

**DRAFT ONLY
NOT APPROVED FOR
INTRODUCTION**

HOUSE BILL NO.

Investment manager and alternative investment approval.

Sponsored by: Select Committee on Capital Financing & Investments

A BILL

for

1 AN ACT relating to the investment of state funds; providing
2 authority for the investment funds committee to approve the
3 investment of state funds in alternative investments and to
4 approve investment managers; allowing the investment funds
5 committee to delegate approval power to the state
6 treasurer; limiting investment-related approval authority
7 of the state loan and investment board; requiring the state
8 treasurer to report to the state loan and investment board
9 regarding investment managers; and providing for an
10 effective date.

11

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

1

2 **Section 1.** W.S. 9-4-715(c)(intro) and (i) through
3 (iii), 9-4-718(a)(iv), (viii) and by creating a new (ix)
4 and 9-4-720(d), (f)(v) and by creating new paragraphs (vi)
5 and (vii) are amended to read:

6

7 **9-4-715. Permissible investments.**

8

9 (c) The state treasurer shall make recommendations to
10 and obtain the approval of the ~~board~~investment funds
11 committee prior to the investment of funds in alternative
12 investments.~~, provided~~ The investment funds committee may
13 delegate its authority to approve alternative investments
14 to the state treasurer upon a majority vote of the
15 investment funds committee. Any approval of an alternative
16 investment shall be subject to the following:

17

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

21

22 (ii) Unless approval authority is delegated to
23 the state treasurer in which event this paragraph shall not

1 apply, the approval of the ~~board~~investment funds committee
2 shall be complete after consideration of any recommendation
3 from the ~~investment funds committee~~state treasurer and
4 upon the review and written acceptance by the ~~board~~
5 investment funds committee of the material terms of the
6 instruments governing the investment;

7
8 (iii) Any material adverse change to the terms
9 of instruments governing investments, previously approved
10 by the ~~board~~investment funds committee or state treasurer,
11 at any time while the investments are held by the state of
12 Wyoming shall require the renewal of approval of such
13 investments by the ~~board~~committee or state treasurer.

14

15 **9-4-718. Investment managers.**

16

17 (a) The state treasurer may contract with investment
18 managers and pay for investment services and investment
19 advice subject to the following conditions:

20

21 (iv) Investment managers shall be selected based
22 upon a competitive process and with consideration given to
23 the historical performance of prospective managers. No

1 investment manager shall be hired unless approved by a
2 majority vote of ~~the board in consultation with~~ the
3 investment funds committee created by this act. The
4 investment funds committee may delegate investment manager
5 approval authority to the state treasurer upon a majority
6 vote of the investment funds committee. The contract with
7 an investment manager may be terminated by a majority vote
8 of the board;

9
10 (viii) Each investment manager shall at least
11 quarterly provide a report to the state treasurer
12 describing the manager's performance relative to mutually
13 agreed upon industry indices and reflecting all brokerage
14 fees and other fees or expenses paid by or fees earned by
15 the manager which are paid by the state under the contract;

16
17 (ix) The state treasurer shall report to the
18 board not less than semi-annually regarding hired
19 investment managers and the information disclosed to the
20 state treasurer under paragraph (viii) of this subsection.

21

22 **9-4-720. Investment funds committee created; duties.**

23

1 (d) The state treasurer shall be the chairman of the
 2 committee. The committee shall hold not less than four (4)
 3 regularly scheduled meetings each year. Special meetings
 4 may be called by the chairman and shall be called by the
 5 chairman upon a written request submitted by a majority of
 6 the voting members. All matters shall be decided by a
 7 majority vote of a quorum of the voting members of the
 8 committee, except as otherwise provided in this ~~section~~
 9 act.

10 *****
 11 STAFF COMMENT
 12 The amendment to replace "section" with "act" is necessary
 13 since this bill now creates several statutory sections that
 14 require action by a majority of all the Investment Funds
 15 Committee members, not simply a majority of the quorum.
 16 *****
 17

18 (f) The committee shall:

19

20 (v) Establish or approve investment benchmarks
 21 and determine or review whether benchmarks have been
 22 exceeded as required by W.S. 9-1-409(e) and 9-3-406(a). Ex
 23 officio nonvoting members of the committee shall not vote
 24 on any benchmark;
 25

1 (vi) Approve or reject the selection of
2 investment managers as provided in W.S. 9-4-718(a)(iv);

3

4 (vii) Approve or reject investments in
5 alternative investments as provided by W.S. 9-4-715(c).

6

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

8

9

(END)