

**FISCAL NOTE**

The fiscal impact, in the form of changes in investment revenues, is indeterminable.

This bill would permit the State Treasurer's Office (STO) to invest funds from the General Fund, the Permanent Wyoming Mineral Trust Fund (PWMTF) and the Permanent Land Fund in Bitcoin. The investments in Bitcoin would not be permitted to exceed 3 percent of the respective fund.

Based on the market values reported as of November 30, 2024, 3 percent of the PWMTF would be approximately \$353.5 million, and 3 percent of the Permanent Land Fund would be approximately \$182.0 million.

Assuming these maximum amounts were invested in Bitcoin, the State could see a significant impact on returns, but the precise impact is not known. Bitcoin has historically seen relatively high volatility. The STO currently looks to balance the functions of each fund with the overarching goal of achieving the highest risk-adjusted rate of return.

The STO projects yields in FY26 through FY28 to be 2.98%, 3.07%, and 3.02% respectively for permanent funds and 4.28%, 4.12%, and 4.02% respectively for State Agency Pool funds. Yield is defined as the interest and dividend income from the investment.

Over the long term, total returns for permanent funds are expected to be 6.75%, while total returns for State Agency Pool funds are expected to be 4.05%. Total return is defined as growth in the value of the investment, including both yield and realized & unrealized gains.

The STO would acquire and hold Bitcoin in one or more of the following methods:

- directly through the use of a secure custody solution;
- through a qualified custodian; or
- through ownership or holding of an exchange-traded product issued by a registered investment company or manager.

According to the STO, acquiring and holding Bitcoin would generate additional expense including the costs of finding and retaining the appropriate custodial safeguards required in the bill.