

CHAPTER 19.

[House Bill No. 63.]

CITIES AND TOWNS—PENSION FUNDS—
INVESTMENTS.

AN ACT relating to cities and towns; authorizing the investment of certain pension funds in certain securities; and amending section 35.39.040, chapter 7, Laws of 1965 and RCW 35.39.040.

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

RCW 35.39.040 amended.

SECTION 1. Section 35.39.040, chapter 7, Laws of 1965 and RCW 35.39.040 are each amended to read as follows:

Cities and towns. Investment of pension funds.

Any city or town now or hereafter operating an employees' pension system, established and operated pursuant to state statute or charter provision, or any pension system operating now or hereafter under state statute or charter provision exclusively for employees of cities or towns, is authorized to invest pension fund moneys in such securities of the United States, states, Dominion of Canada, public housing authorities, municipal corporations and other public bodies, as are designated by the laws of the state of Washington as lawful investments for the funds of mutual savings banks, and to invest not to exceed forty percent of the system's total investments in the securities of any corporations or public utility bodies as are designated by the laws of this state as lawful investments for the funds of mutual savings banks: *Provided*, That not more than eight percent of the system's total investments may be made in the securities of any one of such corporations or public utility bodies.

Subject to the limitations hereinafter contained, investment of pension funds may also be made in amounts not to exceed twenty-five percent of the system's total investments in the shares of certain

open-end investment companies: *Provided*, That not more than five percent of the system's total investments may be made in the shares of any one such open-end investment company. The total amount invested in any one company shall not exceed five percent of the assets of such company, and shall only be made in the shares of such companies as are registered as open-end companies under the federal investment company act of 1940, as from time to time amended. The company must be at least ten years old and have net assets of at least five million dollars. It must have outstanding no bonds, debentures, notes, or other evidences of indebtedness, or any stock having priority over the shares being purchased, either as to distribution of assets or payment of dividends. It must have paid dividends from investment income in each of the ten years next preceding purchase. The maximum selling commission on its shares, furthermore, may not exceed eight and one-half percent of the sum of the asset value plus such commission.

Investment of pension funds may also be made in the bonds of any municipal corporation or other public body of the state of Washington, and in any of the bonds or warrants, including local improvement bonds or warrants within the protection of the local improvement guaranty fund law issued by the city or town operating such pension system, or by any city or town which is a member of the system. Investment of pension funds shall be made by the pension board, board of trustees or other board charged with administering the affairs of the pension system.

Passed the House March 8, 1965.

Passed the Senate March 9, 1965.

Approved by the Governor March 20, 1965.

CHAPTER 20.

[House Bill No. 81.]

PORT DISTRICTS—EMPLOYEES' PENSIONS.

AN ACT relating to port districts; and amending section 1, chapter 64, Laws of 1955 and RCW 53.08.170.

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

RCW 53.08.170 amended.

SECTION 1. Section 1, chapter 64, Laws of 1955 and RCW 53.08.170 are each amended to read as follows:

Port districts— Powers. Em- ployment— Wages— Ben- efits—Agents.

The port commission shall have authority to create and fill positions, to fix wages, salaries and bonds thereof, to pay costs and assessments involved in securing or arranging to secure employees, and to establish such benefits for employees, including holiday pay, vacations or vacation pay, retirement and pension benefits, medical, surgical or hospital care, life, accident, or health disability insurance, and similar benefits, already established by other employers of similar employees, as the port commissioner shall by resolution provide. The port commission shall have authority to provide or pay such benefits directly, or to provide for such benefits by the purchase of insurance policies or entering into contracts with and compensating any person, firm, agency or organization furnishing such benefits, or by making contributions to vacation plans or funds, or health and welfare plans and funds, or pension plans or funds, or similar plans or funds, already established by other employers of similar employees and in which the port district is permitted to participate for particular classifications of its employees by the trustees or other persons responsible for the administration of such established plans or funds: *Provided*, That no port district employee shall be allowed to apply for admission to or be accepted as a member of the state employees' retirement system