

**STATE  
REVISED FISCAL IMPACT**

(replaces fiscal note dated March 5, 2013)

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<b>Drafting Number:</b> LLS 13-0326	<b>Date:</b> April 24, 2013
<b>Prime Sponsor(s):</b> Sen. Scheffel; Carroll Rep. Everett; Williams	<b>Bill Status:</b> House Finance
	<b>Fiscal Analyst:</b> Kirk Mlinek (303-866-2756)

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**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.

<b>Fiscal Impact Summary</b>	<b>FY 2013-2014</b>	<b>FY 2014-2015</b>
<b>State Revenue</b> General Fund	See State Revenue section.	
<b>State Expenditures</b>	See State Expenditures section.	
<b>FTE Position Change</b>		
<b>Effective Date:</b> August 7, 2013, if the General Assembly adjourns on May 8, 2013, as scheduled, and 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 *reengrossed 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