It is provided for analytical and legislative policy purposes only. It is not provided as an expression of support for or opposition to any ballot measure. These materials are intended to provide general information and are not intended to be an exhaustive analysis of all issues presented by the measure.

BRIEF SUMMARY

- Proposes a constitutional amendment to allow funds held for the purpose of long-term care services and supports for eligible seniors and people with disabilities to be invested as authorized by law.
- Dedicates investment income from any such funds to long-term services and supports for program beneficiaries.

BACKGROUND

Senate Joint Resolution 8201

An amendment to the Washington Constitution is introduced in the Legislature in the form of a joint resolution. If agreed to by two-thirds of the members elected to both the House of Representatives (House) and the Senate, the joint resolution is placed on the ballot at the next state general election. If a majority of those voting approve, the constitutional amendment is ratified.

Senate Joint Resolution 8201 was introduced in the 2025 Regular Session and agreed to by two-thirds of the members of both the House and the Senate during the 2025 Regular Session. This joint resolution is, therefore, being submitted to the people for approval or rejection at the November 2025 general election.

The ballot title and explanatory statement written by the Office of the Attorney General are as follows:

Ballot Title

Statement of Subject: The Legislature has proposed a constitutional amendment on allowing money in Washington's long-term care fund to be invested.

Concise Description: This amendment would allow the state fund dedicated to providing long-term care benefits for eligible seniors and people with disabilities to be invested as authorized by law.

Should this constitutional amendment be: Approved [ ] Rejected [ ]

Explanatory Statement

The Law as it Presently Exists: The Washington Constitution generally prohibits investing public money in stocks of private companies. This means that state funds can only be invested in fixed income securities, such as government and corporate bonds and certificates of deposit.

The Constitution currently exempts several funds from this restriction. This exemption applies to any public pension or retirement fund, workers' compensation funds, and money held in trust for the benefit of people with developmental disabilities, permitting those funds to be invested as authorized by law, including in stocks of private companies. The Washington State Investment Board invests and manages these funds.

In 2019, the Legislature created a long-term care insurance program. The program provides money to pay for certain long-term care services, such as nursing home care, to program beneficiaries who need assistance with daily living. Under that law, employees pay premiums for long-term care insurance through a payroll deduction, and those premiums are deposited into a Long-Term Services and Supports Trust Account. Under the current provision of the Constitution, money held in the Trust Account cannot be invested in stocks of private companies.

The Effect of the Proposed Amendment if Approved: This Amendment would allow funds in the Long-Term Services and Supports Trust Account to be invested in stocks of private companies, if authorized by law. Investment income from the Trust Account could only be used for long-term care services and supports for program beneficiaries, including for seniors and people with disabilities.

Investment of Public Funds

The Washington Constitution prohibits the state from being interested in the stock, bonds, or credit instruments of any company, association, or corporation. This provision has been

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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 bonds, specific types of corporate debt (such as commercial paper in the secondary market), and certificates of deposit.

Constitutional amendments have specifically exempted certain state funds from constitutional investment restrictions. Exempt funds include public pension or retirement funds, industrial insurance trust funds, and funds held in trust for the benefit of persons with developmental disabilities.

In 2019, the Long-Term Services and Supports Trust Program was enacted to provide long-term services and supports to program beneficiaries. The program is funded through a premium on employee wages, which began on July 1, 2023. Assessed premiums are deposited into the Long-Term Services and Supports Trust Account (Trust Account). The moneys in the Trust Account are subject to the constitutional investment restrictions.

SUMMARY

A constitutional amendment is proposed to allow funds held for the purpose of long-term care services and supports for eligible seniors and people with disabilities to be invested as authorized by law. Investment income from any such funds is dedicated to long-term services and supports for program beneficiaries.

Effective Date: The joint resolution takes effect if approved by the voters at the next general election.

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