

SENATE FILE NO. SF0063

LSRA investments.

Sponsored by: Joint Appropriations Committee

A BILL

for

1 AN ACT relating to the legislative stabilization reserve
2 account; requiring investment of the account as specified;
3 specifying the maximum percentage of the account which may be
4 invested in equities; requiring the state loan and investment
5 board to adopt an investment policy statement for the account;
6 requiring a report; and providing for an effective date.

7

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

9

10 **Section 1.** W.S. 9-4-219(a) and 9-4-715 by creating a
11 new subsection (q) are amended to read:

12

13 **9-4-219. Legislative stabilization reserve account**
14 **created; purposes.**

15

1 (a) The legislative stabilization reserve account
2 created by 2005 Wyoming Session Laws, Chapter 191, Section 4,
3 Section 301(d) is continued and codified. Funds within the
4 account shall only be expended by legislative appropriation.
5 All funds within the account shall be invested by the state
6 treasurer as authorized under W.S. 9-4-715(a), (d), (e) and
7 (q) and all investment earnings from the account shall be
8 credited to the general fund.

9
10 **9-4-715. Permissible investments.**

11
12 (q) The state treasurer, or his designee, which shall
13 be registered under the Investment Advisor's Act of 1940 as
14 amended if required to be registered by the terms of that act
15 as amended shall invest the legislative stabilization reserve
16 account created in W.S. 9-4-219 in a manner to obtain the
17 highest return possible subject to the following:

18
19 (i) Investments shall be made in accordance with
20 investment policy statements adopted by the board under W.S.
21 9-4-716. In adopting investment policy statements for the
22 legislative stabilization reserve account, the board shall

1 seek to preserve the balance of the account as necessary to
2 address:

3
4 (A) A budget shortfall or structural budget
5 deficit through contingent appropriations and expenditures
6 under W.S. 9-2-1014(d)(ii) and (iii);

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8 (B) A published consensus revenue estimating
9 group estimate of revenues that is less than existing
10 legislative appropriations for state government operations or
11 support of public schools;

12
13 (C) Other emergencies and needs identified or
14 authorized by the legislature under Wyoming statutes and
15 session laws.

16
17 (ii) To the extent funds are available and prior
18 to making any other investments, five hundred million dollars
19 (\$500,000,000.00) shall be invested in short term fixed
20 income investment grade securities;

21
22 (iii) After consultation with the budget division
23 of the department of administration and information, up to

1 fifty-five percent (55%) of the unobligated, unencumbered
2 balance of the legislative stabilization reserve account in
3 excess of the amount specified in paragraph (ii) of this
4 subsection, as calculated by the state auditor on October 1
5 of each fiscal year, may be invested in equities, including
6 stocks of corporations. Investments under this paragraph
7 shall be made in compliance with subsections (c) and (d) of
8 this section;

9
10 (iv) Not later than November 1 of each year, the
11 state treasurer shall report to the joint appropriations
12 committee and the select committee on capital financing and
13 investments regarding the annual review of the investment
14 policy statement for the legislative stabilization reserve
15 account and the investment performance of the account.

16
17 **Section 2.** This act is effective immediately upon
18 completion of all acts necessary for a bill to become law as
19 provided by Article 4, Section 8 of the Wyoming Constitution.

20

21

(END)