

**First Regular Session
Sixty-third General Assembly
STATE OF COLORADO**

REENGROSSED

This Version Includes All Amendments
Adopted in the House of Introduction

LLS NO. 01-0629.01 Thomas Morris

SENATE BILL 01-127

SENATE SPONSORSHIP

Takis,

HOUSE SPONSORSHIP

Mitchell,

Senate Committees

Business, Labor, and Finance
Public Policy and Planning
Appropriations

House Committees

A BILL FOR AN ACT

101 **CONCERNING THE PROTECTION OF LOCAL GOVERNMENT PUBLIC**
102 **DEPOSITS IN CREDIT UNIONS, AND MAKING AN APPROPRIATION**
103 **THEREFOR.**

Bill Summary

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

Authorizes local governmental units to deposit public moneys in credit unions that either completely insure such deposits or that comply with certain regulatory requirements, including minimum levels of collateral, record-keeping, and reporting. Gives the commissioner of financial services regulatory authority, and the financial services board rule-making authority, over credit unions that seek to become eligible

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.*

SENATE
3rd Reading Unamended
March 30, 2001

SENATE
Amended 2nd Reading
March 29, 2001

public depositories pursuant to this act.

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

2 **SECTION 1.** Title 11, Colorado Revised Statutes, is amended BY
3 THE ADDITION OF A NEW ARTICLE to read:

4 **ARTICLE 31**

5 **Protection of Public Deposits at Credit Unions**

6 **11-31-101. Short title.** THIS ARTICLE SHALL BE KNOWN AND MAY
7 BE CITED AS THE "CREDIT UNION LOCAL GOVERNMENT PUBLIC DEPOSIT
8 PROTECTION ACT".

9 **11-31-102. Legislative declaration.** THE GENERAL ASSEMBLY
10 DECLARES THAT THE PURPOSE OF THIS ARTICLE IS TO PROVIDE PROTECTION
11 OF PUBLIC MONEYS OF LOCAL GOVERNMENT UNITS ON DEPOSIT IN
12 STATE-CHARTERED AND FEDERALLY CHARTERED CREDIT UNIONS IN THIS
13 STATE TO THE EXTENT OF THE PROTECTION PROVIDED BY APPROVED
14 INSURANCE.

15 **11-31-103. Definitions.** AS USED IN THIS ARTICLE, UNLESS THE
16 CONTEXT OTHERWISE REQUIRES:

17 (1) "APPROVED INSURANCE" MEANS THE NATIONAL CREDIT UNION
18 SHARE INSURANCE FUND PROVIDED BY THE NATIONAL CREDIT UNION
19 ADMINISTRATION BOARD UNDER THE "FEDERAL CREDIT UNION ACT", 12
20 U.S.C. SEC. 1751, AS AMENDED, OR COMPARABLE INSURANCE APPROVED
21 BY THE STATE COMMISSIONER OF FINANCIAL SERVICES.

22 (2) "BOARD" MEANS THE FINANCIAL SERVICES BOARD CREATED IN
23 SECTION 11-44-101.6.

24 (3) "CAPITAL FUNDS" MEANS, WITH RESPECT TO ANY ELIGIBLE
25 PUBLIC DEPOSITORY, THE AGGREGATE SUM OF ITS SHARES AND UNDIVIDED

1 EARNINGS AND OF ALL RESERVES REQUIRED BY ANY LAW OR REGULATION,
2 TOGETHER WITH THE AMOUNT OF ANY DEBT SUBORDINATED TO DEPOSIT
3 LIABILITIES WHEN SUCH DEBT HAS BEEN ALLOWED TO BE INCLUDED IN ITS
4 STATED CAPITAL POSITION BY THE APPLICABLE REGULATORY AUTHORITY.

5 (4) "COMMISSIONER" MEANS THE STATE COMMISSIONER OF
6 FINANCIAL SERVICES APPOINTED PURSUANT TO SECTION 11-44-102.

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8

9 (5) "ELIGIBLE PUBLIC DEPOSITORY" MEANS A STATE-CHARTERED
10 CREDIT UNION OR FEDERALLY CHARTERED CREDIT UNION THAT IS A
11 COMMUNITY CHARTERED CREDIT UNION PURSUANT TO SECTION
12 11-30-101.7 THAT HAS ASSETS THAT DO NOT EXCEED THIRTY MILLION
13 DOLLARS OR IS A CREDIT UNION THAT HAS BEEN DESIGNATED AS A
14 "LOW-INCOME CREDIT UNION", PURSUANT TO SECTION 107 (6) OF THE
15 "FEDERAL CREDIT UNION ACT", 12 U.S.C. SEC. 1757 (6) THAT HAS ASSETS
16 THAT DO NOT EXCEED THIRTY MILLION DOLLARS, THAT HAS AN OFFICE IN
17 THIS STATE, THAT IS AUTHORIZED BY THE LAWS OF THIS STATE OR OF THE
18 UNITED STATES TO ACCEPT SHARE OR DEPOSIT ACCOUNTS INSURED BY
19 APPROVED INSURANCE, AND THAT HAS BEEN DESIGNATED AS AN ELIGIBLE
20 PUBLIC DEPOSITORY BY THE COMMISSIONER.

21 (6) "LOCAL GOVERNMENTAL UNIT" MEANS EVERY MUNICIPALITY,
22 CITY AND COUNTY, COUNTY, SCHOOL DISTRICT, SPECIAL DISTRICT, AND
23 AUTHORITY LOCATED IN THIS STATE, EVERY LOCAL PUBLIC BODY
24 CORPORATE CREATED OR ESTABLISHED UNDER THE CONSTITUTION OR ANY
25 LAW OF THIS STATE, AND EVERY BOARD, COMMISSION, DEPARTMENT,
26 INSTITUTION, OR AGENCY OF, OR ENTITY CREATED BY
27 INTERGOVERNMENTAL AGREEMENT AMONG, ANY OF THE ENTITIES

1 SPECIFIED IN THIS SUBSECTION (6) THAT COLLECT, RECEIVE, OR HAVE
2 CUSTODY OF OR CONTROL OVER PUBLIC MONEYS.

3 (7) "PUBLIC DEPOSIT" MEANS ALL PUBLIC MONEYS OF LOCAL
4 GOVERNMENTAL UNITS ON DEPOSIT IN AN ELIGIBLE PUBLIC DEPOSITORY,
5 WHETHER PAYABLE ON DEMAND OR AT A CERTAIN TIME.

6 (8) "PUBLIC MONEYS" MEANS ALL MONEYS UNDER THE CONTROL
7 OF OR IN THE CUSTODY OF LOCAL GOVERNMENTAL UNITS.

8 **11-31-104. Administration.** THE COMMISSIONER SHALL
9 ADMINISTER THE PROVISIONS OF THIS ARTICLE UNDER THE SUPERVISION OF
10 THE FINANCIAL SERVICES BOARD. THE FINANCIAL SERVICES BOARD AND
11 THE COMMISSIONER SHALL HAVE THE AUTHORITY TO DO ALL ACTS
12 NECESSARY AND REQUIRED TO CARRY OUT THE PURPOSE OF THIS ARTICLE.
13 TO THIS END, THE FINANCIAL SERVICES BOARD IS EMPOWERED TO MAKE,
14 AMEND, AND RESCIND RULES CONSISTENT WITH THIS ARTICLE AND TO
15 PRESCRIBE A STANDARD FORM FOR THE STATEMENTS AND REPORTS
16 REQUIRED TO BE MADE OR FILED BY ELIGIBLE PUBLIC DEPOSITORIES AND TO
17 REQUIRE UNIFORM USE OF THE SAME. ACTS OF THE COMMISSIONER ARE
18 SUBJECT TO APPEAL TO THE FINANCIAL SERVICES BOARD PURSUANT TO
19 SECTION 11-44-101.8.

20 **11-31-105. Acceptance of provisions - designation as eligible**
21 **public depository.** (1) EVERY STATE-CHARTERED AND FEDERALLY
22 CHARTERED CREDIT UNION HAVING AN OFFICE IN THIS STATE THAT IS
23 OTHERWISE ELIGIBLE TO BE AN ELIGIBLE PUBLIC DEPOSITORY AND THAT
24 DESIRES TO ACCEPT AND HOLD PUBLIC DEPOSITS MAY FILE WITH THE
25 COMMISSIONER, ON A FORM PRESCRIBED FOR SUCH PURPOSE, A STATEMENT
26 SIGNED AND SWORN TO BY AN OFFICER OF SUCH CREDIT UNION DECLARING
27 THAT IT HAS ELECTED TO ACCEPT AND BECOME SUBJECT TO THE PROVISIONS

1 OF THIS ARTICLE AND SETTING FORTH THE AMOUNT OF ITS CAPITAL FUNDS.

2 (2) UPON THE FILING OF A STATEMENT PURSUANT TO SUBSECTION
3 (1) OF THIS SECTION, THE COMMISSIONER MAY DESIGNATE THE CREDIT
4 UNION AS AN ELIGIBLE PUBLIC DEPOSITORY AND MAY ISSUE AN
5 APPROPRIATE CERTIFICATE EVIDENCING SUCH DESIGNATION.

6 **11-31-106. No impairment of obligations.** NOTHING IN THIS
7 ARTICLE SHALL BE CONSTRUED SO AS TO IMPAIR THE OBLIGATION OF ANY
8 CONTRACT OR AGREEMENT ENTERED INTO PRIOR TO THE EFFECTIVE DATE
9 OF THIS ARTICLE.

10

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12 **11-31-107. Reports required - when filed - contents.** ON A DATE
13 SPECIFIED BY THE COMMISSIONER, EVERY ELIGIBLE PUBLIC DEPOSITORY
14 SHALL FILE A PERIODIC REPORT WITH THE COMMISSIONER THAT CONTAINS
15 SUCH INFORMATION AS REQUIRED BY THE COMMISSIONER. THE
16 COMMISSIONER MAY REQUIRE MORE FREQUENT REPORTS FROM ELIGIBLE
17 PUBLIC DEPOSITORIES.

18 **11-31-108. Powers of commissioner and board - rules.** (1) THE
19 COMMISSIONER IS SPECIFICALLY AUTHORIZED TO REQUIRE ANY ELIGIBLE
20 PUBLIC DEPOSITORY TO FURNISH TO THE COMMISSIONER, AT ANY TIME,
21 SUCH INFORMATION AS THE COMMISSIONER MAY REQUEST OR DEMAND
22 CONCERNING THE AMOUNT OF PUBLIC DEPOSITS HELD BY SUCH
23 DEPOSITORY, AND THE AMOUNT OF SUCH DEPOSITORY'S CAPITAL FUNDS.

24 (2) IF ANY ELIGIBLE PUBLIC DEPOSITORY FAILS OR REFUSES TO
25 FURNISH THE INFORMATION REQUESTED WITHIN TEN DAYS AFTER THE DATE
26 OF SUCH REQUEST, THE COMMISSIONER MAY DENY SUCH DEPOSITORY THE
27 RIGHT TO ACCEPT AND HOLD ANY ADDITIONAL PUBLIC DEPOSITS UNTIL

1 SUCH TIME AS SAID INFORMATION IS FURNISHED AND RECEIPT THEREOF HAS
2 BEEN ACKNOWLEDGED. THE COMMISSIONER MAY MAKE A PUBLIC
3 ANNOUNCEMENT OF SUCH DENIAL.

4 (3) THE COMMISSIONER MAY FIX THE DATE UPON WHICH ANY EVENT
5 OF DEFAULT IS DEEMED TO HAVE OCCURRED, AFTER GIVING DUE
6 CONSIDERATION TO ANY RULE OR LAWFUL ORDER OF ANY SUPERVISORY
7 AUTHORITY AS THE SAME MAY AFFECT THE INABILITY OR FAILURE OF AN
8 ELIGIBLE PUBLIC DEPOSITORY TO REPAY DEPOSIT LIABILITIES.

9

10 (4) IF ANY ELIGIBLE PUBLIC DEPOSITORY VIOLATES ANY RULE
11 PROMULGATED BY THE BOARD PURSUANT TO SECTION 11-31-104 OR
12 VIOLATES ANY PROVISION OF THIS ARTICLE, THE COMMISSIONER MAY DENY
13 THE RIGHT OF SAID DEPOSITORY TO ACCEPT AND HOLD ANY ADDITIONAL
14 PUBLIC DEPOSITS UNTIL SUCH TIME AS THE ELIGIBLE PUBLIC DEPOSITORY
15 CORRECTS THE VIOLATION. THE COMMISSIONER MAY MAKE A PUBLIC
16 ANNOUNCEMENT OF SUCH DENIAL.

17

18 (5) THE COMMISSIONER SHALL ASSESS EACH ELIGIBLE PUBLIC
19 DEPOSITORY AUTHORIZED PURSUANT TO THIS ARTICLE AN AMOUNT
20 ADEQUATE TO COVER THE EXPENSES OF THE DIVISION ATTRIBUTABLE TO
21 THE EXAMINATION AND SUPERVISION OF ELIGIBLE PUBLIC DEPOSITORIES
22 SUBJECT TO THE JURISDICTION OF THE COMMISSIONER. THE AMOUNT
23 ASSESSED SHALL BE AT THE SAME RATE FOR ALL ELIGIBLE PUBLIC
24 DEPOSITORIES AND SHALL BE DETERMINED ACCORDING TO A SCHEDULE OR
25 AS OTHERWISE DEEMED APPROPRIATE BY THE COMMISSIONER.

26 **11-31-109. Procedure when event of default occurs.** (1) IF THE
27 COMMISSIONER DETERMINES THAT AN EVENT OF DEFAULT HAS OCCURRED

1 WITH RESPECT TO ANY ELIGIBLE PUBLIC DEPOSITORY AND HAS FIXED THE
2 DATE OF SUCH OCCURRENCE, THE COMMISSIONER SHALL, WITHIN TWENTY
3 DAYS:

4
5 (a) ASCERTAIN THE AGGREGATE AMOUNT OF PUBLIC DEPOSITS HELD
6 BY SUCH DEFAULTING DEPOSITORY, AS DISCLOSED BY THE RECORDS OF
7 SUCH DEPOSITORY;

8
9 (b) NOTIFY EACH AFFECTED LOCAL GOVERNMENTAL UNIT OF THE
10 AMOUNT OF ITS DEPOSIT, AS SO DISCLOSED;

11 (c) REQUIRE EACH AFFECTED LOCAL GOVERNMENTAL UNIT TO
12 PROVIDE A VERIFIED STATEMENT SHOWING THE AMOUNT OF ITS DEPOSIT, AS
13 DISCLOSED BY ITS OWN RECORDS, WITHIN THIRTY DAYS AFTER RECEIPT OF
14 SUCH NOTIFICATION; AND

15 (d) (I) DETERMINE THE NET DEPOSIT LIABILITY OF EACH
16 DEFAULTING DEPOSITORY TO SUCH AFFECTED LOCAL GOVERNMENTAL UNIT;
17 AND

18 (II) DETERMINE THE AGGREGATE NET DEPOSIT LIABILITY OF SUCH
19 DEFAULTING DEPOSITORY TO ALL AFFECTED LOCAL GOVERNMENTAL UNITS.

20
21 (2) THE COMMISSIONER SHALL MAINTAIN A RESERVE FROM THE
22 AMOUNT REALIZED FOR THE PAYMENT OF THE AGGREGATE NET DEPOSIT
23 LIABILITY TO ALL AFFECTED LOCAL GOVERNMENTAL UNITS UNTIL PAYMENT
24 IS MADE TO ALL AFFECTED LOCAL GOVERNMENTAL UNITS.

25 (3) IF THE NATIONAL CREDIT UNION ADMINISTRATION IS APPOINTED
26 AND ACTS AS LIQUIDATOR OR RECEIVER OF ANY ELIGIBLE PUBLIC
27 DEPOSITORY UNDER STATE OR FEDERAL LAW, THOSE DUTIES SPECIFIED IN

1 THIS SECTION TO BE PERFORMED BY THE COMMISSIONER MAY, WHERE THE
2 COMMISSIONER DEEMS APPROPRIATE, BE DELEGATED BY THE
3 COMMISSIONER TO AND BE PERFORMED BY THE NATIONAL CREDIT UNION
4 ADMINISTRATION.

5 **11-31-110. Public moneys to be deposited only in eligible public**
6 **depositories - penalty for violation - rules.** (1) IT IS UNLAWFUL FOR
7 PUBLIC MONEYS TO BE DEPOSITED IN ANY STATE OR FEDERALLY
8 CHARTERED CREDIT UNION HAVING ITS PRINCIPAL OFFICE IN THIS STATE

9 _____
10 _____ UNLESS THE ENTIRE AMOUNT OF SUCH DEPOSIT IS INSURED
11 BY APPROVED INSURANCE.

12 (2) ANY OFFICIAL OF A LOCAL GOVERNMENTAL UNIT HAVING
13 CUSTODY OF OR CONTROL OVER PUBLIC MONEYS WHO VIOLATES THE
14 PROVISIONS OF SUBSECTION (1) OF THIS SECTION IS GUILTY OF A
15 MISDEMEANOR AND, UPON CONVICTION THEREOF, SHALL BE PUNISHED BY
16 A FINE OF NOT LESS THAN TWO HUNDRED DOLLARS NOR MORE THAN FIVE
17 HUNDRED DOLLARS, WHICH FINE SHALL BE MANDATORY, AND, UPON ANY
18 SUCH CONVICTION, THE COURT MAY ORDER THAT THE OFFICIAL BE
19 REMOVED FROM OFFICE.

20 (3) (a) NOTHING IN THIS SECTION SHALL BE CONSTRUED TO
21 PREVENT A CREDIT UNION THAT IS AN ELIGIBLE PUBLIC DEPOSITORY
22 OPERATING PURSUANT TO THIS ARTICLE FROM ACTING AS AN AGENT ON
23 BEHALF OF ANY PUBLIC ENTITY FOR THE PURPOSES OF MAKING
24 INVESTMENTS AS AUTHORIZED BY PART 6 OF ARTICLE 75 OF TITLE 24,
25 C.R.S.

26 (b) A CREDIT UNION ACTING AS AN AGENT AS AUTHORIZED BY PART
27 6 OF ARTICLE 75 OF TITLE 24, C.R.S., SHALL MAINTAIN ACCOUNTING

1 RECORDS AS NECESSARY TO READILY DISTINGUISH BETWEEN THE
2 ACTIVITIES AUTHORIZED BY PART 6 OF ARTICLE 75 OF TITLE 24, C.R.S., AND
3 THE PURPOSES OF THE PUBLIC DEPOSIT PROTECTION REQUIREMENTS
4 IMPOSED UPON IT AS A CONDITION OF BEING AN ELIGIBLE PUBLIC
5 DEPOSITORY.

6 (c) THE BOARD MAY PROMULGATE RULES TO ENSURE THAT THE
7 PROTECTION OF PUBLIC FUNDS PURSUANT TO THIS ARTICLE IS NOT
8 COMPROMISED BY THE ACTIVITIES AUTHORIZED UNDER PART 6 OF ARTICLE
9 75 OF TITLE 24, C.R.S.

10 **11-31-111. Liability of officials of governmental units.** NO
11 OFFICIAL OF A LOCAL GOVERNMENTAL UNIT ACTING IN GOOD FAITH IN
12 SELECTING, DESIGNATING, OR APPROVING ANY ELIGIBLE PUBLIC
13 DEPOSITORY FOR THE DEPOSIT OF PUBLIC MONEYS IN SUCH OFFICIAL'S
14 CUSTODY OR CONTROL SHALL BE LIABLE FOR ANY LOSS OF PUBLIC MONEYS
15 DEPOSITED THEREIN.

16 **11-31-112. Authority to accept deposits - acceptance of insured**
17 **deposits.** IF A STATE OR FEDERALLY CHARTERED CREDIT UNION HAS
18 ITS PRINCIPAL OFFICE IN THIS STATE AND IS AUTHORIZED BY THE LAWS OF
19 THIS STATE OR OF THE UNITED STATES TO ACCEPT DEPOSIT ACCOUNTS OR
20 SHARE ACCOUNTS, SUCH CREDIT UNION MAY ACCEPT AND HOLD DEPOSITS
21 OF PUBLIC MONEYS FROM A LOCAL GOVERNMENTAL UNIT PURSUANT TO
22 THIS ARTICLE AND TO THE EXTENT THAT THE FULL AMOUNT THEREOF IS
23 INSURED BY APPROVED INSURANCE.

25 **SECTION 2.** 8-44-204 (3), Colorado Revised Statutes, is
26 amended to read:

27 **8-44-204. Public entities - self-insurance authorized for**

1 **workers' compensation - pooled insurance.** (3) Public entities may
2 cooperate with one another to form a self-insurance pool to provide the
3 insurance coverage required by this article for the cooperating public
4 entities. Any such insurance pool shall be formed pursuant to the
5 provisions of part 2 of article 1 of title 29, C.R.S. The provisions of
6 articles 10.5, ~~and 47~~ 31, AND 47 of title 11, C.R.S., shall apply to moneys
7 of such self-insurance pool.

8 **SECTION 3.** 12-13-107 (2), Colorado Revised Statutes, is
9 amended BY THE ADDITION OF A NEW PARAGRAPH to read:

10 **12-13-107. Reserve requirements.** (2) The reserves shall consist
11 of the following:

12 (j) SHARE OR DEPOSIT ACCOUNTS IN STATE OR FEDERALLY
13 CHARTERED CREDIT UNIONS LOCATED IN THIS STATE, THE ACCOUNTS OF
14 WHICH ARE INSURED BY APPROVED INSURANCE, AS DEFINED IN SECTION
15 11-31-103 (1), C.R.S.

16 **SECTION 4.** 24-52-103 (1), Colorado Revised Statutes, is
17 amended to read:

18 **24-52-103. Deferred compensation - investment.** (1) (a)
19 Notwithstanding any other provision of law, the administrator may invest
20 the moneys held pursuant to a deferred compensation plan in any
21 legitimate investment, including but not limited to investment programs
22 of any bank, as defined in section 11-1-102 (2), C.R.S., ~~or~~ savings and
23 loan association, as defined in section 11-40-103, C.R.S., _____
24 ELIGIBLE PUBLIC DEPOSITORY, AS DEFINED IN SECTION 11-31-103 (5),
25 C.R.S., life insurance contracts, deferred annuities, equity products,
26 government bonds, real estate investment trusts, or other investment
27 products. The administrator shall not invest such moneys in any

1 investment plan unless the plan is offered by a person authorized to do
2 business in this state or by a person who irrevocably agrees to be subject
3 to the jurisdiction of the state and federal courts in Colorado with respect
4 to the investment plan and irrevocably appoints the Colorado secretary of
5 state as its agent for service of process, and unless the plan is subject to
6 applicable state and federal regulations.

7 (b) NOTWITHSTANDING PARAGRAPH (a) OF THIS SUBSECTION (1), IT
8 SHALL BE UNLAWFUL FOR THE COMMITTEE TO DEPOSIT ANY FUNDS IN AN
9 ELIGIBLE PUBLIC DEPOSITORY.

10 **SECTION 5.** 24-75-603 (1) and (2), Colorado Revised Statutes,
11 are amended to read:

12 **24-75-603. Depositories.** (1) (a) It is lawful for the state of
13 Colorado and any of its institutions and agencies, counties, municipalities,
14 and districts, and any other political subdivision of the state, and any
15 department, agency, or instrumentality thereof, or any political or public
16 corporation of the state, whenever any of the foregoing have funds, and
17 for any bank, savings and loan association, industrial bank, credit union,
18 fraternal benefit society, trust deposit and security company, trust
19 company, or any other financial institution operating under the laws of
20 this state having funds in their possession or custody, respectively, to
21 deposit, or cause to be deposited either by or through the treasurer or such
22 other custodian of funds as may be appointed, such funds so eligible for
23 investment in any state bank, national bank, ~~or~~ state or federal savings and
24 loan association, OR CREDIT UNION in Colorado ~~which~~ THAT is, at the time
25 the deposit is made, a member of the federal deposit insurance corporation
26 or the federal savings and loan insurance corporation OR HAS OBTAINED
27 APPROVED INSURANCE, AS DEFINED IN SECTION 11-31-103 (1), C.R.S., to

1 the extent that the deposit is insured by the federal deposit insurance
2 corporation, ~~or~~ the federal savings and loan insurance corporation, OR
3 SAID APPROVED INSURANCE, or is secured by pledge of eligible collateral
4 as required by statute.

5 (b) NOTWITHSTANDING PARAGRAPH (a) OF THIS SUBSECTION (1), IT
6 SHALL BE UNLAWFUL FOR THE STATE OF COLORADO, OR ANY OF ITS
7 INSTITUTIONS, DEPARTMENTS, OR AGENCIES, TO DEPOSIT ANY FUNDS IN A
8 CREDIT UNION.

9 (2) Notwithstanding any provisions of law of this state or any rule
10 or requirement of any political subdivision thereof requiring security for
11 deposits in the form of collateral, surety bond, or any other form, such
12 security for deposits of public funds shall not be required to the extent
13 THAT said deposits are insured by the federal deposit insurance
14 corporation, ~~or~~ the federal savings and loan insurance corporation, OR
15 APPROVED INSURANCE, AS DEFINED IN SECTION 11-31-103 (1), C.R.S.

16 **SECTION 6.** 29-1-204 (4), Colorado Revised Statutes, is
17 amended to read:

18 **29-1-204. Establishment of separate governmental entity.**

19 (4) The separate governmental entity established by such contracting
20 municipalities shall be a political subdivision and a public corporation of
21 the state, separate from the parties to the contract, and shall be a validly
22 created and existing political subdivision and public corporation of the
23 state, irrespective of whether a contracting municipality, including a city
24 or town of an adjoining state, withdraws (whether voluntarily, by
25 operation of law, or otherwise) from such entity subsequent to its creation
26 under circumstances not resulting in the rescission or termination of the
27 contract establishing such entity pursuant to its terms. It shall have the

1 duties, privileges, immunities, rights, liabilities, and disabilities of a public
2 body politic and corporate. The provisions of articles 10.5, ~~and 47~~ 31,
3 AND 47 of title 11, C.R.S., shall apply to moneys of the entity.

4 **SECTION 7.** 29-1-204.2 (4), Colorado Revised Statutes, is
5 amended to read:

6 **29-1-204.2. Establishment of separate governmental entity to**
7 **develop water resources, systems, and facilities.** (4) The separate
8 governmental entity established by such contracting parties shall be a
9 political subdivision and a public corporation of the state, separate from
10 the parties to the contract. It shall have the duties, privileges, immunities,
11 rights, liabilities, and disabilities of a public body politic and corporate.
12 The provisions of articles 10.5, ~~and 47~~ 31, AND 47 of title 11, C.R.S., shall
13 apply to moneys of the entity.

14 **SECTION 8.** 29-1-204.5 (4), Colorado Revised Statutes, is
15 amended to read:

16 **29-1-204.5. Establishment of multijurisdictional housing**
17 **authorities.** (4) The authority established by such contracting member
18 governments shall be a political subdivision and a public corporation of
19 the state, separate from the parties to the contract, and shall be a validly
20 created and existing political subdivision and public corporation of the
21 state, irrespective of whether a contracting member government withdraws
22 (whether voluntarily, by operation of law, or otherwise) from such
23 authority subsequent to its creation under circumstances not resulting in
24 the rescission or termination of the contract establishing such authority
25 pursuant to its terms. It shall have the duties, privileges, immunities,
26 rights, liabilities, and disabilities of a public body politic and corporate.
27 The provisions of articles 10.5, ~~and 47~~ 31, AND 47 of title 11, C.R.S., shall

1 apply to moneys of the authority.

2 **SECTION 9.** 30-10-708 (1), Colorado Revised Statutes, is
3 amended to read:

4 **30-10-708. Deposit of funds in banks and savings and loan**
5 **associations.** (1) In all counties of this state, the county treasurer shall
6 deposit all the funds and moneys of whatever kind that come into the
7 treasurer's possession by virtue of the office, in the treasurer's name as
8 treasurer, in one or more state banks, national banks, or, in compliance
9 with the provisions of article 47 of title 11, C.R.S., savings and loan
10 associations that have previously been approved and designated by written
11 resolution duly adopted by a majority vote of the board of county
12 commissioners, ~~which~~ THAT shall be entered in its minutes, OR, IN
13 COMPLIANCE WITH THE PROVISIONS OF ARTICLE 31 OF TITLE 11, C.R.S.,
14 CREDIT UNIONS HAVING THEIR PRINCIPAL OFFICES IN THIS STATE. The
15 board, by written resolution similarly adopted, may authorize the county
16 treasurer to invest all or any part of the funds and moneys in securities
17 meeting the investment requirements established in part 6 of article 75 of
18 title 24, C.R.S. For the purposes of investment of funds of the county as
19 set forth in said part 6, the board, by written resolution, may appoint one
20 or more custodians of the funds, and such persons shall give surety bonds
21 in such amounts and form and for such purposes as the board requires.

22 **SECTION 10.** 31-20-303 (1) (b), Colorado Revised Statutes, is
23 amended to read:

24 **31-20-303. Deposits - investments - interest - no liability.**
25 (1) (b) Subject to the requirements of part 6 of article 75 of title 24,
26 C.R.S., in all cities and towns in this state, the treasurer shall deposit all
27 the funds and moneys that come into ~~his~~ SUCH TREASURER'S possession by

1 virtue of his OR HER office, in his OR HER name as treasurer or in the name
2 of such other custodian as has been appointed by resolution, in one or
3 more state banks, national banks having their principal office in this state,
4 or, in compliance with the provisions of article 47 of title 11, C.R.S.,
5 savings and loan associations having their principal offices in this state,
6 ~~which~~ OR, IN COMPLIANCE WITH THE PROVISIONS OF ARTICLE 31 OF TITLE
7 11, C.R.S., CREDIT UNIONS HAVING THEIR PRINCIPAL OFFICES IN THIS STATE
8 THAT have been approved and designated by resolution. The governing
9 body by resolution may authorize the investment of all or any part of such
10 funds and moneys in any type of security or form of investment
11 authorized by part 6 of article 75 of title 24, C.R.S., or by any other law
12 of this state. All securities so purchased shall be duly registered in the
13 name of the treasurer or other custodian appointed by resolution and, if
14 issued in a form so permitting, shall be deposited and safely kept by him
15 OR HER in the custody of some state or national bank located in this state.
16 The governing body, by resolution, shall establish requirements for the
17 sale or other disposal of securities and for the deposit or reinvestment of
18 any proceeds, subject to the restrictions set forth in this section. For the
19 purposes of investment of funds of the city or town, the governing body
20 of the city or town, by resolution, may appoint one or more custodians of
21 the funds and moneys, and such persons shall give surety bonds in such
22 amount and form and for such purposes as the governing body may
23 require.

24 **SECTION 11.** 31-30-1113 (1), Colorado Revised Statutes, is
25 amended to read:

26 **31-30-1113. Fund investments.** (1) The board may invest all or
27 any part of fund moneys in the name of the board's treasurer or in the

1 name of a custodian or custodians appointed by the board under this
2 section in interest-bearing obligations of the United States, in
3 interest-bearing bonds of this state, in general obligation bonds of
4 municipalities, whether organized under general law or article XX of the
5 state constitution, or in any depository stated in section 24-75-603,
6 C.R.S., and secured OR INSURED as provided in articles 10.5, ~~and 47~~ 31,
7 AND 47 of title 11, C.R.S. By written resolution, the board may appoint
8 one or more persons to act as a custodian or custodians, in addition to the
9 treasurer, to deposit or cause to be deposited all or part of the fund in any
10 state or national bank, ~~or~~ any state or federally chartered savings and loan
11 association, OR STATE OR FEDERALLY CHARTERED ELIGIBLE PUBLIC
12 DEPOSITORY AS DEFINED IN SECTION 11-31-103 (5), C.R.S. in this state.
13 The appointed persons shall give surety bonds, and the board shall
14 determine the bonds' amounts, form, and purposes. These securities and
15 evidences of investment shall be deposited with the treasurer of the
16 municipality or district.

17 **SECTION 12.** 31-30.5-501, Colorado Revised Statutes, is
18 amended to read:

19 **31-30.5-501. Old hire pension fund - investments.** It is lawful
20 for the board of trustees of the old hire firefighters' pension fund and the
21 board of trustees of the old hire police officers' pension fund in any
22 municipality or district in this state to invest such respective pension
23 funds, or any part thereof, in the name of the treasurer of such
24 municipality or in the name of a custodian or custodians appointed by the
25 board, as provided for in this section, in interest-bearing obligations of the
26 United States, in interest-bearing bonds of the state of Colorado, or in
27 general obligation bonds of cities, whether organized under general law

1 or article XX of the state constitution, or in any depository enumerated in
2 section 24-75-603, C.R.S., and secured OR INSURED as provided in articles
3 10.5, ~~and 47~~ 31, AND 47 of title 11, C.R.S. The board of trustees, by
4 written resolution, may appoint one or more persons to act as custodians,
5 in addition to the treasurer, to deposit or cause to be deposited all or part
6 of such funds in any state or national bank or any state or federally
7 chartered savings and loan association in Colorado. Such persons shall
8 give surety bonds in such amounts and form and for such purposes as the
9 board requires. All such securities and evidences of investment shall be
10 deposited with the treasurer of such municipality.

11 **SECTION 13. Appropriation.** (1) In addition to any other
12 appropriation, there is hereby appropriated, out of any moneys in the
13 division of financial services cash fund not otherwise appropriated, to the
14 department of regulatory agencies, for allocation to the division of
15 financial services, for the fiscal year beginning July 1, 2001, the sum of
16 one thousand seven hundred seventy-three dollars (\$1,773), or so much
17 thereof as may be necessary, for the implementation of this act.

18 (2) In addition to any other appropriation, there is hereby
19 appropriated, to the department of law, for the fiscal year beginning July
20 1, 2001, the sum of one hundred twelve dollars (\$112), or so much thereof
21 as may be necessary, for the provision of legal services to the division of
22 financial services related to the implementation of this act. Such sum
23 shall be from cash funds exempt received from the division of financial
24 services out of the appropriation made in subsection (1) of this section.

25 **SECTION 14. Effective date.** This act shall take effect at 12:01
26 a.m. on the day following the expiration of the ninety-day period after
27 final adjournment of the general assembly that is allowed for submitting

1 a referendum petition pursuant to article V, section 1 (3) of the state
2 constitution; except that, if a referendum petition is filed against this act
3 or an item, section, or part of this act within such period, then the act,
4 item, section, or part, if approved by the people, shall take effect on the
5 date of the official declaration of the vote thereon by proclamation of the
6 governor.