

Second Regular Session  
Sixty-ninth General Assembly  
STATE OF COLORADO

REVISED

*This Version Includes All Amendments Adopted  
on Second Reading in the Second House*

LLS NO. 14-0870.01 Gregg Fraser x4325

HOUSE BILL 14-1289

HOUSE SPONSORSHIP

McNulty, Holbert, McLachlan, Moreno, Pabon, Williams

SENATE SPONSORSHIP

Johnston, Hodge, Scheffel

House Committees

Business, Labor, Economic, & Workforce  
Development

Senate Committees

Finance

A BILL FOR AN ACT

101 CONCERNING THE REINVESTMENT OF UNUSED GOVERNMENTAL  
102 MONEYS HELD BY A FINANCIAL INSTITUTION THAT ARE IN  
103 EXCESS OF THE AMOUNT INSURED BY THE FEDERAL DEPOSIT  
104 INSURANCE CORPORATION IN ACCOUNTS OF OTHER FINANCIAL  
105 INSTITUTIONS.

Bill Summary

*(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at <http://www.leg.state.co.us/billsummaries>.)*

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  
2nd Reading Unamended  
April 14, 2014

HOUSE  
3rd Reading Unamended  
March 26, 2014

HOUSE  
2nd Reading Unamended  
March 25, 2014

Public moneys held by financial institutions must be insured by the federal deposit insurance corporation (FDIC). The institutions arrange for moneys that are in excess of allowable insured amounts to be invested in certificates of deposit in other insured institutions in exchange for the deposits of other customers from those institutions.

The bill specifies that:

- ! Excess moneys are to be redeposited in FDIC-insured deposit accounts rather than deposited in certificates of deposit; and
- ! The exchange of deposits from customers of these other financial institutions occurs on the same day rather than at the same time.

---

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

2 **SECTION 1.** In Colorado Revised Statutes, 24-75-603, **amend**  
3 (4) (b), (4) (c), (4) (d), and (4) (e) as follows:

4 **24-75-603. Depositories.** (4) In lieu of or in addition to other  
5 statutory authorization for the investment of public funds, any public  
6 funds that are not needed for current operating expenses may be invested  
7 in accordance with the following conditions:

8 (b) The selected eligible public depository simultaneously shall  
9 arrange for the ~~deposit~~ REDEPOSIT of any public funds initially placed in  
10 such eligible public depository that are in excess of the amount insured  
11 by the federal deposit insurance corporation, or its successor, in one or  
12 more ~~certificates of deposit~~ ACCOUNTS fully insured by the federal deposit  
13 insurance corporation in one or more other banks or savings and loan  
14 associations wherever located in the United States, for the account of the  
15 public entity;

16 (c) ~~At the same time~~ ON THE SAME DATE THAT the public funds  
17 are ~~deposited and the certificates of deposit are issued for the benefit of~~  
18 ~~the public entity~~ REDEPOSITED, the eligible public depository shall receive  
19 an amount of deposits from customers of other banks or savings and loan

1 associations equal to the amount of the public funds initially placed by the  
2 public entity;

3 (d) Each such ~~certificate of deposit shall~~ ACCOUNT MUST be  
4 insured by the federal deposit insurance corporation;

5 (e) The selected eligible public depository shall act as custodian  
6 for the public entity with respect to the ~~certificates of deposit issued for~~  
7 IN the public entity's account;

8 **SECTION 2. Safety clause.** The general assembly hereby finds,  
9 determines, and declares that this act is necessary for the immediate  
10 preservation of the public peace, health, and safety.