

Second Regular Session
Sixty-eighth General Assembly
STATE OF COLORADO

INTRODUCED

LLS NO. 12-0067.01 Esther van Mourik

HOUSE BILL 12-1077

HOUSE SPONSORSHIP

Gardner B., Barker, Duran, Labuda, Liston, Peniston, Ramirez, Schafer S., Scott, Waller

SENATE SPONSORSHIP

Tochtrop, King S., White

House Committees
Finance

Senate Committees

A BILL FOR AN ACT

101 **CONCERNING MODIFICATIONS TO THE INVESTMENT CONFIDENTIALITY**
102 **PROVISIONS RELATED TO POLICE OFFICERS' AND FIREFIGHTERS'**
103 **PENSION PLANS.**

Bill Summary

(Note: This summary applies to this bill as introduced and does not necessarily reflect any amendments that may be subsequently adopted.)

Police Officers' and Firefighters' Pension Reform Commission.
With respect to provisions addressing investment confidentiality, the definition of "investment information" is modified and the term "portfolio company" is replaced with the term "investment vehicle".

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.
Capital letters indicate new material to be added to existing statute.
Dashes through the words indicate deletions from existing statute.

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

2 **SECTION 1.** In Colorado Revised Statutes, 31-31-302, **amend**
3 (8) (a) (IV), (8) (a) (V), (8) (b), (8) (c), and (8) (d) as follows:

4 **31-31-302. Fund - management - investment - definitions.**

5 (8) (a) As used in this subsection (8):

6 (IV) "Investment information" means information that has not
7 been publicly disseminated or that is unavailable from other sources AND
8 INCLUDES INFORMATION the release of which might cause a ~~portfolio~~
9 ~~company~~ AN INVESTMENT VEHICLE, AN INVESTMENT MANAGER, A
10 GENERAL PARTNER, A FUND SPONSOR, or an investment fiduciary
11 significant competitive harm. Investment information includes, but is not
12 limited to, financial performance data and projections, financial
13 statements, lists of co-investors and their level of investment, PORTIONS
14 OF LISTS OF CURRENT OR PROJECTED INVESTMENT OPPORTUNITIES THAT
15 WOULD CAUSE COMPETITIVE HARM, product and market data, rent rolls,
16 ~~and~~ leases, OTHER TYPES OF PROPRIETARY INFORMATION, OR DOCUMENTS
17 AND INFORMATION THAT INVESTORS ARE LEGALLY REQUIRED TO MAINTAIN
18 AS CONFIDENTIAL AS A CONDITION OF PERFORMING DUE DILIGENCE OR
19 PARTICIPATING IN AN INVESTMENT.

20 (V) ~~"Portfolio company"~~ "INVESTMENT VEHICLE" means an entity
21 in which an investment fiduciary has made or considered an investment
22 on behalf of the association. INVESTMENT VEHICLES INCLUDE BUT ARE
23 NOT LIMITED TO SPONSORED FUNDS, LIMITED PARTNERSHIPS, AND LIMITED
24 LIABILITY COMPANIES.

25 (b) Subject to paragraph (c) of this subsection (8), a public record
26 received, prepared, used, or retained by an investment fiduciary in
27 connection with an investment or potential investment of the association

1 that relates to investment information pertaining to a ~~portfolio company~~
2 AN INVESTMENT VEHICLE in which the investment fiduciary has invested
3 or has considered an investment or that relates to investment information
4 whether prepared by or for the investment fiduciary ~~regarding loans and~~
5 ~~assets directly owned by the investment fiduciary~~ is exempt from the
6 disclosure requirements of part 2 of article 72 of title 24, C.R.S.

7 (c) If a public record described in paragraph (b) of this subsection
8 (8) is an agreement or instrument to which ~~an investment fiduciary~~ THE
9 ASSOCIATION is a party, only those parts of the public record that contain
10 investment information, as defined in subparagraph (IV) of paragraph (a)
11 of this subsection (8), are exempt from the disclosure requirements of part
12 2 of article 72 of title 24, C.R.S.

13 (d) At least annually the board shall publish and make available
14 to the public a report of its investments that includes the following:

15 (I) The name of each ~~portfolio company~~ INVESTMENT VEHICLE in
16 which the association invested during the reporting period;

17 (II) The aggregate amount of money invested by the association
18 in ~~portfolio companies~~ INVESTMENT VEHICLES during the reporting
19 period; and

20 (III) The rate of return realized during the reporting period on the
21 investments of the association in ~~portfolio companies~~ INVESTMENT
22 VEHICLES.

23 **SECTION 2. Act subject to petition - effective date.** This act
24 takes effect at 12:01 a.m. on the day following the expiration of the
25 ninety-day period after final adjournment of the general assembly (August
26 7, 2012, if adjournment sine die is on May 9, 2012); except that, if a
27 referendum petition is filed pursuant to section 1 (3) of article V of the

1 state constitution against this act or an item, section, or part of this act
2 within such period, then the act, item, section, or part will not take effect
3 unless approved by the people at the general election to be held in
4 November 2012 and, in such case, will take effect on the date of the
5 official declaration of the vote thereon by the governor.