

ENROLLED ACT NO. 61, HOUSE OF REPRESENTATIVES

SIXTY-FIFTH LEGISLATURE OF THE STATE OF WYOMING  
2020 BUDGET SESSION

AN ACT relating to administration of government; modifying the duties of the investment funds committee and the state treasurer; modifying memberships of the committee; modifying requirements for the adoption of investment policy statements; amending reporting requirements; providing an exemption from public meeting requirements as specified; specifying legislative intent; providing an appropriation; and providing for an effective date.

*Be It Enacted by the Legislature of the State of Wyoming:*

**Section 1.** It is the goal of the legislature to maximize the total net return on investment of state funds while protecting principal in a manner that strives for the highest possible risk adjusted total return consistent with an appropriate level of safety, liquidity and consideration of the unique circumstances for each fund and which is consistent with fiduciary and constitutional duties. This act authorizes the investment funds committee, comprised of investment professionals, to provide review of certain state investments and appropriate consultation with the elected state treasurer, the state treasurer's office and the state loan and investment board in carrying out investment related duties.

**Section 2.** W.S. 9-4-109(a) by creating a new paragraph (v), 9-4-714(a) by creating new paragraphs (vi) and (vii) and by renumbering (vi) as (viii), 9-4-715(a)(intro), (b), (c) by creating a new paragraph (i), by amending and renumbering (i) as (ii) and by renumbering (ii) as (iii), (d)(intro) and (n)(intro), 9-4-716(a)(intro) and (c), 9-4-717 by creating a new subsection (e), 9-4-720(a), (c) through (f) and by creating new subsections (g) and (h), 9-4-721(b) and 16-4-405(a)(x) are amended to read:

ENROLLED ACT NO. 61, HOUSE OF REPRESENTATIVES

SIXTY-FIFTH LEGISLATURE OF THE STATE OF WYOMING  
2020 BUDGET SESSION

**9-1-409. State treasurer; duties generally; demand accounts; state revenues paid to treasurer.**

(a) The state treasurer shall:

(v) Be responsible for the investment of state funds.

**9-4-714. Definitions.**

(a) As used in this act:

(vi) "Committee" means the investment funds committee created by W.S. 9-4-720;

(vii) "Designated chief investment officer" means the employee retained pursuant to W.S. 9-4-715(a);

~~(vi)~~(viii) "This act" means W.S. 9-4-714 through 9-4-721.

**9-4-715. Permissible investments; designated chief investment officer.**

(a) ~~The state treasurer is the chief investment officer of the state of Wyoming.~~ The state treasurer, in consultation with the investment funds committee, shall employ a designated chief investment officer who shall have minimum qualifications including at least ten (10) years of experience managing institutional investment portfolios of in excess of five hundred million dollars (\$500,000,000.00), experience with hiring and managing internal and external investment managers and extensive experience in any two (2) or more of the following areas:

ENROLLED ACT NO. 61, HOUSE OF REPRESENTATIVES

SIXTY-FIFTH LEGISLATURE OF THE STATE OF WYOMING  
2020 BUDGET SESSION

domestic equity, fixed income securities, international equity or alternative investments. The designated chief investment officer shall provide the state treasurer with information and recommendations regarding the investment of state funds and additional information as requested by the state treasurer. The state ~~treasurer's~~ treasurer shall compile an annual report which shall include investment, income, individual and aggregate gains and losses by fund and the extent to which the state investment policy is being implemented. Subject to requirements of subsection (c) of this section, state funds may be invested in any investment:

(b) The state treasurer, or his designee, which shall be registered under the Investment Advisor's Act of 1940 as amended if required to be registered by the terms of that act as amended, may invest up to seventy percent (70%) of the permanent funds in equities, including stocks of corporations pursuant to subsections (c) and (d) of this section. The state treasurer shall report at least annually to the select committee on capital financing and investments, ~~and~~ the joint appropriations committee and the investment funds committee on the analysis conducted pursuant to paragraph (d)(ii) of this section and W.S. 9-4-716(b)(ix).

(c) The state treasurer shall obtain the approval of the board prior to the investment of funds in alternative investments, provided:

(i) The investment funds committee shall review any new proposed investment of funds in alternative investments and shall submit recommendations to the board;

ENROLLED ACT NO. 61, HOUSE OF REPRESENTATIVES

SIXTY-FIFTH LEGISLATURE OF THE STATE OF WYOMING  
2020 BUDGET SESSION

~~(i)~~(ii) The approval of the board shall be complete after consideration of any recommendation from the investment funds committee and upon the review and written acceptance by the board of the material terms of the instruments governing the investment;

~~(ii)~~(iii) Any material adverse change to the terms of instruments governing investments, previously approved by the board, at any time while the investments are held by the state of Wyoming shall require the renewal of approval of such investments by the board.

(d) When approving, acquiring, investing, reinvesting, exchanging, retaining, selling and managing investments of the state of Wyoming, the members of the board, the members of the investment funds committee, ~~created by this act,~~ the state treasurer, designees of the state treasurer or any other fiduciary appointed by the state treasurer, the board or the investment funds committee shall:

(n) The state treasurer shall not invest state funds for a specific public purpose authorized or directed by the legislature in excess of a total of one billion dollars (\$1,000,000,000.00), excluding investments made pursuant to W.S. 37-5-406. By November 1 of each calendar year, the state treasurer, in consultation with the board, the Wyoming water development office, the Wyoming business council and the office of state lands and investments, shall provide a report to the select committee on capital financing and investments and the investment funds committee on all state funds invested for a specific public purpose authorized or directed by the legislature. The report shall include:

ENROLLED ACT NO. 61, HOUSE OF REPRESENTATIVES

SIXTY-FIFTH LEGISLATURE OF THE STATE OF WYOMING  
2020 BUDGET SESSION

**9-4-716. State investment policy; investment consultant.**

(a) The board, in consultation with the investment funds committee, shall adopt investment policy statements for state funds and shall review those policy statements at least annually. These policy statements shall be subject to the following:

(c) The state treasurer, in consultation with the investment funds committee, ~~created by this act,~~ shall develop and submit proposed investment policy statements for each grouping of state funds specified in subsection (a) of this section and may contract for assistance in developing proposals or in making suggestions for modifications to existing investment policy statements. The state treasurer shall report quarterly to the board and the investment funds committee regarding the performance of investments with respect to each grouping of state funds specified by the board under subsection (a) of this section and such other information as may be required by the board.

**9-4-717. Additional investment matters.**

(e) In making any new investment of state funds under this act or investing state or other funds as otherwise authorized by law, the state treasurer shall consult with the designated chief investment officer or the officer's designee.

**9-4-720. Investment funds committee created; duties.**

(a) There is created the investment funds committee. The committee consists of ~~six (6)~~ seven (7) voting members including the state treasurer, ~~a member of the state~~

ENROLLED ACT NO. 61, HOUSE OF REPRESENTATIVES

SIXTY-FIFTH LEGISLATURE OF THE STATE OF WYOMING  
2020 BUDGET SESSION

~~treasurer's office designated by the state treasurer~~ the designated chief investment officer, the chief investment officer of the Wyoming retirement system and ~~three (3)~~ four (4) members appointed by a selection panel in accordance with W.S. 9-4-721. In addition to the voting members, there shall be one (1) ex officio nonvoting member appointed by the governor, and one (1) ex officio nonvoting member appointed by the management council.

(c) The ~~three (3)~~ voting members appointed by a selection panel shall serve a three (3) year term. provided that of the initial committee, one (1) member shall be appointed for a one (1) year term, one (1) member for a two (2) year term and one (1) member for a three (3) year term. The ~~three (3)~~ voting members are eligible for reappointment. Terms of appointment for voting members shall commence on March 1 of the year of appointment. Any appointed voting member of the committee may be removed by the selection panel at any time or may be removed by the governor for malfeasance or misconduct in office. If an appointed voting position on the committee becomes vacant for any reason, the selection panel shall appoint a member in accordance with W.S. 9-4-721 to fill the position for the remainder of the unexpired term. Appointed voting members of the investment funds committee shall be confirmed by the senate. The selection panel may fill any vacancy occurring between sessions of the legislature by temporary appointment.

(d) The state treasurer shall be the chairman of the committee. The committee shall ~~meet at least quarterly and at the call of either the chairman or a majority of the membership~~ hold not less than four (4) regularly scheduled meetings each year. Special meetings may be called by the chairman and shall be called by the chairman upon a written

ENROLLED ACT NO. 61, HOUSE OF REPRESENTATIVES

SIXTY-FIFTH LEGISLATURE OF THE STATE OF WYOMING  
2020 BUDGET SESSION

request submitted by a majority of the voting members. All matters shall be decided by a majority vote of a quorum of the voting members of the committee, except as otherwise provided in this section.

(e) ~~Staff and support for the committee~~ Meeting facilities, secretarial or clerical assistance, supplies and such other assistance as the committee may require in the performance of its duties shall be provided by the office of the state treasurer. Members of the committee who are not employees or elected officials of the state of Wyoming shall ~~receive per diem and travel expense reimbursement~~ be paid expenses in the manner and amount prescribed for ~~legislators under W.S. 28-5-101~~ state employees under W.S. 9-3-102 and 9-3-103 for each day of attending and traveling to and from meetings and other activities necessary to the performance of the duties of the committee.

(f) ~~In addition to the duties prescribed under this act,~~ The committee shall:

(i) Review state investment policies and procedures and recommend statutory, rule or policy modifications as the committee deems appropriate to maximize total net returns while protecting principal in a manner that strives for the highest possible risk adjusted total return consistent with an appropriate level of safety, liquidity and consideration of the unique circumstances for each fund;

(ii) Consult with the state treasurer and the board as required by law and as requested by each of those entities regarding the establishment and execution of state investment policies;

ENROLLED ACT NO. 61, HOUSE OF REPRESENTATIVES

SIXTY-FIFTH LEGISLATURE OF THE STATE OF WYOMING  
2020 BUDGET SESSION

(iii) Monitor the investment of state funds in alternative investments;

(iv) Report to the legislature's select committee on capital financing and investments regarding state investment policies, procedures, authority and execution of the same upon request;

(v) Establish or approve investment benchmarks and determine or review whether benchmarks have been exceeded as required by W.S. 9-1-409(e) and 9-3-406(a). Notwithstanding subsections (a) and (b) of this section, members of the committee appointed by the governor or the management council may vote on benchmarks. A member of the committee who is also an employee or board member of the state treasurer's office or the Wyoming retirement system shall not vote on any benchmark. ~~The committee through the state treasurer's office may engage the services of consultants on a contract basis for rendering professional assistance and advice in establishing and evaluating benchmarks.~~

(g) The committee through the state treasurer's office may contract with consultants having special expertise to assist in the performance of its duties.

(h) Liability of committee members shall be governed by W.S. 1-23-107.

**9-4-721. Investment funds committee; selection panel.**

(b) The selection panel shall research and interview candidates for the investment funds committee. The selection panel shall solicit nominations for candidates



ENROLLED ACT NO. 61, HOUSE OF REPRESENTATIVES

SIXTY-FIFTH LEGISLATURE OF THE STATE OF WYOMING  
2020 BUDGET SESSION

for the investment funds committee ~~may be nominated by from~~  
the state treasurer's office, other members of the  
investment funds committee, other appropriate entities and  
the board. ~~or~~ Interested persons may apply directly to the  
panel.

**16-4-405. Executive sessions.**

(a) A governing body of an agency may hold executive  
sessions not open to the public:

(x) To consider accepting or tendering offers  
concerning wages, salaries, benefits and terms of  
employment during all negotiations including meetings of  
the state loan and investment board to receive education  
regarding and to interview investment managers;

**Section 3.** The additional voting position on the  
investment funds committee created in W.S. 9-4-720(a), as  
amended by this act, shall be treated as a vacant position.  
The selection panel shall appoint a temporary member in  
accordance with W.S. 9-4-720(c) and 9-4-721 to fill the  
position. In order to continue staggered terms of  
appointment on the investment funds committee, the  
temporary member's term appointed under this section shall  
expire on February 28, 2022.

**Section 4.** There is appropriated seventy-five  
thousand dollars (\$75,000.00) from special revenue  
available for external manager payments to the state  
treasurer's office for purposes of funding the investment  
funds committee activities as authorized in this act. This  
appropriation shall be for the period beginning with the  
effective date of this act and ending June 30, 2022. This  
appropriation shall not be transferred or expended for any

ORIGINAL HOUSE  
BILL NO. HB0164

ENGROSSED

ENROLLED ACT NO. 61, HOUSE OF REPRESENTATIVES

SIXTY-FIFTH LEGISLATURE OF THE STATE OF WYOMING  
2020 BUDGET SESSION

other purpose and any unexpended, unobligated funds remaining from this appropriation shall revert as provided by law on June 30, 2022.

**Section 5.** This act is effective immediately upon completion of all acts necessary for a bill to become law as provided by Article 4, Section 8 of the Wyoming Constitution.

(END)

\_\_\_\_\_  
Speaker of the House

\_\_\_\_\_  
President of the Senate

\_\_\_\_\_  
Governor

TIME APPROVED: \_\_\_\_\_

DATE APPROVED: \_\_\_\_\_

I hereby certify that this act originated in the House.

\_\_\_\_\_  
Chief Clerk