

SENATE FILE NO. SF0139

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), 18-8-104 by creating a  
10 new subsection (d), 18-8-201(c)(ii) and 35-2-403 by  
11 creating a new subsection (d) are amended to read:

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13 **9-4-831. Investment of public funds.**

14

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

1 by special hospital district boards pursuant to W.S.  
2 35-2-403(d) or county memorial hospitals pursuant to W.S.  
3 18-8-104(d), this policy shall be at least as restrictive  
4 with respect to the types of investments authorized as  
5 those listed under subsection (a) of this section. The  
6 policy shall require that before any person effects any  
7 investment transaction on behalf of a political subdivision  
8 or offers any investment advice to the governing body of a  
9 political subdivision, that person shall sign a statement  
10 indicating that he has read the policy and agrees to abide  
11 by 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 recommended by an investment  
14 advisor registered under the Uniform Investment Advisor's  
15 Act of 1940 as amended, or any bank exercising its trust  
16 powers, and approved by the board. In approving securities  
17 for the investment under this subsection, the board shall  
18 be subject to and act in accordance with the provisions of  
19 the Wyoming Uniform Prudent Investor Act. The provisions  
20 of this subsection shall not be construed to authorize the  
21 use of any revenues generated from taxes to engage in any  
22 activity authorized under W.S. 18-8-301(a).

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1           **18-8-201. Definitions; county memorial hospital;**  
2 **authority to issue revenue securities; purpose.**

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

23

1           (ii) ~~Notwithstanding W.S. 9-4-1105(a),~~  
2 Intestments of the proceeds of the notes by the trustees  
3 are limited to those investments authorized under W.S.  
4 9-4-831 and 18-8-104(d).

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6           **35-2-403. Body corporate; name and style; powers**  
7 **generally; rules and regulations of trustees; definitions**  
8 **of certain terms.**

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10           (d) Subject to constitutional limitations, in  
11 addition to any other securities the legislature authorizes  
12 or has authorized by law for investment, any funds of the  
13 district may be invested by the board in any security which  
14 has been recommended by an investment advisor registered  
15 under the Uniform Investment Advisor's Act of 1940 as  
16 amended, or any bank exercising its trust powers, and  
17 approved by the district board. In approving securities  
18 for the investment under this subsection, the board shall  
19 be subject to and act in accordance with the provisions of  
20 the Wyoming Uniform Prudent Investor Act. The provisions  
21 of this subsection shall not be construed to authorize the  
22 use of any revenues generated from taxes to engage in any  
23 activity authorized under W.S. 18-8-301(a).

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

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(END)