

WORKING DRAFT

HOUSE BILL NO. _____

Prudent investor standard for hospitals.

Sponsored by: Select Committee on Capital Financing and Investments

A BILL

for

1 AN ACT relating to administration of government;
2 authorizing special hospital districts and county hospital
3 boards to invest in securities in accordance with the
4 Wyoming Uniform Prudent Investor Act; specifying
5 limitations; and providing for an effective date.

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

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9 **Section 1.** W.S. 9-4-831(h) and 35-2-403 by creating a
10 new subsection (d) are amended to read:

11

12 **9-4-831. Investment of public funds.**

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14 (h) Every political subdivision shall have on file a
15 "Statement of Investment Policy." Except for investments

1 by special hospital district boards pursuant to W.S. 35-2-
2 403(d) or county memorial hospitals pursuant to W.S. 18-8-
3 104(d), this policy shall be at least as restrictive with
4 respect to the types of investments authorized as those
5 listed under subsection (a) of this section. The policy
6 shall require that before any person effects any investment
7 transaction on behalf of a political subdivision or offers
8 any investment advice to the governing body of a political
9 subdivision, that person shall sign a statement indicating
10 that he has read the policy and agrees to abide by
11 applicable state law with respect to advice he gives and
12 the transactions he undertakes on behalf of the political
13 subdivision. As used in this subsection, "person" does not
14 include any officer, employee or member of the governing
15 board of the political subdivision for which the investment
16 is made or to which advice is given. As used in this
17 subsection and subsection (j), "political subdivision"
18 means the local government entities listed in the
19 introductory paragraph of subsection (a) of this section.
20 As used in this subsection, "investment" for the purpose of
21 "investment transactions" and "investment advice" does not
22 include deposits in financial institutions as authorized by
23 law. As used in this subsection and paragraph (a)(iv) of

1 this section, "financial institution" means as defined in
2 W.S. 13-1-101(a) (ix).

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4 **18-8-104. Hospital generally under control of board**
5 **of trustees; appointment, powers and duties of trustees;**
6 **incorporation; use of funds for erection of hospital; term**
7 **of lease; consolidation of hospitals; acquisition of land.**

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9 (d) Subject to constitutional limitations, in
10 addition to any other securities the legislature authorizes
11 or has authorized by law for investment, any funds of the
12 hospital may be invested by the hospital board in any
13 security which has been approved by the board. In
14 approving securities for the investment under this
15 subsection, the board shall be subject to and act in
16 accordance with the provisions of the Wyoming Uniform
17 Prudent Investor Act. The provisions of this subsection
18 shall not be construed to authorize the use any revenues
19 generated from taxes to engage in any activity authorized
20 under W.S. 18-8-301(a).

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22 **18-8-201. Definitions; county memorial hospital;**
23 **authority to issue revenue securities; purpose.**

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1 (c) In addition to the authority of the county
2 commissioners to issue certificates of indebtedness to meet
3 the obligations of county memorial hospitals under W.S. 18-
4 4-104, with the permission of the board of county
5 commissioners, the trustees of a county memorial hospital
6 may issue tax and revenue anticipation notes in amounts not
7 to exceed eighty percent (80%) of the total amount of taxes
8 levied for operation of the hospital for the fiscal year
9 during which the notes are issued when the board determines
10 that insufficient funds are available to meet the
11 obligations of the hospital during any fiscal year. A
12 county memorial hospital shall not enter into agreements or
13 issue instruments of the type allowed by this section for
14 any fiscal year until all debts financed by such agreements
15 or instruments for any prior fiscal year have been paid in
16 full. Tax and revenue anticipation notes issued under this
17 subsection are subject to the procedural requirements of
18 W.S. 9-4-1103 through 9-4-1105 for state tax and revenue
19 anticipation notes, except:

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21 (ii) ~~Notwithstanding W.S. 9-4-1105(a),~~
22 Investments of the proceeds of the notes by the trustees
23 are limited to those investments authorized under W.S. 9-4-
24 831 and W.S. 18-8-104(d).

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35-2-403. Body corporate; name and style; powers generally; rules and regulations of trustees; definitions of certain terms.

(d) Subject to constitutional limitations, in addition to any other securities the legislature authorizes or has authorized by law for investment, any funds of the district may be invested by the board in any security which has been approved by the district board. In approving securities for the investment under this subsection, the board shall be subject to and act in accordance with the provisions of the Wyoming Uniform Prudent Investor Act. The provisions of this subsection shall not be construed to authorize the use any revenues generated from taxes to engage in any activity authorized under W.S. 18-8-301(a).

Section 2. This act is effective immediately upon completion of all acts necessary for a bill to become law as provided by Article 4, Section 8 of the Wyoming Constitution.

(END)

