

## CHAPTER 260

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**GOVERNMENT - STATE**

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**HOUSE BILL 99-1336**

BY REPRESENTATIVES Scott, Mitchell, Smith, Spradley, Johnson, Kester, Mace, May, Paschall, and Stengel;  
also SENATORS Evans, Hernandez, and Reeves.

**AN ACT**

CONCERNING THE AUTHORIZED MATURITY DATE FOR CERTAIN SECURITIES THAT COLLATERALIZE  
REPURCHASE AGREEMENTS FOR LEGAL INVESTMENTS OF PUBLIC FUNDS.

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

**SECTION 1.** 24-75-601.1 (1) (j), Colorado Revised Statutes, is amended to read:

**24-75-601.1. Legal investments of public funds.** (1) It is lawful to invest public funds in any of the following securities if the period from the date of purchase of such security to its maturity date is five years or less or if the governing body of the public entity authorizes investment for such period in excess of five years:

(j) Any repurchase agreement concerning any securities referred to in paragraph (a) or (b) of this subsection (1) that can otherwise be purchased under this section if all of the conditions of subparagraphs (I) to (IV) of this paragraph (j) are met:

(I) EXCEPT FOR INVESTMENTS BY THE STATE TREASURER, the securities subject to the repurchase agreement MUST HAVE A COUPON RATE THAT IS FIXED FROM THE TIME OF SETTLEMENT UNTIL ITS MATURITY DATE, AND must be marketable.

~~(II) The market value of such securities must be at all times at least equal to the funds invested by the investing public entity.~~

~~(II)~~ (II) The title to or a perfected security interest in such securities along with any necessary transfer documents must be transferred to the investing public entity or to a custodian acting on behalf of the investing public entity.

~~(III)~~ (III) Such securities must be actually delivered to the public entity or to a third-party custodian or third-party trustee for safekeeping on behalf of the public

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*Capital letters indicate new material added to existing statutes; dashes through words indicate deletions from existing statutes and such material not part of act.*

entity.

(IV) EXCEPT FOR INVESTMENTS BY THE STATE TREASURER, THE COLLATERAL SECURITIES OF THE REPURCHASE AGREEMENT MUST BE COLLATERALIZED AT NO LESS THAN ONE HUNDRED TWO PERCENT AND MARKED TO MARKET NO LESS FREQUENTLY THAN WEEKLY.

**SECTION 2. Safety clause.** The general assembly hereby finds, determines, and declares that this act is necessary for the immediate preservation of the public peace, health, and safety.

Approved: May 29, 1999