

CHAPTER 94

GOVERNMENT - STATE

HOUSE BILL 02-1217

BY REPRESENTATIVE(S) Kester, Mitchell, Paschall, Scott, and Weddig;
also SENATOR(S) Takis, Hagedorn, Hillman, and Tate.

AN ACT**CONCERNING INVESTMENT OF PUBLIC FUNDS IN SECURITIES ISSUED BY COLORADO PUBLIC ENTITIES.**

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

SECTION 1. Legislative declaration. The general assembly hereby finds and declares that public entities should be able to invest in securities that have minimal risk, yield a fair and equitable return, and may provide economic opportunities for Coloradans. Therefore, the general assembly intends to amend the limitations on investment of public funds to allow said funds to be invested in certain securities issued by the state of Colorado or any political subdivision, institution, department, agency, instrumentality, or authority of the state.

SECTION 2. 24-75-601.1 (1) (d) (II), Colorado Revised Statutes, is amended to read:

24-75-601.1. Legal investments of public funds. (1) (d) (II) No security may be purchased pursuant to this paragraph (d) unless:

(A) At the time of purchase, the security is rated in one of its three highest rating categories by one or more nationally recognized organizations which regularly rate such obligations; OR

(B) AT THE TIME OF PURCHASE, THE SECURITY IS ISSUED BY THE STATE OF COLORADO OR ANY POLITICAL SUBDIVISION, INSTITUTION, DEPARTMENT, AGENCY, INSTRUMENTALITY, OR AUTHORITY OF THE STATE OF COLORADO; THE ISSUER IS RATED IN ONE OF ITS THREE HIGHEST RATING CATEGORIES BY ONE OR MORE NATIONALLY RECOGNIZED ORGANIZATIONS THAT RATE SUCH ISSUERS; AND THE SECURITY IS SECURED BY A PLEDGE OF LOANS, LOAN PARTICIPATIONS, OR OTHER ASSETS THAT ARE INSURED OR GUARANTEED BY THE UNITED STATES OR OTHER ENTITY IDENTIFIED IN

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

PARAGRAPH (a) OF THIS SUBSECTION (1) OR FOR WHICH THE CREDIT OF THE UNITED STATES OR ANY SUCH ENTITY IS PLEDGED.

SECTION 3. 24-75-601.1 (3.5), Colorado Revised Statutes, is amended to read:

24-75-601.1. Legal investments of public funds. (3.5) Notwithstanding the limitations stated in the introductory portion to subsection (1) of this section, the securities subject to a repurchase agreement authorized in paragraph (j) of said subsection (1) AND THE SECURITIES AUTHORIZED IN SUB-SUBPARAGRAPH (B) OF SUBPARAGRAPH (II) OF PARAGRAPH (d) OF SAID SUBSECTION (1) may have a maturity in excess of five years.

SECTION 4. 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: April 12, 2002