

ENROLLED ACT NO. 96, SENATE

SIXTY-EIGHTH LEGISLATURE OF THE STATE OF WYOMING
2025 GENERAL SESSION

AN ACT relating to state funds; requiring the state treasurer and the Wyoming retirement board to provide for proxy voting associated with the investment of state funds; specifying investment criteria to ensure investments are made only on pecuniary factors; providing definitions; authorizing contracts and the use of investment earnings; making conforming amendments; specifying applicability; authorizing full-time positions; and providing for an effective date.

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

Section 1. W.S. 9-4-722 is created to read:

9-4-722. Investment of state funds; proxy voting requirements.

(a) As used in this section, "investment entity" means the state treasurer and the Wyoming retirement board.

(b) The following shall apply to the investment of funds made by each investment entity:

(i) All investments shall be made through the exercise of judgment and care of a prudent investor in accordance with W.S. 9-3-408(b) and 9-4-715(d)(i);

(ii) Each investment entity shall solely act in the financial interest of beneficiaries when evaluating managers, vendors, asset allocations and investment potential in order to obtain the highest total return on a risk-adjusted basis while adhering to all applicable laws;

ENROLLED ACT NO. 96, SENATE

SIXTY-EIGHTH LEGISLATURE OF THE STATE OF WYOMING
2025 GENERAL SESSION

(iii) Fiduciary decisions made by each investment entity shall be based only on pecuniary factors. For purposes of this paragraph, "pecuniary factors":

(A) Are factors that have been prudently determined and are expected to have a positive effect on the risk-adjusted return of investments, based on appropriate investment horizons consistent with the objectives of the applicable funds and investment policies while adhering to compliance, statutory and regulatory guidance;

(B) Do not include the furtherance of environmental, social, governance, political or ideological interests.

(iv) Nonpecuniary factors are those that do not provide confidence in increased returns or lower risk and shall be deemed causes for concern by each investment entity. No investment entity shall act based on nonpecuniary factors, as doing so may result in lower returns, increased risk or less funding being available to the state of Wyoming;

(v) All vendors of each investment entity shall adhere to the laws of Wyoming and the United States. Each contract that an investment entity enters into with a vendor shall require the vendor to acknowledge the requirements of this paragraph;

(vi) Each investment entity shall respond in writing after final determination to an investment partner, manager or vendor that acts based on nonpecuniary factors because that may result in a potential detrimental outcome

ENROLLED ACT NO. 96, SENATE

SIXTY-EIGHTH LEGISLATURE OF THE STATE OF WYOMING
2025 GENERAL SESSION

to the highest total return on a risk-adjusted basis or a loss to the state's revenue;

(vii) In addition to providing a response under paragraph (vi) of this subsection, each investment entity may take any of the following actions necessary to ensure that all fiduciary decisions are based on pecuniary factors:

(A) Requesting that the investment partner, manager or vendor change policies to ensure that investments are made based only on pecuniary factors;

(B) Voting of proxies to force change;

(C) Divesting or replacing investments, investment partners, managers or vendors with competitive alternatives.

(viii) Each investment partner, vendor and manager selected and utilized by each investment entity shall adhere to the standard of care of being a fiduciary, including the same obligations as investment entities under paragraph (ii) of this subsection, and comply with all requirements of the investment policy statements adopted by the board under W.S. 9-4-716.

(c) Each investment entity shall provide management oversight for the voting of proxies for all investments made by the investment entity. Proxy votes shall be made in a way that is consistent with the investment policy statements adopted by the board under W.S. 9-4-716 and in accordance with the pecuniary interests of Wyoming's investments and the state's financial interests.

ENROLLED ACT NO. 96, SENATE

SIXTY-EIGHTH LEGISLATURE OF THE STATE OF WYOMING
2025 GENERAL SESSION

(d) Each investment entity may hire a proxy manager to implement this section. The investment entity shall oversee the proxy manager selected under this subsection. Each proxy manager shall report to the investment entity not less than semiannually of the proxy manager's activities.

(e) Each external investment manager selected by an investment entity shall attest in writing not less than one (1) time each year that the manager has adhered to the requirements of this section.

(f) Each investment entity may use not more than one (1) basis point of assets under management from annual investment returns, with each invested fund's share calculated in proportion to the magnitude of each fund invested, for purposes of implementing the requirements of this section. Funds authorized under this subsection are continuously appropriated to the investment entity for use as authorized by this subsection.

(g) Subject to state and federal law, the state treasurer shall make available for public inspection and download from the state treasurer's official website information on all proxy votes regarding investments cast on behalf of the state. The information shall include, at minimum, the date of each vote, a description of the matter being voted on and an explanation of the vote taken. Information published on the official website under this subsection shall be maintained on the state treasurer's website for not less than five (5) years.

Section 2. W.S. 9-3-405(a)(v), 9-3-408(b), 9-3-436(a), 9-3-440(a)(intro) and (b), 9-4-714(a)(viii),

ENROLLED ACT NO. 96, SENATE

SIXTY-EIGHTH LEGISLATURE OF THE STATE OF WYOMING
2025 GENERAL SESSION

9-4-715(a)(intro) and (b) and 9-4-716(a) by creating new paragraphs (iii) and (iv) are amended to read:

9-3-405. Retirement board duties and powers.

(a) In addition to any other duties prescribed by law, the board shall:

(v) Serve as investment trustee of the funds of the system. In serving as investment trustee under this paragraph, the board shall comply with the requirements of W.S. 9-4-722;

9-3-408. Designated custodian of retirement account; disbursements; investment of account monies.

(b) The board, or its designee, which shall be registered under the Investment Advisor's Act of 1940 as amended, or any bank as defined in that act, upon written authority, shall invest monies in the retirement account, which investments shall not be considered disbursements for the purposes of W.S. 9-4-214 and subsection (a) of this section. In investing and managing monies in the retirement account and subject to the requirements of W.S. 9-4-722, the board, or its designee, shall exercise the judgment and care that a prudent investor would, in light of the purposes, terms, distribution requirements and all other circumstances surrounding the monies in the retirement account, including risk and return objectives established by the board which are reasonably suitable to the purpose of the Wyoming retirement system.

9-3-436. Establishment of trust.

ENROLLED ACT NO. 96, SENATE

SIXTY-EIGHTH LEGISLATURE OF THE STATE OF WYOMING
2025 GENERAL SESSION

(a) Except as otherwise provided in subsection (b) of this section, all assets of a retirement system are held in trust for the exclusive benefit of the members, retirees and beneficiaries of the system, including reasonable administrative expenses. The trustee has the exclusive authority, subject to this act, to invest and manage those assets, subject to the requirements of W.S. 9-4-722.

9-3-440. Duties of trustee in investing and managing assets of retirement system.

(a) In investing and managing assets of a retirement system pursuant to W.S. 9-3-439 and subject to W.S. 9-4-722, a trustee with authority to invest and manage assets:

(b) A trustee with authority to invest and manage assets of a retirement system shall adopt a statement of investment objectives and policies for each retirement program or appropriate grouping of programs, subject to the requirements of W.S. 9-4-722. The statement shall include the desired rate of return on assets overall, the desired rates of return and acceptable levels of risk for each asset class, asset-allocation goals, guidelines for the delegation of authority and information on the types of reports to be used to evaluate investment performance. At least annually, the trustee shall review the statement and change or reaffirm it.

9-4-714. Definitions.

(a) As used in this act:

(viii) "This act" means W.S. 9-4-714 through ~~9-4-721~~ 9-4-722.

ENROLLED ACT NO. 96, SENATE

SIXTY-EIGHTH LEGISLATURE OF THE STATE OF WYOMING
2025 GENERAL SESSION

9-4-715. Permissible investments.

(a) 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: 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 shall vote the shares of investments of state funds or use proxy voting in accordance with W.S. 9-4-722. The state 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~~ Advisers Act of 1940 as amended if required to be registered by the terms of that act as amended, may invest the permanent funds in equities, including stocks of corporations in accordance with subsections (a) through (e) of this section, ~~and~~ W.S. 9-4-716 and 9-4-722. The state treasurer shall report at least annually to the select committee on capital financing and investments, the joint appropriations

ENROLLED ACT NO. 96, SENATE

SIXTY-EIGHTH LEGISLATURE OF THE STATE OF WYOMING
2025 GENERAL SESSION

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) and (e).

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:

(iii) The state treasurer shall vote the shares of investments of state funds or use proxy voting in accordance with W.S. 9-4-722;

(iv) Investment policy statements shall include the requirements for investments to be made based on only pecuniary factors in accordance with W.S. 9-4-722.

Section 3. Nothing in this act shall be construed to alter, amend or impair any contract entered into before the effective date of this act.

Section 4.

(a) The state treasurer is authorized two (2) full-time positions within the investments division for purposes of this act and investing state funds.

(b) From special revenue authorized for expenditure under W.S. 9-4-722(f), as created by this act, up to six hundred fifty-two thousand nine hundred forty dollars (\$652,940.00) is for the purposes of funding the positions

ENROLLED ACT NO. 96, SENATE

SIXTY-EIGHTH LEGISLATURE OF THE STATE OF WYOMING
2025 GENERAL SESSION

created by subsection (a) of this section for the period beginning July 1, 2025 and ending June 30, 2026. It is the intent of the legislature that the positions authorized in subsection (a) of this section be included in the standard budget for the state treasurer for the immediately succeeding fiscal biennium.

(c) If 2025 Senate File 0001 or 2025 House Bill 0001 is enacted into law, the special revenue authorized for expenditure in subsection (b) of this section shall be reduced by one dollar (\$1.00) for every one dollar (\$1.00) in special revenue appropriated and one (1) full-time position for every one (1) full-time employee position authorized in the investment division of the state treasurer's office in 2025 Senate File 0001 or 2025 House Bill 0001, as enacted into law.

ORIGINAL SENATE
FILE NO. SF0191

ENGROSSED

ENROLLED ACT NO. 96, SENATE

SIXTY-EIGHTH LEGISLATURE OF THE STATE OF WYOMING
2025 GENERAL SESSION

Section 5. This act is effective July 1, 2025.

(END)

Speaker of the House

President of the Senate

Governor

TIME APPROVED: _____

DATE APPROVED: _____

I hereby certify that this act originated in the Senate.

Chief Clerk