

STATE OF COLORADO
DEPARTMENT OF THE TREASURY

Walker R. Stapleton
State Treasurer



Brett J. Johnson
Deputy Treasurer

Notice of Rulemaking

To: Secretary of State
All Departments, Agencies, Institutions and Other Interested Parties

From: Walker R. Stapleton
State Treasurer
Department of Treasury

Date: September 14, 2012

Subject: Notice of Public Hearing to Consider Adoption of Permanent Rules

I. Notice of Hearing

The State Treasurer will hold a public hearing on October 16, 2012 to consider adoption of permanent rules on managing the issuance of State financial obligations and post-issuance compliance for State financial obligations to be implemented at 8 CCR 1508, Chapter 2 entitled Financial Obligations. The public hearing on **October 16, 2012** will commence at **9:00 a.m.** at 200 E. Colfax Avenue, HCR 0112. All interested persons are urged to attend this public hearing and may submit written comments to the State Treasurer prior to the hearing for consideration concerning the proposed rules.

II. Subject of the Proposed Rulemaking

The State Treasurer is considering rules to implement the requirements of Senate Bill 12-150, enacted during the 2012 regular session of the 68th General Assembly, codified in part at section 24-36-121, C.R.S., (2012). Specifically, the State Treasurer is considering rules to manage the issuance of State financial obligations and post-issuance compliance with federal and state laws. A detailed Statement of Basis, Purpose and Specific Statutory Authority will be provided prior to the hearing.

III. Statutory Authority for Proposed Rulemaking

The rules are being proposed in accordance with the following statutory authority:

Section 24-36-121(5), C.R.S., (2012), requires the State Treasurer to promulgate, by rule, a state public financing policy and to consult with various experts including the State Controller, the Office of State Planning and Budgeting, bond counsel and the Attorney General.

Section 24-36-121(5)(a)-(l), C.R.S., (2012), require the state public financing policy to include, but is not limited to the following components:

1. Use of moral obligations.
2. The criteria for the issuance or incurrence of financial obligation by the State acting by and through a state agency.
3. The use of derivatives.
4. The use of variable rate financial obligations.
5. Credit objectives.
6. The structuring practice for each type of financial obligation, including, but not limited to information about the term maturity and type of interest.
7. Acceptable methods of sale.
8. Policies for determining when selection of external financial professionals is appropriate,
9. Policies related to the refunding of financial obligations.
10. Policies related to primary and continuing disclosure requirements for financial obligations.
11. Post issuance compliance with federal and state tax and securities laws, including arbitrage rebate and remedial action requirements.
12. Policies for investment of proceeds where not otherwise covered by law.

IV. Copies of Draft Rules

A preliminary draft of the proposed rules is posted on the Secretary of State's rules and notices of rulemaking website at: <http://www.sos.state.co.us/CCR>.

You may also contact the State Treasurer's office to request a paper or editable electronic copy of the draft rules. If changes are made before the hearing, revised proposed draft rules will be available to the public and posted on the Secretary of State's website and the State Treasurer's website by October 16, 2012.

V. Opportunity to Testify and Submit Written Comments.

The State Treasurer will take comments as follows:

1. In order to facilitate review of written comments by the State Treasurer, all interested parties are strongly encouraged to submit their written comments prior to the hearing.
2. Written comments prior to the hearing must be submitted to Brett Johnson, State Treasurer's Office, 200 E. Colfax Avenue, State Capitol 140, Denver, CO 80203 or at brett.j.johnson@state.co.us before October 15, 2012 at 5:00 PM.
3. Oral comment may be provided at the hearing as follows:
 - a. All persons wishing to provide oral comment must sign up to do so at the hearing, noting whom they represent and/or if they are ceding any portion of their time to another speaker.
 - b. Any person signing up to speak may cede any portion or all of their time to another speaker.
 - c. To ensure the hearing is prompt and efficient, oral testimony may be time limited .

The proposed rules and proposed statement of basis, specific statutory authority and purpose will be available for review by interested persons before the hearing at the State Treasurer's Office, 200 E., Colfax Avenue, State Capitol 140, Denver CO 80203 or on the State Treasurer's website at <http://www.colorado.gov/treasury/>.

Dated this 14th day of September, 2012.

A handwritten signature in dark ink, appearing to read "Brett Johnson", is written over a horizontal line.

Brett Johnson, Deputy State Treasurer

For

Walker R. Stapleton

Colorado State Treasurer

