

Bill No.: SF0121 **Effective:** **Multiple Dates**

LSO No.: 21LSO-0337

Enrolled Act No.: SEA No. 0075

Chapter No.: 144

Prime Sponsor: Perkins

Catch Title: **State funds - investments and distributions.**

Subject: Investment and distribution of earning from investments of state funds.

Summary/Major Elements:

- Provides uniformity for crediting investment earnings to various funds and accounts – distinguishing between income from interest, rents and dividends and realized capital gains. The statutory changes reflect current practices of the State Treasurer's Office.
- Amends various statutes that use differing terms, such as "interest," "income" and "interest and income," to a uniform use of "earnings."
- Modifies spending policy amounts for the Permanent Mineral Trust Fund (PWSTRF), Common School Account within the Permanent Land Fund and the Higher Education Endowment by establishing each at five percent (5%) of the five (5) year average market value of each fund. The "step-downs" in current law for the various spending policy amounts are repealed.
- Spending policy amounts are established to provide:
 - Consistent, sustainable flow of earnings for expenditure over time;
 - Protection of the corpus of the permanent funds against inflation; and
 - Making earnings available for expenditure to offset the effects of inflation, if practicable.
- Redistributes the one percent "statutory" severance tax in future years in equal amounts to the PWSTRF and the common school account within the permanent land fund (for eight (8) years) and thereafter distributes the funds two-thirds (2/3) to the PWSTRF and one-third (1/3) to the common school account within the permanent land fund.
- Directs a study by the Select Committee on Capital Finance and Investment on various issues involving allocation of investment earnings as either principal of the fund or as income for distribution, limitations on investing in equities, limitations on diminution to the principal of funds held as inviolate, and the ability of the state to adopt an endowment model allowing a fixed percentage of the value of a permanent fund to be distributed. The study is to be conducted in coordination with the State Loan and Investment Board and the Investment Funds Committee.

Comments:

- Requires a 1-2 year study by the Select Committee on Capital Finance and Investments.

The above summary is not an official publication of the Wyoming Legislature and is not an official statement of legislative intent. While the Legislative Service Office endeavored to provide accurate information in this summary, it should not be relied upon as a comprehensive abstract of the bill.