

ENROLLED ACT NO. 88, SENATE

SIXTY-FOURTH LEGISLATURE OF THE STATE OF WYOMING
2017 GENERAL SESSION

AN ACT relating to state investments; creating the investment funds committee; specifying membership; providing for appointment and removal of members; imposing duties on the committee; transferring certain duties from the state loan and investment board to the committee; creating the selection panel for the investment funds committee; providing for appointment and removal of members to the selection panel; providing for staffing of the committee and the panel; amending public meetings, public records and administrative procedures provisions in relation to the investment funds committee; providing an appropriation; requiring a report; and providing for effective dates.

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

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

9-4-720. Investment funds committee.

(a) There is created the investment funds committee. The committee consists of six (6) voting members including the state treasurer, a member of the state treasurer's office designated by the state treasurer, the chief investment officer of the Wyoming retirement system and three (3) members appointed by a selection panel in accordance with W.S. 9-4-721. In addition to the voting members, there shall be one (1) ex officio nonvoting member appointed by the governor and one (1) ex officio nonvoting member appointed by the management council.

(b) The ex officio nonvoting member appointed by the governor shall serve for the term of office of the governor

ENROLLED ACT NO. 88, SENATE

SIXTY-FOURTH LEGISLATURE OF THE STATE OF WYOMING
2017 GENERAL SESSION

but may be removed by the governor. The ex officio nonvoting member appointed by the management council shall serve a two (2) year term but is eligible for reappointment and may be removed by the management council.

(c) The three (3) voting members appointed by a selection panel shall serve a three (3) year term provided that of the initial committee, one (1) member shall be appointed for a one (1) year term, one (1) member for a two (2) year term and one (1) member for a three (3) year term. The three (3) members are eligible for reappointment. Terms of appointment for voting members shall commence on March 1 of the year of appointment. Any appointed voting member of the committee may be removed by the selection panel at any time or may be removed by the governor for malfeasance or misconduct in office. If an appointed voting position on the committee becomes vacant for any reason, the selection panel shall appoint a member in accordance with W.S. 9-4-721 to fill the position for the remainder of the unexpired term. Appointed voting members of the investment funds committee shall be confirmed by the senate. The selection panel may fill any vacancy occurring between sessions of the legislature by temporary appointment.

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

(e) Staff and support for the committee shall be provided by the office of the state treasurer. Members of the committee who are not employees or elected officials of the state of Wyoming shall receive per diem and travel

ENROLLED ACT NO. 88, SENATE

SIXTY-FOURTH LEGISLATURE OF THE STATE OF WYOMING
2017 GENERAL SESSION

expense reimbursement in the manner and amount prescribed for legislators under W.S. 28-5-101.

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

(a) There is created the selection panel to appoint voting members to the investment funds committee as provided in W.S. 9-4-720. The panel consists of five (5) members composed of one (1) member appointed by each of the members of the board. Each selection panel member shall possess financial knowledge and experience to qualify them for the position. Once appointed, a selection panel member shall serve for the term of office of the board member who appointed them but may be removed by the appointing board member.

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

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

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

(ii) A broad understanding of financial markets;

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

ENROLLED ACT NO. 88, SENATE

SIXTY-FOURTH LEGISLATURE OF THE STATE OF WYOMING
2017 GENERAL SESSION

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

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

Section 2. W.S. 9-4-714(a)(vi), 9-4-715(d), 9-4-716(c), 9-4-718(a)(iv), 16-3-101(b)(i), 16-4-203(d) by creating a new paragraph (xviii) and 16-4-402(a)(ii) are amended to read:

9-4-714. Definitions.

(a) As used in this act:

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

9-4-715. Permissible investments.

(d) When approving, acquiring, investing, reinvesting, exchanging, retaining, selling and managing investments of the state of Wyoming, the members of the board, the members of the investment funds committee created by this act, the state treasurer, designees of the state treasurer or any other fiduciary appointed by the state treasurer, ~~or~~ the board or the investment funds committee shall exercise the judgment and care of a prudent

ENROLLED ACT NO. 88, SENATE

SIXTY-FOURTH LEGISLATURE OF THE STATE OF WYOMING
2017 GENERAL SESSION

investor as specified by the Uniform Prudent Investor Act, W.S. 4-10-901 through 4-10-913.

9-4-716. State investment policy; investment consultant.

(c) The state treasurer, in consultation with the investment funds committee created by this act, shall develop and submit proposed investment policy statements for each grouping of state funds specified in subsection (a) of this section and may contract for assistance in developing proposals or in making suggestions for modifications to existing investment policy statements. The state treasurer shall report quarterly to the board regarding the performance of investments with respect to each grouping of state funds specified by the board under subsection (a) of this section and such other information as may be required by the board.

9-4-718. Investment managers.

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

(iv) Investment managers shall be selected based upon a competitive process and with consideration given to the historical performance of prospective managers. No investment manager shall be hired unless approved by a majority vote of the board in consultation with the investment funds committee created by this act. The contract with an investment manager may be terminated by a majority vote of the board;

16-3-101. Short title; definitions.

ENROLLED ACT NO. 88, SENATE

SIXTY-FOURTH LEGISLATURE OF THE STATE OF WYOMING
2017 GENERAL SESSION

(b) As used in this act:

(i) "Agency" means any authority, bureau, board, commission, department, division, officer or employee of the state, a county, city or town or other political subdivision of the state, except the governing body of a city or town, the state legislature, the University of Wyoming, the judiciary, ~~and~~—the consensus revenue estimating group as defined in W.S. 9-2-1002 and the investment funds committee created by W.S. 9-4-720;

16-4-203. Right of inspection; grounds for denial; access of news media; order permitting or restricting disclosure; exceptions.

(d) The custodian shall deny the right of inspection of the following records, unless otherwise provided by law:

(xviii) Any records of the investment funds committee, created by W.S. 9-4-720, that disclose information considered by the committee, committee deliberations or tentative decisions of the committee.

16-4-402. Definitions.

(a) As used in this act:

(ii) "Agency" means any authority, bureau, board, commission, committee, or subagency of the state, a county, a municipality or other political subdivision which is created by or pursuant to the Wyoming constitution, statute or ordinance, other than the state legislature, the judiciary, ~~and~~—the consensus revenue estimating group as

ENROLLED ACT NO. 88, SENATE

SIXTY-FOURTH LEGISLATURE OF THE STATE OF WYOMING
2017 GENERAL SESSION

defined in W.S. 9-2-1002 and the investment funds committee created by W.S. 9-4-720;

Section 3.

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

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

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

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

(iv) Modifications to the state investment policy;

(v) Improvements to the management of investments or other relevant information;

(vi) Those provisions in sections 1 and 2 of this act which should be changed; and

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

ENROLLED ACT NO. 88, SENATE

SIXTY-FOURTH LEGISLATURE OF THE STATE OF WYOMING
2017 GENERAL SESSION

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

Section 5.

(a) Except as provided in subsection (b) of this section, 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.

ORIGINAL SENATE
FILE NO. SF0049

ENGROSSED

ENROLLED ACT NO. 88, SENATE

SIXTY-FOURTH LEGISLATURE OF THE STATE OF WYOMING
2017 GENERAL SESSION

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

(END)

Speaker of the House

President of the Senate

Governor

TIME APPROVED: _____

DATE APPROVED: _____

I hereby certify that this act originated in the Senate.

Chief Clerk