

**FINAL  
FISCAL NOTE**

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<b>Drafting Number:</b> LLS 13-0715	<b>Date:</b> May 23, 2013
<b>Prime Sponsor(s):</b> Rep. Swalm; Pabon Sen. Schwartz	<b>Bill Status:</b> Signed into Law
	<b>Fiscal Analyst:</b> Bill Zepernick (303-866-4777)

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**TITLE:** CONCERNING THE INVESTMENT OF STATE MONEYS BY THE STATE TREASURER.

<b>Fiscal Impact Summary</b>	<b>FY 2013-2014</b>	<b>FY 2014-2015</b>
<b>State Revenue</b> Multiple Funds	Potential increase. See State Revenue section.	
<b>State Expenditures</b>		
<b>FTE Position Change</b>		
<b>Effective Date:</b> The bill was signed into law by the Governor on April 26, 2013, and takes effect August 7, 2013, assuming no referendum petition is filed.		
<b>Appropriation Summary for FY 2013-2014:</b> None required.		
<b>Local Government Impact:</b> None.		

**Summary of Legislation**

The bill gives the state treasurer additional flexibility in investing state moneys by allowing the treasurer to:

- exchange or sell an investment at a loss of principal to the public school fund so long as the loss is offset by a gain in the fund within 12 months;
- invest in securities denominated in U.S. dollars, rather than only in "domestic securities" under current law; and
- invest in municipal bonds rated in one of the two highest ratings by a nationally recognized rating organization.

**State Revenue**

The bill may increase investment revenue to funds managed by the treasurer, but the exact impact cannot be estimated at this time. By allowing investments to be sold at a loss of principal under certain circumstances, the treasurer has greater flexibility to potentially move funds into higher performing investments. In addition, expanding the types of municipal bonds in which state funds may be invested could also increase investment returns to the extent that these bonds are used in place of lower performing investment options.

**Departments Contacted**

Treasurer                  Education                  State Auditor                  Municipalities