

CHAPTER 6

EDUCATION - PUBLIC SCHOOLS

HOUSE BILL 98-1095

BY REPRESENTATIVES Chavez, Gotlieb, Mace, Morrison, Reeser, and Romero;
also SENATORS Wham and Tebedo.

AN ACT

CONCERNING A REQUIREMENT THAT TRUSTEES WHO MANAGE THE ASSETS OF A BENEFIT RETIREMENT SYSTEM THAT IS MAINTAINED FOR EMPLOYEES OF A SCHOOL DISTRICT SHALL BE GOVERNED BY THE STANDARD FOR TRUSTEES CONTAINED IN THE COLORADO "UNIFORM PRUDENT INVESTOR ACT".

Be it enacted by the General Assembly of the State of Colorado:

SECTION 1. 22-64-112 (2), Colorado Revised Statutes, is amended to read:

22-64-112. Board may invest retirement funds - when. (2) (a) In addition, if desired, the boards of education, through their custodians, may invest or deposit such funds in the manner provided by part 6 of article 75 of title 24, C.R.S., and may, EXCEPT AS PROVIDED IN PARAGRAPH (b) OF THIS SUBSECTION (2), acquire and retain every kind of property, real, personal, and mixed, and every kind of investment, specifically including, but not by way of limitation, bonds, debentures, and other corporate obligations, stocks, preferred or common, securities of any open-end or closed-end management type investment company or investment trust, and participations in common trust funds, which ~~men~~ PERSONS of prudence, discretion, and intelligence would acquire or retain for their own account, but in doing so such boards of education shall exercise the judgment and care under the circumstances then prevailing which ~~men~~ PERSONS of prudence, discretion, and intelligence exercise in the management of their own affairs, not in regard to speculation but in regard to the permanent disposition of their funds, considering the probable income as well as the probable safety of their capital. The purchase or sale of any investments by the custodian of such funds shall be only upon the direction of ~~his~~ SUCH CUSTODIAN'S board of education.

(b) (I) IF A SCHOOL DISTRICT MAINTAINS A BENEFIT OR RETIREMENT SYSTEM THAT UTILIZES THE TRUST FORM FOR MANAGING AND INVESTING THE FUNDS AND ASSETS OF SUCH SYSTEM, THE TRUSTEE OR TRUSTEES OF THE TRUST SHALL MANAGE AND INVEST THE FUNDS AND ASSETS HELD IN TRUST PURSUANT TO THE STANDARD AND OTHER PROVISIONS FOR TRUSTEES SET FORTH IN THE "UNIFORM PRUDENT INVESTOR ACT", ARTICLE 1.1 OF TITLE 15, C.R.S., AS MADE APPLICABLE TO ANY SUCH TRUST IN EXISTENCE ON JULY 1, 1995, PURSUANT TO SECTION 15-1.1-111, C.R.S.

(II) NOTHING IN THIS PARAGRAPH (b) SHALL BE CONSTRUED AS REPEALING OR MODIFYING SECTION 22-64-115 OR AFFECTING THE LIABILITY OF A MEMBER OF ANY BOARD OF EDUCATION AS PROVIDED IN THAT SECTION.

SECTION 2. Effective date. This act shall take effect on August 5, 1998; except that, if a referendum petition is filed against this act or an item, section, or part of this act within the ninety-day period after final adjournment of the general assembly that is allowed for submitting a referendum petition pursuant to article V, section 1 (3) of the state constitution, then the act, item, section, or part, if approved by the people, shall take effect on the date of the official declaration of the vote thereon by proclamation of the governor.

Approved: March 6, 1998