

**DRAFT ONLY  
NOT APPROVED FOR  
INTRODUCTION**

HOUSE BILL NO.

Investment manager 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  
3 investment manager selection; allowing the investment funds  
4 committee to delegate approval power to the state treasurer  
5 as specified; limiting investment-related approval  
6 authority of the state loan and investment board; requiring  
7 the state treasurer to report to the state loan and  
8 investment board regarding investment managers; and  
9 providing for an effective date.

10

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

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1           **Section 1.** W.S. 9-4-718(a)(iv), (viii) and by  
2 creating a new (ix) and 9-4-720(d), (f)(v) and by creating  
3 a new paragraph (vi) are amended to read:

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5           **9-4-718. Investment managers.**

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7           (a) The state treasurer may contract with investment  
8 managers and pay for investment services and investment  
9 advice subject to the following conditions:

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11           (iv) Investment managers shall be selected based  
12 upon a competitive process and with consideration given to  
13 the historical performance of prospective managers. No  
14 investment manager shall be hired unless approved by a  
15 majority vote of ~~the board in consultation with~~ the  
16 investment funds committee created by this act. The  
17 investment funds committee may delegate and rescind  
18 investment manager approval authority to the state  
19 treasurer upon a majority vote of the investment funds  
20 committee. When the investment funds committee delegates  
21 approval authority to the state treasurer, it shall  
22 delegate authority for individual manager selection  
23 decisions and not for all manager selection decisions. The

1 contract with an investment manager may be terminated by a  
2 majority vote of the board;

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4 STAFF COMMENT

5 In paragraph (iv), above, and consistent with the  
6 Committee's vote, this bill now requires a  
7 separate delegation for every investment manager  
8 decision. However, at its meeting, the Committee  
9 also voted to require a new delegation of  
10 authority upon the election of a new Treasurer.  
11 Now that this bill requires a separate delegation  
12 for every investment manager decision, it may be  
13 unnecessary to also require a new delegation upon  
14 the election of a new Treasurer. Please advise.  
15 If a requirement for redelegation upon an  
16 election of a Treasurer is still appropriate, it  
17 likely can be inserted in a new paragraph (x) as  
18 follows:

19  
20 (x) At any time that a new state treasurer is  
21 elected and sworn into office, any delegation of  
22 authority to approve the selection of an investment  
23 manager under paragraph (iv) of this subsection  
24 shall terminate and the investment funds committee  
25 shall determine and make any new delegations as it  
26 deems appropriate under paragraph (iv) of this  
27 subsection.

28 \*\*\*\*\*

29 (viii) Each investment manager shall at least  
30 quarterly provide a report to the state treasurer  
31 describing the manager's performance relative to mutually  
32 agreed upon industry indices and reflecting all brokerage  
33 fees and other fees or expenses paid by or fees earned by  
34 the manager which are paid by the state under the contract;

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