

CHAPTER 141

GOVERNMENT - STATE

HOUSE BILL 13-1205

BY REPRESENTATIVE(S) Swalm and Pabon, Buckner, Coram, Court, Exum, Holbert, Labuda, Priola, Rosenthal, Scott, Singer, Szabo, Williams, Young, Ferrandino;
also SENATOR(S) Schwartz, Newell.

AN ACT**CONCERNING THE INVESTMENT OF STATE MONEYS BY THE STATE TREASURER.**

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

SECTION 1. In Colorado Revised Statutes, 22-41-104, **amend** (2) as follows:

22-41-104. Lawful investments. (2) The state treasurer has authority, to be exercised at the state treasurer's discretion, to effect exchanges or sales whenever such exchanges or sales will not result in any ultimate loss of principal and to effect exchanges or sales that will result in a loss of principal whenever such loss can be offset by a corresponding gain within three fiscal years of such exchange or sale. No exchange or sale of securities shall be consummated by the state treasurer that will result in a net loss of principal unless the general assembly has previously appropriated a sum to the public school fund equivalent to the anticipated net loss of principal from such exchange or sale. AN AGGREGATE LOSS OF PRINCIPAL TO THE PUBLIC SCHOOL FUND. AN AGGREGATE LOSS OF PRINCIPAL TO THE PUBLIC SCHOOL FUND OCCURS ONLY WHEN AN EXCHANGE OR SALE THAT RESULTED IN AN INITIAL LOSS OF PRINCIPAL IS NOT OFFSET BY A GAIN ON AN EXCHANGE OR SALE IN THE FUND WITHIN TWELVE MONTHS.

SECTION 2. In Colorado Revised Statutes, 24-36-113, **amend** (1) (a) and (3.6); and **add** (2.5) as follows:

24-36-113. Investment of state moneys - limitations. (1) (a) Whenever there are moneys in the state treasury that are not immediately required to be disbursed, the state treasurer is authorized to invest the same in ~~United States domestic~~ fixed income securities DENOMINATED IN UNITED STATES DOLLARS. In making such investments, the state treasurer shall use prudence and care to preserve the principal

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

and to secure the maximum rate of interest consistent with safety and liquidity. The state treasurer shall formulate investment policies regarding liquidity, maturity, and diversification appropriate to each fund or pool of funds in the state treasurer's custody available for investment.

(2.5) THE STATE TREASURER MAY, IN THE STATE TREASURER'S DISCRETION, INVEST SUCH MONEYS IN MUNICIPAL BONDS RATED IN ONE OF THE TWO HIGHEST RATING CATEGORIES BY A NATIONALLY RECOGNIZED RATING ORGANIZATION.

(3.6) The state treasurer may, in the state treasurer's discretion, invest such moneys in asset-backed securities AND COVERED BONDS rated in one of the two highest rating categories by a nationally recognized rating organization.

SECTION 3. Act subject to petition - effective date. This act takes effect at 12:01 a.m. on the day following the expiration of the ninety-day period after final adjournment of the general assembly (August 7, 2013, if adjournment sine die is on May 8, 2013); except that, if a referendum petition is filed pursuant to section 1 (3) of article V of the state constitution against this act or an item, section, or part of this act within such period, then the act, item, section, or part will not take effect unless approved by the people at the general election to be held in November 2014 and, in such case, will take effect on the date of the official declaration of the vote thereon by the governor.

Approved: April 26, 2013