

SENATE FILE NO. SF0049

Investment funds committee.

Sponsored by: Select Committee on Capital Financing &
Investments

A BILL

for

1 AN ACT relating to state investments; creating the
2 investment funds committee; specifying membership;
3 providing for appointment and removal of members; imposing
4 duties on the committee; transferring certain duties from
5 the state loan and investment board to the committee;
6 creating the selection panel for the investment funds
7 committee; providing for appointment and removal of members
8 to the selection panel; providing for staffing of the
9 committee and the panel; providing an appropriation;
10 requiring a report; and providing for effective dates.

11

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

13

14 **Section 1.** W.S. 9-4-720 and 9-4-721 are created to
15 read:

1

2 **9-4-720. Investment funds committee.**

3

4 (a) There is created the investment funds committee.
5 The committee consists of five (5) members including the
6 state treasurer, a member of the state treasurer's office
7 designated by the state treasurer and three (3) members
8 appointed by a selection panel in accordance with W.S.
9 9-4-721. The three (3) members appointed by a selection
10 panel shall serve a three (3) year term provided that of
11 the initial committee, one (1) member shall be appointed
12 for a one (1) year term, one (1) member for a two (2) year
13 term and one (1) member for a three (3) year term. The
14 three (3) members are eligible for reappointment. All
15 terms of appointment shall commence on March 1 of the year
16 of appointment.

17

18 (b) Any appointed member of the committee may be
19 removed by the selection panel at any time or may be
20 removed by the governor for malfeasance or misconduct in
21 office. If an appointed position on the committee becomes
22 vacant for any reason, the selection panel shall appoint a

1 member in accordance with W.S. 9-4-721 to fill the position
2 for the remainder of the unexpired term.

3

4 (c) Members of the investment funds committee shall
5 be confirmed by the senate. The selection panel may fill
6 any vacancy occurring between sessions of the legislature
7 by temporary appointment.

8

9 (d) The state treasurer shall be the chairman of the
10 committee. The committee shall meet at least quarterly and
11 at the call of either the chairman or a majority of the
12 membership.

13

14 (e) Staff and support for the committee shall be
15 provided by the office of the state treasurer. Members of
16 the committee who are not employees or elected officials of
17 the state of Wyoming shall receive per diem and travel
18 expense reimbursement in the manner and amount prescribed
19 for legislators under W.S. 28-5-101.

20

21 **9-4-721. Investment funds committee; selection panel.**

22

1 (a) There is created the selection panel to appoint
2 members to the investment funds committee. The panel
3 consists of five (5) members composed of one (1) member
4 appointed by each of the members of the board. Each
5 selection panel member shall possess financial knowledge
6 and experience to qualify them for the position. Members
7 on the panel shall serve for the term of office of the
8 board member who appointed them but may be removed by that
9 appointing member.

10

11 (b) The selection panel shall research and interview
12 candidates for the investment funds committee. Candidates
13 for the investment funds committee may be nominated by the
14 board or may apply directly to the panel.

15

16 (c) No candidate shall be appointed by the selection
17 panel to the investment funds committee unless the
18 candidate has all of the following qualifications:

19

20 (i) Not less than seven (7) years of
21 institutional investment experience involved in the
22 management of a portfolio in excess of five hundred million
23 dollars (\$500,000,000.00);

1

2 (ii) A broad understanding of financial markets;

3

4 (iii) Not been convicted of or pleads guilty or
5 nolo contendere to a felony violation or been the subject
6 of any disciplinary action involving moral turpitude;

7

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

11

12 (d) Staff and support for the selection panel shall
13 be provided by the office of the state treasurer. Members
14 of the panel who are not employees or elected officials of
15 the state of Wyoming shall receive per diem and travel
16 expense reimbursement in the manner and amount prescribed
17 for legislators under W.S. 28-5-101.

18

19 **Section 2.** W.S. 9-4-714(a)(vi), 9-4-715(d),
20 9-4-716(c) and 9-4-718(a)(iv) are amended to read:

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22 **9-4-714. Definitions.**

23

1 (a) As used in this act:

2

3 (vi) "This act" means W.S. 9-4-714 through
4 ~~9-4-719~~ 9-4-721.

5

6 **9-4-715. Permissible investments.**

7

8 (d) When approving, acquiring, investing,
9 reinvesting, exchanging, retaining, selling and managing
10 investments of the state of Wyoming, the members of the
11 board, the members of the investment funds committee
12 created by this act, the state treasurer, designees of the
13 state treasurer or any other fiduciary appointed by the
14 state treasurer, ~~or~~ the board or the investment funds
15 committee shall exercise the judgment and care of a prudent
16 investor as specified by the Uniform Prudent Investor Act,
17 W.S. 4-10-901 through 4-10-913.

18

19 **9-4-716. State investment policy; investment**
20 **consultant.**

21

22 (c) The state treasurer, in consultation with the
23 investment funds committee created by this act, shall

1 develop and submit proposed investment policy statements
2 for each grouping of state funds specified in subsection
3 (a) of this section and may contract for assistance in
4 developing proposals or in making suggestions for
5 modifications to existing investment policy statements. The
6 state treasurer shall report quarterly to the board
7 regarding the performance of investments with respect to
8 each grouping of state funds specified by the board under
9 subsection (a) of this section and such other information
10 as may be required by the board.

11

12 **9-4-718. Investment managers.**

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14 (a) The state treasurer may contract with investment
15 managers and pay for investment services and investment
16 advice subject to the following conditions:

17

18 (iv) Investment managers shall be selected based
19 upon a competitive process and with consideration given to
20 the historical performance of prospective managers. No
21 investment manager shall be hired unless approved by a
22 majority vote of the board and the investment funds
23 committee created by this act. The contract with an

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

3

4 **Section 3.**

5

6 (a) Not later than November 1, 2019, the state
7 treasurer shall report to the select committee on capital
8 financing and investments. The report shall include
9 recommendations, including any proposed legislation, on:

10

11 (i) The functions and impact of the investment
12 funds committee created in section 1 of this act;

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14 (ii) Whether the investment funds committee
15 should continue to carry out the duties imposed on it by
16 this act;

17

18 (iii) Whether the duty to establish and
19 implement state investment policy under W.S. 9-4-716 should
20 be transferred from the state loan and investment board to
21 the investment funds committee;

22

1 (iv) Those provisions in Wyoming law which
2 should be created, amended or repealed to achieve the
3 recommendations contained in the report.

4
5 **Section 4.** There is appropriated from the general
6 fund forty-five thousand dollars (\$45,000.00) to the office
7 of the state treasurer. This appropriation shall be for
8 the period beginning with the effective date specified in
9 section 5(a) of this act and ending June 30, 2018. This
10 appropriation shall only be expended for payment of
11 authorized compensation, per diem and mileage for
12 investment funds committee members appointed under W.S.
13 9-4-720 and selection panel members appointed under W.S.
14 9-4-721 as created by this act. Notwithstanding any other
15 provision of law, this appropriation shall not be
16 transferred or expended for any other purpose and any
17 unexpended, unobligated funds remaining from this
18 appropriation shall revert as provided by law on June 30,
19 2018. This appropriation shall be included in the office
20 of the state treasurer's 2019-2020 standard biennial budget
21 request.

22
23 **Section 5.**

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2 (a) Except as provided in subsection (b) of this
3 section, this act is effective immediately upon completion
4 of all acts necessary for a bill to become law as provided
5 by Article 4, Section 8 of the Wyoming Constitution.

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7 (b) Section 2 of this act is effective July 1, 2018.

8

9

(END)