

**DRAFT ONLY  
NOT APPROVED FOR  
INTRODUCTION**

HOUSE BILL NO.

Local government funds-pooled equity investments.

Sponsored by: Select Committee on Capital Financing &  
Investments

A BILL

for

1 AN ACT relating to public funds; authorizing local  
2 governments to form a pool for purposes of investing local  
3 government funds in equities; specifying requirements for  
4 the establishment and operation of the local government  
5 equity investment pool; establishing a board for the pool  
6 and an investment advisory committee; providing  
7 requirements for the board and committee; requiring  
8 reports; providing definitions; and providing for an  
9 effective date.

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

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2 \*\*\*\*\*  
3 STAFF COMMENT  
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5 Under Article 16, Section 6(a)(ii)(C) of the Wyoming  
6 Constitution, this bill draft would require a 2/3 vote of  
7 each house voting separately to be enacted. The text of the  
8 provision follows:  
9

10 Article 16, Section 6 Loan of credit; donations  
11 prohibited; investment of funds; works of internal  
12 improvement.  
13

14 (a) Neither the state nor any county, city, township,  
15 town, school district, or any other political subdivision,  
16 shall:  
17

18 (ii) Subscribe to or become the owner of the  
19 capital stock of any association or corporation, except  
20 that:  
21

22 (C) The legislature may provide by law for  
23 the investment of county, city, township, town, school  
24 district, or any other political subdivision's funds in the  
25 capital stock of any association or corporation and may  
26 designate which of these funds may be invested. The  
27 legislature may prescribe different investment conditions  
28 for each type and class of political subdivision and for  
29 each type of fund. Any legislation establishing or  
30 increasing the percentage of any fund that may be invested  
31 under this subparagraph shall be passed only by a two-  
32 thirds (2/3) vote of all the members of each of the two (2)  
33 houses voting separately.  
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39 Section 1. W.S. 9-4-1401 through 9-4-1404 are created  
40 to read:  
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ARTICLE 14

INVESTMENT OF LOCAL FUNDS

**9-4-1401. Definitions.**

(a) As used in this article:

(i) "Board" means the local government equity investment pool joint powers board formed under this article;

(ii) "Investment advisory committee" means the investment advisory committee created by W.S. 9-4-1404;

(iii) "Local government" means a county, city, township, town, school district and any other political subdivision;

(iv) "Political subdivision" means a special district and any other local government entity of the state;

1 (v) "Pool" means the local government equity  
2 investment pool.

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6 STAFF COMMENT

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8 The government entities listed in the definition of "local  
9 government" are those listed in Article 16, Section  
10 6(a)(ii)(C) of the Wyoming Constitution. The definition of  
11 "political subdivision" (which is not defined in the  
12 Constitution) is based on Wyoming law. The Select Committee  
13 may wish to consider: (1) the scope of local governments  
14 that may participate in the equity investment pool; and (2)  
15 whether a definition of "political subdivision" is needed.

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20 9-4-1402. Local government equity investment pool;  
21 creation.

22

23 There is created the local government equity investment  
24 pool program to provide a mechanism for local governments  
25 to pool funds for investment in equities, including stocks  
26 of corporations. It is the intent of the legislature that  
27 the local government equity investment pool shall be  
28 operated by a joint powers board formed by local  
29 governments participating in the pool and administered in  
30 accordance with the provisions of this article.



1 pool. Board members shall serve terms as determined by the  
2 participating local governments and shall include members  
3 from the different types of local governments that  
4 participate in the pool.

5

6 (b) The board shall:

7

8 (i) Administer the pool;

9

10 (ii) Consult with and receive advice from the  
11 investment advisory committee created by W.S. 9-4-1404 and  
12 in accordance with this article;

13

14 (iii) Establish assessments and fees for  
15 participating local governments to operate the pool.  
16 Assessments may be calculated as a percentage of investment  
17 earnings from the pool and may be assessed from the pool's  
18 earnings, as determined by the board;

19

20 (iv) Apportion and collect assessments from each  
21 participating local government;

22

1           (v) Adopt rules governing the administration of  
2 the pool.

3

4           (c) The board shall, in consultation with the  
5 investment advisory committee:

6

7           (i) Establish procedures for the investment of  
8 the participating local governments' funds in appropriate  
9 investment assets and classes, including equities and  
10 stocks of corporations. Procedures established under this  
11 paragraph shall provide:

12

13           (A) That any investments made under this  
14 article shall be made with a person who:

15

16           (I) Is registered under the Investment  
17 Advisor's Act of 1940, as amended, if the person is  
18 required to be registered by the terms of that act as  
19 amended;

20

21           (II) Has and maintains at least one (1)  
22 physical office in Wyoming.

23

1                   (B) That each of the pool's investments that  
2 are made in stocks and equities under this article shall be  
3 for a duration of not less than five (5) years;

4

5                   (C) That funds provided for investment by  
6 each participating local government shall not exceed the  
7 amount specified in subsection (d) of this section;

8

9                   (D) For the monitoring, controlling,  
10 depositing and retaining of investments;

11

12                   (E) For agreements to be made between the  
13 pool and a person to invest the funds in appropriate  
14 investment assets and classes, including stocks and  
15 equities, in accordance with this article;

16

17                   (F) For implementing investment policy  
18 statements for the pool's investments developed under this  
19 article and for ensuring that investments are made to  
20 strive for the highest possible risk-adjusted total net  
21 return consistent with an appropriate level of safety and  
22 liquidity;

23



1                   (G) For standards for competitive bidding to  
2 be used to select a person or persons to invest the pool's  
3 funds, in accordance with this article.

4

5                   (ii) Establish a process by which participating  
6 local governments enter into an agreement with the board  
7 for the investment of funds in the pool, including  
8 agreements and requirements for:

9

10                   (A) How funds may be deposited or  
11 transferred to the pool;

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13                   (B) How funds may be withdrawn from the  
14 pool, including limitations on withdrawal and penalties to  
15 be imposed on the local government for the early withdrawal  
16 of funds from the pool;

17

18                   (C) Ensuring that funds provided by  
19 participating local governments may be invested to meet the  
20 investment objectives specified in this article.

21

22                   (iii) Establish procedures for the calculation  
23 and disposition of earnings, including how earnings are

1 apporportioned to each participating local government and how  
2 earnings are deposited with or transferred to each  
3 participating local government, in accordance with the  
4 requirements of subsection (f) of this section.

5

6 (d) Each local government participating in the pool  
7 shall only provide funds for investment in the pool that:

8

9 (i) Are in excess of XXX dollars more than the  
10 local government's operating budget for the immediately  
11 preceding fiscal year before the investments under this  
12 section are made; or

13

14 (ii) Have been held in reserves by the local  
15 government for not less than XX years before being invested  
16 under this section.

17

18 (e) The board may deny a local government  
19 participation in or may terminate a local government from  
20 the program for:

21

22 (i) A failure to pay the assessments required  
23 under this article;

1

2 (ii) The early withdrawal of funds from the pool.

3

4 (f) Earnings on funds invested by the pool under this  
5 article shall be credited in accordance with the following:

6

7 (i) Interest, dividends and rents earned shall  
8 be credited not later than at the end of the second month  
9 following each fiscal quarter;

10

11 (ii) Subject to paragraph (iii) of this  
12 subsection, other realized earnings shall be credited as  
13 soon as practicable after the end of the fiscal year but  
14 not later than ninety (90) days after the end of the fiscal  
15 year in which the earnings were realized;

16

17 (iii) Any debit against the pool that exists as  
18 a result of realized investment losses from a prior year's  
19 investments of the pool shall be paid before distributions  
20 under paragraph (ii) of this subsection;

21

22 (iv) Subject to the requirements of paragraph  
23 (iii) of this subsection, the board, in consultation with

1 the investment advisory committee, may credit any earnings  
2 at earlier times than provided in this subsection and in  
3 such amounts as may be advantageous for the pool's  
4 investment program and cash management.

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6 9-4-1404. Local government equity investment pool;  
7 investment advisory committee.

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10 \*\*\*\*\*  
11 STAFF COMMENT

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13 Most of the provisions of this section come from current  
14 law establishing and governing the Investment Funds  
15 Committee. The Select Committee will need to determine the  
16 appropriate structure and requirements for this investment  
17 advisory committee.

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21

22 (a) There is created the investment advisory committee  
23 for the local government equity investment pool. The  
24 committee consists of seven (7) voting members appointed by  
25 the board in accordance with this section. The designated  
26 chief investment officer retained under W.S. 9-4-715(a) and  
27 the chief investment officer of the Wyoming retirement  
28 system shall be ex officio, nonvoting members of the  
29 committee.

1

2 (b) The seven (7) voting members shall serve a three  
3 (3) year term. Three (3) voting members shall serve an  
4 initial term of three (3) years, two (2) voting members  
5 shall serve an initial term of two (2) years and two (2)  
6 voting members shall serve an initial term of one (1) year.  
7 Voting members are eligible for reappointment. Terms of  
8 appointment for voting members shall commence on March 1 of  
9 the year of appointment. Any appointed voting member of the  
10 committee may be removed by the board at any time or for  
11 malfeasance or misconduct in office. If an appointed voting  
12 position on the committee becomes vacant for any reason,  
13 the board shall, not later than sixty (60) days after the  
14 position becomes vacant, appoint a member in accordance  
15 with this section to fill the position for the remainder of  
16 the unexpired term.

17

18 (c) The investment advisory committee shall select a  
19 chairman from among its members. The committee shall hold  
20 not less than four (4) regularly scheduled meetings each  
21 year. Special meetings may be called by the chairman and  
22 shall be called by the chairman upon a written request  
23 submitted by a majority of the voting members. All matters

1 shall be decided by a majority vote of a quorum of the  
2 voting members of the committee, except as otherwise  
3 provided in this section.

4

5 (d) Each member of the board shall appoint one (1)  
6 member to the investment advisory committee, except as  
7 otherwise provided in this subsection. If the number of  
8 board members exceeds seven (7), then the board shall  
9 select each member of the investment advisory committee by  
10 a majority vote. If the number of board members is less  
11 than seven (7), then:

12

13 (i) Each member of the board shall appoint one  
14 (1) member to the investment advisory committee; and

15

16 (ii) The board shall by majority vote select the  
17 remaining members of the investment advisory committee.

18

19 (e) No person shall be appointed to the investment  
20 advisory committee unless the person has all of the  
21 following qualifications:

22

1           (i) Not less than seven (7) years of  
2 institutional investment experience involved in the  
3 management of a portfolio in excess of five hundred million  
4 dollars (\$500,000,000.00);

5

6           (ii) A broad understanding of financial markets;

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8           (iii) Not been convicted of or has not pleaded  
9 guilty or nolo contendere to a felony violation or been the  
10 subject of any disciplinary action involving moral  
11 turpitude;

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13           (iv) No conflicts of interest that would lead to  
14 a violation of W.S. 6-5-106, 6-5-118, 16-6-118 or other  
15 comparable provision of law.

16

17           (f) The investment advisory committee shall:

18

19           (i) Develop, recommend and review investment  
20 policies and procedures for the pool and recommend any  
21 modifications as the committee deems appropriate to  
22 maximize total net returns while protecting principal in a  
23 manner that strives for the highest possible risk-adjusted

1 total net return consistent with an appropriate level of  
2 safety, liquidity and consideration of the unique  
3 circumstances for the pool;

4

5 (ii) Consult with the board as required and as  
6 requested regarding the establishment and execution of  
7 investment policies for the pool;

8

9 (iii) Report to the select committee on capital  
10 financing and investments not less than one (1) time each  
11 year regarding the pool's investment policies, procedures,  
12 authority and execution.

13

14 (g) Liability of the investment advisory committee  
15 members shall be governed by W.S. 1-23-107.

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19 **STAFF COMMENT**

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21 **Subsection (g) above is based on current law applying to**  
22 **the Investment Funds Committee. The text of W.S. 1-23-107**  
23 **is below:**

24

25 **1-23-107. Individual liability of members of**  
26 **governmental agencies.**

27

28 (a) Notwithstanding W.S. 1-39-101 through 1-39-120,  
29 the members of any governmental board, agency, council,



1 commission or governing body are not individually liable  
2 for any actions, inactions or omissions by the governmental  
3 board, agency, council, commission or governing body.

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5 (b) This section does not affect individual liability  
6 for intentional torts or illegal acts.

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11 **Section 2.** This act is effective July 1, 2025.

12  
13 (END)