

# SENATE JOINT RESOLUTION 5

Proposed Constitutional Amendment

Official ballot title:\*

## INVESTMENT OF PUBLIC PENSION FUNDS

Shall the Constitution of the state of Washington be amended by adding a new article and section permitting the moneys of any public pension or retirement fund to be invested in such manner as may be authorized by law?

Vote cast by members of the 1967 Legislature on final passage:  
SENATE: (49 members) Yeas, 40; Nays, 8; Absent or not voting, 1.  
HOUSE: (99 members) Yeas, 86; Nays, 1; Absent or not voting, 12.

\*Ballot Title as issued by the Attorney General.

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## Statement **FOR**

The Washington State Constitution, adopted in 1889, severely limits the investment of public funds, including pension and retirement funds. State employee retirement boards have found that the present constitutional limitations do not allow participation in some kinds of excellent long-term investments, the earnings of which could play a major role in financing the cost of a retirement system. In many cases returns from such investments will support as much as  $\frac{1}{2}$  of the total cost.

SJR 5 would not automatically make any change in the investment laws of the retirement and pension funds, but its passage would enable the legislature to do so. This would grant the same constitutional authority to the retirement boards as the voters approved for the state's Permanent School Fund in 1966.

SJR 5 is supported by retirement boards representing more than 95% of the public employees in the State of Washington, and public officials, public employee groups, retired employees and retirement fund administrators.

In the study, *State and Local Pension Funds*, 1968, the Investment Bankers Association of America found that the investment laws of the State of Washington are among the twelve most restrictive of all the 50 states. The Council of State Governments in

its March, 1967 report, *Administration of State Fund Investments*, states, "In the past few years, state governments have been reviewing their practices with respect to investment of state funds, seeking to maximize interest earnings on funds not required for immediate use."

The passage of SJR 5 will allow the State of Washington to keep pace with other progressive states by securing for public employee retirement funds the best earnings possible. Without any additional cost to Washington taxpayers, this will bring more income to tens of thousands of Washington families.

Committee appointed to compose the statement **FOR** Senate Joint Resolution No. 5:

MIKE McCORMACK, State Senator; HOMER HUMISTON, State Representative; PERCY A. LOCKITCH, Member, State Public Pension Commission.

Advisory Committee: JOHN N. RYDER, State Senator; NORM SCHUT, Executive Director, Washington Federation of State Employees AFL-CIO; FRANK W. FOLEY, State Senator; A. LARS NELSON, Master, Washington State Grange; JERRY C. KOPET, State Representative.

**The Law as it now exists:**

Under the present constitutional provisions relating to the investment or other use of public funds, there is some uncertainty as to the type of investments which the legislature may authorize the various public employees retirement boards to make when investing pension and retirement funds.

**Effect of Senate Joint Resolution  
No. 5 if approved into Law:**

The proposed constitutional amendment would remove this uncertainty by expressly permitting the investment of public pension and retirement funds in such manner as is authorized by appropriate legislative enactment.

*Note: Complete text of Senate Joint Resolution No. 5 appears on Page 48.*

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## Statement **AGAINST**

Before any constitutional amendment can be submitted to the voters for decision, our state constitution requires that the proposal must first be approved by at least two-thirds of the members of each branch of the state legislature.

Senate Joint Resolution No. 5 was so approved by the 1967 Legislature and no member could be enlisted to write a statement against the measure for publication in this pamphlet.

COMPLETE TEXT OF

**Proposed  
Constitutional Amendment**

**SENATE JOINT  
RESOLUTION**

**5**

Ballot Title as issued by the Attorney General:

**INVESTMENT OF PUBLIC PENSION  
FUNDS**

Shall the Constitution of the state of Washington be amended by adding a new article and section permitting the moneys of any public pension or retirement fund to be invested in such manner as may be authorized by law?

*BE IT RESOLVED, By the Senate and House of Representatives of the State of Washington, in Legislative Session Assembled:*

THAT, At the general election to be held in this state on the Tuesday next succeeding the first Monday in November 1968, there shall be submitted to the qualified voters of the state for their approval and ratification, or rejection, an amendment to the Constitution of the state of Washington, by adding thereto Article XXIX, to be entitled "Investments of Public Pension and Retirement Funds", and section 1 thereof, which shall read as follows:

NEW SECTION. Article XXIX, section 1. Notwithstanding the provisions of sections 5, and 7 of Article VIII and section 9 of Article XII or any other section or article of the Constitution of the state of Washington, the moneys of any public pension or retirement fund may be invested as authorized by law.

AND BE IT FURTHER RESOLVED, That the secretary of state shall cause notice of the foregoing constitutional amendment to be published at least four times during the four weeks next preceding the election in every legal newspaper in the state.

Passed the Senate February 17, 1967. Passed the House March 9, 1967.  
JOHN A. CHERBERG, DON ELDRIDGE,  
President of the Senate. Speaker of the House.

EXPLANATORY COMMENT S.J.R. NO. 5:

All words underscored do not appear in the Constitution as it is now written but will be put in if this amendment is adopted.

COMPLETE TEXT OF

**Proposed  
Constitutional Amendment**

**SENATE JOINT  
RESOLUTION**

**6**

Ballot Title as issued by the Attorney General:

**AUTHORIZING STATE  
COURT OF APPEALS**

Shall the State Constitution be amended to provide for establishment by the legislature of a state court of appeals with such jurisdiction as may be granted by statute or rules as authorized thereby; providing that the number, manner of election, compensation, term of office, removal and retirement of judges of such court shall be prescribed by statute; and providing that the administration and procedures of the court shall be prescribed by supreme court rules?

*BE IT RESOLVED, By the Senate and House of Representatives of the State of Washington, in Legislative Session Assembled:*

THAT, At the next general election to be held in this state, there shall be submitted to the qualified electors of this state, for their approval and ratification, or rejection, a proposal to amend Article IV of the Constitution of the state of Washington by adding thereto a new section to read as follows:

NEW SECTION. Article IV, section 29. COURT OF APPEALS.

(1) AUTHORIZATION. In addition to the courts authorized in section 1 of this article, judicial power is vested in a court of appeals, which shall be established by statute.

(2) JURISDICTION. The jurisdiction of the court of appeals shall be as provided by statute or by rules authorized by statute.

(3) REVIEW OF SUPERIOR COURT. Superior court actions may be reviewed by the court of appeals or by the supreme court as provided by statute or by rule authorized by statute.

(4) JUDGES. The number, manner of election, compensation, terms of office, removal and retirement of judges of the court of appeals shall be as provided by statute.

(5) ADMINISTRATION AND PROCEDURE. The administration and procedures of the court of appeals shall be as provided by rules issued by the supreme court.

(6) CONFLICTS. The provisions of this section shall supersede any conflicting provisions in prior sections of this article.

BE IT FURTHER RESOLVED, That the secretary of state shall cause notice of the foregoing