



Legislative
Council Staff

Nonpartisan Services for Colorado's Legislature

HB 18-1402

FINAL FISCAL NOTE

Drafting Number:	LLS 18-1225	Date:	July 12, 2018
Prime Sponsors:	Rep. Lawrence; Young Sen. Gardner; Williams A.	Bill Status:	Signed into Law
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Bill Topic: STATE TREASURER INVESTMENT AUTHORITY

Summary of Fiscal Impact:	<input checked="" type="checkbox"/> State Revenue <i>(potential)</i>	<input checked="" type="checkbox"/> TABOR Refund <i>(potential)</i>
	<input type="checkbox"/> State Expenditure	<input type="checkbox"/> Local Government
	<input type="checkbox"/> State Transfer	<input type="checkbox"/> Statutory Public Entity

This bill expands the authority of the State Treasurer to make international investments. It may increase or reduce state revenue on an ongoing basis.

**Appropriation
Summary:** No appropriation is required.

**Fiscal Note
Status:** The fiscal note reflects the enacted bill.

Summary of Legislation

Under current law, the State Treasurer may invest in debt obligations backed by the full faith and credit of Israel that are rated in one of the two highest rating categories by a nationally recognized rating organization. This bill repeals this language and allows the State Treasurer to invest in securities that are issued by a sovereign, national, or supranational entity and rated at least investment grade by a nationally recognized rating organization.

State Revenue

To the extent that permitting the State Treasurer to make investments not currently allowed in statute results in improved or reduced interest earnings, state revenue will increase or decrease. The impact of this change has not been estimated as it depends on future investment decisions made by the State Treasurer.

TABOR Impact

To the extent that this bill increases state revenue from interest earnings, it will increase the amount of money required to be refunded under TABOR for FY 2018-19 and FY 2019-20. Conversely, if interest earnings are reduced, the amount of money required to be refunded will be reduced. State revenue subject to TABOR is not estimated for years beyond FY 2019-20. The impact of the bill on the General Fund budget has not been estimated.

Effective Date

The bill was signed into law by the Governor on June 6, 2018, and takes effect August 8, 2018, assuming no referendum petition is filed.

State and Local Government Contacts

Information Technology

Treasury