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2001



HOUSE BILL 01-1095

BY REPRESENTATIVE(S) Stengel, Dean, Kester, Scott, and Stafford;
also SENATOR(S) Hillman.

CONCERNING SELECTION OF DEPOSITORIES FOR STATE MONEYS BY THE
STATE TREASURER.

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

SECTION 1. 24-36-109, Colorado Revised Statutes, is amended to read:

24-36-109. Time deposits. (1) SUBJECT TO THE REQUIREMENTS OF SUBSECTION (2) OF THIS SECTION, the state treasurer is authorized ~~in his discretion~~, to deposit state moneys with national or state banks doing business in this state for fixed periods of time, not exceeding two years, at such rate of interest as may be negotiated from time to time. For the purpose of making such deposits, the state treasurer may, in his OR HER discretion, appoint in writing one or more persons to act as custodians of the moneys. Such persons shall give surety bonds in such amounts and form and for such purposes as the state treasurer requires.

(2) (a) THE STATE TREASURER SHALL DEPOSIT STATE MONEYS FOR FIXED PERIODS IN NATIONAL OR STATE BANKS THAT HAVE APPLIED AND ARE

Capital letters indicate new material added to existing statute; dashes through the words indicate deletions from existing statutes and such material not part of act.

ELIGIBLE AS DEPOSITORIES FOR STATE MONEYS PURSUANT TO SUBSECTION (1) OF THIS SECTION AND PURSUANT TO THE TIME DEPOSIT RULES ESTABLISHED BY THE DEPARTMENT OF THE TREASURY THAT ARE IN EFFECT AT THAT TIME IN ACCORDANCE WITH THE PROCEDURE ESTABLISHED IN PARAGRAPH (b) OF THIS SUBSECTION (2) OR IN PARAGRAPH (c) OF THIS SUBSECTION (2). SUCH PROCEDURE UTILIZED SHALL BE AT THE DISCRETION OF THE TREASURER.

(b) (I) EXCEPT AS PROVIDED IN PARAGRAPH (c) OF THIS SUBSECTION (2), WHEN STATE MONEYS BECOME AVAILABLE FOR TIME DEPOSITS PURSUANT TO SUBSECTION (1) OF THIS SECTION, THE STATE TREASURER SHALL ANNOUNCE THE INTEREST RATE AT WHICH SUCH MONEYS MAY BE DEPOSITED FOR A FIXED PERIOD IN ELIGIBLE NATIONAL OR STATE BANKS BUT SHALL NOT DISCLOSE THE AMOUNT OF STATE MONEYS AVAILABLE FOR DEPOSIT.

(II) AN ELIGIBLE NATIONAL OR STATE BANK MAY REQUEST THE STATE TREASURER TO DEPOSIT A SPECIFIED AMOUNT OF STATE MONEYS WITH THAT BANK AT THE INTEREST RATE ANNOUNCED BY THE TREASURER. EXCEPT AS OTHERWISE PROVIDED BY SUBPARAGRAPH (III) OF THIS PARAGRAPH (b), THE TREASURER SHALL DEPOSIT ALL OR A PORTION OF THE STATE MONEYS AVAILABLE FOR DEPOSIT WITH ANY ELIGIBLE NATIONAL OR STATE BANK OR BANKS MAKING SUCH A REQUEST IN AN AMOUNT EQUAL TO THE AMOUNT REQUESTED BY THAT BANK.

(III) IN THE EVENT THAT THE TOTAL AMOUNT OF STATE MONEYS REQUESTED FOR DEPOSIT BY ALL ELIGIBLE NATIONAL OR STATE BANKS PURSUANT TO SUBPARAGRAPH (II) OF THIS PARAGRAPH (b) EXCEEDS THE AMOUNT OF STATE MONEYS AVAILABLE FOR DEPOSIT, THE STATE TREASURER SHALL DETERMINE THE TOTAL AMOUNT OF STATE MONEYS THAT ALL SUCH BANKS REQUESTED FOR DEPOSIT AND CALCULATE THE PERCENTAGE OF SUCH TOTAL THAT EACH ELIGIBLE NATIONAL OR STATE BANK REQUESTED. THE STATE TREASURER SHALL DEPOSIT WITH EACH ELIGIBLE NATIONAL OR STATE BANK AN AMOUNT EQUAL TO THE PRODUCT OF SUCH PERCENTAGE MULTIPLIED BY THE TOTAL AMOUNT OF STATE MONEYS AVAILABLE FOR DEPOSIT.

(c) (I) IN THE ALTERNATIVE TO PARAGRAPH (b) OF THIS SUBSECTION (2), WHEN STATE MONEYS BECOME AVAILABLE FOR TIME DEPOSITS PURSUANT TO SUBSECTION (1) OF THIS SECTION, THE STATE TREASURER SHALL ANNOUNCE THE AMOUNT OF STATE MONEYS AVAILABLE FOR DEPOSIT FOR A FIXED PERIOD IN ANY ELIGIBLE NATIONAL OR STATE BANK BUT SHALL NOT ANNOUNCE THE INTEREST RATE AT WHICH SUCH MONEYS SHALL BE

DEPOSITED.

(II) EXCEPT AS PROVIDED BY SUBPARAGRAPH (III) OF THIS PARAGRAPH (c), ANY ELIGIBLE NATIONAL OR STATE BANK MAY SUBMIT A BID TO THE STATE TREASURER SPECIFYING THE INTEREST RATE THAT SUCH BANK WILL PAY IF STATE MONEYS ARE DEPOSITED IN SUCH BANK AND THE AMOUNT OF SUCH MONEYS THE BANK WILL ACCEPT FOR DEPOSIT AT THAT INTEREST RATE. THE BANK SUBMITTING A BID WITH THE HIGHEST INTEREST RATE SHALL BE AWARDED THE DEPOSIT OF STATE MONEYS IN THE FULL AMOUNT REQUESTED OR THE FULL AMOUNT AVAILABLE FOR DEPOSIT AT THAT TIME, WHICHEVER IS LESS.

(III) IN THE EVENT THAT TWO OR MORE ELIGIBLE NATIONAL OR STATE BANKS SUBMIT THE HIGHEST BID FOR THE SAME INTEREST RATE AND THE TOTAL AMOUNT REQUESTED FOR DEPOSIT BY THE BANKS EXCEEDS THE AMOUNT OF STATE MONEYS AVAILABLE FOR DEPOSIT AT THAT TIME, THE STATE TREASURER SHALL DETERMINE THE TOTAL AMOUNT OF STATE MONEYS THAT ALL SUCH BANKS REQUESTED FOR DEPOSIT AND CALCULATE THE PERCENTAGE OF SUCH TOTAL THAT EACH ELIGIBLE NATIONAL OR STATE BANK REQUESTED. THE STATE TREASURER SHALL DEPOSIT WITH EACH ELIGIBLE NATIONAL OR STATE BANK AN AMOUNT EQUAL TO THE PRODUCT OF SUCH PERCENTAGE MULTIPLIED BY THE TOTAL AMOUNT OF STATE MONEYS AVAILABLE FOR DEPOSIT.

(IV) IN THE EVENT THAT DEPOSITING STATE MONEYS IN THE HIGHEST BIDDING ELIGIBLE NATIONAL OR STATE BANK OR BANKS DOES NOT EXHAUST THE TOTAL AMOUNT OF STATE MONEYS AVAILABLE FOR DEPOSIT AT THAT TIME, THE STATE TREASURER SHALL DEPOSIT THE REMAINING STATE MONEYS IN OTHER ELIGIBLE BANKS GIVING PRIORITY TO THE HIGHEST REMAINING BIDDERS.

(V) THE STATE TREASURER SHALL HAVE THE AUTHORITY TO ESTABLISH A MINIMUM ACCEPTABLE BID FOR AN INTEREST RATE. THE RATE SHALL BE ANNOUNCED BEFORE THE START OF THE BIDDING BY ANY ELIGIBLE NATIONAL OR STATE BANK.

SECTION 2. 24-36-112 (1), Colorado Revised Statutes, is amended, and the said 24-36-112 is further amended BY THE ADDITION OF A NEW SUBSECTION, to read:

24-36-112. Deposits in savings and loan associations.

(1) SUBJECT TO THE REQUIREMENTS OF SUBSECTION (4) OF THIS SECTION, the state treasurer is authorized ~~in his discretion~~ to deposit state moneys with any state-chartered savings and loan association, or federally chartered savings and loan association having its principal office in this state, for fixed periods of time not exceeding three years, at such rate of interest as may be negotiated from time to time, but in no event shall any such deposit be in excess of the amount insured by the federal savings and loan insurance corporation, unless such savings and loan association has been designated as an eligible public depository by the state commissioner of financial services, pursuant to the provisions of article 47 of title 11, C.R.S.

(4) (a) THE STATE TREASURER SHALL DEPOSIT STATE MONEYS FOR FIXED PERIODS IN STATE-CHARTERED OR FEDERALLY CHARTERED SAVINGS AND LOAN ASSOCIATIONS THAT HAVE APPLIED AND ARE ELIGIBLE AS DEPOSITORIES FOR STATE MONEYS PURSUANT TO SUBSECTION (1) OF THIS SECTION AND PURSUANT TO THE TIME DEPOSIT RULES ESTABLISHED BY THE DEPARTMENT OF THE TREASURY THAT ARE IN EFFECT AT THAT TIME IN ACCORDANCE WITH THE PROCEDURE ESTABLISHED IN PARAGRAPH (b) OF THIS SUBSECTION (4) OR IN PARAGRAPH (c) OF THIS SUBSECTION (4). SUCH PROCEDURE UTILIZED SHALL BE AT THE DISCRETION OF THE TREASURER.

(b) (I) EXCEPT AS PROVIDED IN PARAGRAPH (c) OF THIS SUBSECTION (4), WHEN STATE MONEYS BECOME AVAILABLE FOR TIME DEPOSITS PURSUANT TO SUBSECTION (1) OF THIS SECTION, THE STATE TREASURER SHALL ANNOUNCE THE INTEREST RATE AT WHICH STATE MONEYS MAY BE DEPOSITED FOR A FIXED PERIOD IN ELIGIBLE STATE-CHARTERED OR FEDERALLY CHARTERED SAVINGS AND LOAN ASSOCIATIONS BUT SHALL NOT DISCLOSE THE AMOUNT OF STATE MONEYS AVAILABLE FOR DEPOSIT.

(II) AN ELIGIBLE STATE-CHARTERED OR FEDERALLY CHARTERED SAVINGS AND LOAN ASSOCIATION MAY REQUEST THE STATE TREASURER TO DEPOSIT A SPECIFIED AMOUNT OF STATE MONEYS IN THAT SAVINGS AND LOAN ASSOCIATION AT THE INTEREST RATE ANNOUNCED BY THE TREASURER. EXCEPT AS OTHERWISE PROVIDED BY SUBPARAGRAPH (III) OF THIS PARAGRAPH (b), THE TREASURER SHALL DEPOSIT ALL OR A PORTION OF THE STATE MONEYS AVAILABLE FOR DEPOSIT WITH ANY ELIGIBLE STATE-CHARTERED OR FEDERALLY CHARTERED SAVINGS AND LOAN ASSOCIATION OR ASSOCIATIONS MAKING SUCH A REQUEST IN AN AMOUNT EQUAL TO THE AMOUNT REQUESTED BY THAT SAVINGS AND LOAN ASSOCIATION.

(III) IN THE EVENT THAT THE TOTAL AMOUNT OF STATE MONEYS REQUESTED FOR DEPOSIT BY ALL ELIGIBLE STATE-CHARTERED OR FEDERALLY CHARTERED SAVINGS AND LOAN ASSOCIATIONS PURSUANT TO SUBPARAGRAPH (II) OF THIS PARAGRAPH (b) EXCEEDS THE AMOUNT OF STATE MONEYS AVAILABLE FOR DEPOSIT, THE STATE TREASURER SHALL DETERMINE THE TOTAL AMOUNT OF STATE MONEYS THAT ALL SUCH SAVINGS AND LOAN ASSOCIATIONS REQUESTED FOR DEPOSIT AND CALCULATE THE PERCENTAGE OF SUCH TOTAL THAT EACH ELIGIBLE STATE-CHARTERED OR FEDERALLY CHARTERED SAVINGS AND LOAN ASSOCIATION REQUESTED. THE STATE TREASURER SHALL DEPOSIT WITH EACH ELIGIBLE STATE-CHARTERED OR FEDERALLY CHARTERED SAVINGS AND LOAN ASSOCIATION AN AMOUNT EQUAL TO THE PRODUCT OF SUCH PERCENTAGE MULTIPLIED BY THE TOTAL AMOUNT OF STATE MONEYS AVAILABLE FOR DEPOSIT.

(c) (I) IN THE ALTERNATIVE TO PARAGRAPH (b) OF THIS SUBSECTION (4), WHEN STATE MONEYS BECOME AVAILABLE FOR TIME DEPOSITS PURSUANT TO SUBSECTION (1) OF THIS SECTION, THE STATE TREASURER SHALL ANNOUNCE THE AMOUNT OF STATE MONEYS AVAILABLE FOR DEPOSIT FOR A FIXED PERIOD IN ANY ELIGIBLE STATE-CHARTERED OR FEDERALLY CHARTERED SAVINGS AND LOAN ASSOCIATIONS BUT SHALL NOT ANNOUNCE THE INTEREST RATE AT WHICH SUCH MONEYS SHALL BE DEPOSITED.

(II) EXCEPT AS PROVIDED BY SUBPARAGRAPH (III) OF THIS PARAGRAPH (c), ANY ELIGIBLE STATE-CHARTERED OR FEDERALLY CHARTERED SAVINGS AND LOAN ASSOCIATION MAY SUBMIT A BID TO THE STATE TREASURER SPECIFYING THE INTEREST RATE THAT THE ELIGIBLE SAVINGS AND LOAN ASSOCIATION WILL PAY IF STATE MONEYS ARE DEPOSITED IN SUCH SAVINGS AND LOAN ASSOCIATION AND THE AMOUNT OF SUCH MONEYS THE SAVINGS AND LOAN ASSOCIATION WILL ACCEPT FOR DEPOSIT AT THAT INTEREST RATE. THE SAVINGS AND LOAN ASSOCIATION SUBMITTING A BID WITH THE HIGHEST INTEREST RATE SHALL BE AWARDED THE DEPOSIT OF STATE MONEYS IN THE FULL AMOUNT REQUESTED OR THE FULL AMOUNT AVAILABLE FOR DEPOSIT AT THAT TIME, WHICHEVER IS LESS.

(III) IN THE EVENT THAT TWO OR MORE ELIGIBLE STATE-CHARTERED OR FEDERALLY CHARTERED SAVINGS AND LOAN ASSOCIATIONS SUBMIT THE HIGHEST BID FOR THE SAME INTEREST RATE AND THE TOTAL AMOUNT REQUESTED FOR DEPOSIT BY THE ELIGIBLE SAVINGS AND LOAN ASSOCIATIONS EXCEEDS THE AMOUNT OF STATE MONEYS AVAILABLE FOR DEPOSIT AT THAT TIME, THE STATE TREASURER SHALL DETERMINE THE TOTAL AMOUNT OF STATE MONEYS THAT ALL SUCH SAVINGS AND LOAN ASSOCIATIONS

REQUESTED FOR DEPOSIT AND CALCULATE THE PERCENTAGE OF SUCH TOTAL THAT EACH ELIGIBLE STATE-CHARTERED OR FEDERALLY CHARTERED SAVINGS AND LOAN ASSOCIATION REQUESTED. THE STATE TREASURER SHALL DEPOSIT WITH EACH ELIGIBLE STATE-CHARTERED OR FEDERALLY CHARTERED SAVINGS AND LOAN ASSOCIATION AN AMOUNT EQUAL TO THE PRODUCT OF SUCH PERCENTAGE MULTIPLIED BY THE TOTAL AMOUNT OF STATE MONEYS AVAILABLE FOR DEPOSIT.

(IV) IN THE EVENT THAT DEPOSITING STATE MONEYS IN THE HIGHEST BIDDING ELIGIBLE STATE-CHARTERED OR FEDERALLY CHARTERED SAVINGS AND LOAN ASSOCIATION OR ASSOCIATIONS DOES NOT EXHAUST THE STATE MONEYS AVAILABLE FOR DEPOSIT AT THAT TIME, THE STATE TREASURER SHALL DEPOSIT THE REMAINING MONEYS IN OTHER ELIGIBLE SAVINGS AND LOAN ASSOCIATIONS GIVING PRIORITY TO THE HIGHEST REMAINING BIDDERS.

(V) THE STATE TREASURER SHALL HAVE THE AUTHORITY TO ESTABLISH A MINIMUM ACCEPTABLE BID FOR AN INTEREST RATE. THE RATE SHALL BE ANNOUNCED BEFORE THE START OF THE BIDDING BY ANY ELIGIBLE STATE-CHARTERED OR FEDERALLY CHARTERED SAVINGS AND LOAN ASSOCIATION.

SECTION 3. Effective date. This act shall take effect at 12:01 a.m. on the day following the expiration of the ninety-day period after final adjournment of the general assembly that is allowed for submitting a referendum petition pursuant to article V, section 1 (3) of the state constitution; except that, if a referendum petition is filed against this act or an item, section, or part of this act within such period, then the act, item, section, or part, if approved by the people, shall take effect on the date of the official declaration of the vote thereon by proclamation of the governor.

Doug Dean
SPEAKER OF THE HOUSE
OF REPRESENTATIVES

Stan Matsunaka
PRESIDENT OF
THE SENATE

Judith Rodrigue
CHIEF CLERK OF THE HOUSE
OF REPRESENTATIVES

Karen Goldman
SECRETARY OF
THE SENATE

APPROVED _____

Bill Owens
GOVERNOR OF THE STATE OF COLORADO