



Legislative  
Council Staff

*Nonpartisan Services for Colorado's Legislature*

**FISCAL NOTE**

<b>Drafting Number:</b>	LLS 18-1225	<b>Date:</b>	April 19, 2018
<b>Prime Sponsors:</b>	Rep. Lawrence; Duran Sen. Gardner; Williams A.	<b>Bill Status:</b>	House Appropriations
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**Bill Topic:** STATE TREASURER INVESTMENT AUTHORITY

<b>Summary of Fiscal Impact:</b>	<input checked="" type="checkbox"/> State Revenue <i>(potential)</i>	<input checked="" type="checkbox"/> TABOR Refund <i>(potential)</i>
	<input type="checkbox"/> State Expenditure	<input type="checkbox"/> Local Government
	<input type="checkbox"/> State Transfer	<input type="checkbox"/> Statutory Public Entity

This bill expands the authority of the State Treasurer to make international investments. It may increase or reduce state revenue on an ongoing basis.

**Appropriation Summary:** No appropriation is required.

**Fiscal Note Status:** The fiscal note reflects the introduced bill.

**Summary of Legislation**

Under current law, the State Treasurer may invest in debt obligations backed by the full faith and credit of Israel that are rated in one of the two highest rating categories by a nationally recognized rating organization. This bill repeals this language and allows the State Treasurer to invest in securities that are issued by a sovereign, national, or supranational entity and rated at least investment grade by a nationally recognized rating organization.

**State Revenue**

To the extent that permitting the State Treasurer to make investments not currently allowed in statute results in improved or reduced interest earnings, state revenue will increase or decrease. The impact of this change has not been estimated as it depends on future investment decisions made by the State Treasurer.

**TABOR Impact**

To the extent that this bill increases state revenue from interest earnings, it will increase the amount of money required to be refunded under TABOR for FY 2018-19 and FY 2019-20. Conversely, if interest earnings are reduced, the amount of money required to be refunded will be reduced. State revenue subject to TABOR is not estimated for years beyond FY 2019-20. The impact of the bill on the General Fund budget has not been estimated.

## **Effective Date**

The bill takes effect August 8, 2018, if the General Assembly adjourns on May 9, 2018, as scheduled, and no referendum petition is filed.

## **State and Local Government Contacts**

Information Technology      Treasury