SB13-176

Colorado Legislative Council Staff Fiscal Note

FINAL FISCAL NOTE

Drafting Number:	LLS 13-0326	**Date:**	July 11, 2013
Prime Sponsor(s):	Sen. Scheffel; Carroll Rep. Everett; Williams	**Bill Status:**	Signed into Law
		Fiscal Analyst:	Kirk Mlinek (303-866-2756)

TITLE: CONCERNING AUTHORIZATION FOR THE STATE TREASURER TO INVEST STATE MONEYS IN DEBT OBLIGATIONS BACKED BY THE FULL FAITH AND CREDIT OF THE STATE OF ISRAEL.

Fiscal Impact Summary	FY 2013-2014	FY 2014-2015
State Revenue General Fund	See State Revenue section.	
State Expenditures	See State Expenditures section.	
FTE Position Change		
Effective Date: The bill was signed into law by the Governor on May 5, 2013, and takes effect August 7, 2013, assuming no referendum petition is filed.		
Appropriation Summary for FY 2013-2014: None required.		
Local Government Impact: None.		

Summary of Legislation

The bill authorizes the state treasurer to invest state moneys in the debt obligations of the government of Israel, commonly known as Israel bonds, that are rated in one of the two highest rating categories by a nationally recognized rating organization.

Background

In the United States, Israel bonds are issued by the Development Corporation for Israel (DCI), established in 1951. Worldwide sales have averaged $1.2 billion for the last 10 years. Bonds currently being offered by DCI have maturity dates that range from 2 to 10 years.

State Revenue

State General Fund revenue may increase under the bill. The bill adds Israel bonds to the statutory list of investment options available to the treasurer. Current law requires the state treasurer to formulate investment policies regarding liquidity, maturity, and diversification appropriate to each fund or pool of funds in the state treasurer's custody that are available for investment. The extent to which the treasurer will invest in Israel bonds is unknown.

State Expenditures

The bill permits, but does not require, the state treasurer to invest in Israel bonds. Adding Israel bonds to the list of investments to be considered will not appreciably increase the treasurer's workload. Any increase in workload is absorbable within existing appropriations.

Departments Contacted

Treasury Law