

Series 432

Box 40
Fld 52

LEGAL SERVICES COMMITTEE
Approved MST
Indexed MST
Proof Read MST

(AUTHORIZED INVESTMENTS)

1975

GENERAL SESSION

Substitute
H. B. No. 66

By REP. BYRON FISHER (gw)
Rep. Stanley A. Leavitt
Rep. Daniel S. Dennis
Rep. David C. Harvey
Rep. Eldon A. Honey

AN ACT AMENDING SECTION 7-5-11, UTAH CODE ANNOTATED 1953, AS AMENDED BY
CHAPTER 13, LAWS OF UTAH 1959, SECTION 33-1-1, UTAH CODE ANNOTATED
1953, AS AMENDED BY CHAPTER 60, LAWS OF UTAH 1957, AS AMENDED BY
CHAPTER 51, LAWS OF UTAH 1959, SECTION 49-9-12, UTAH CODE ANNOTATED
1953, AS ENACTED BY CHAPTER 74, LAWS OF UTAH 1963, AS AMENDED BY
CHAPTER 65, LAWS OF UTAH 1965, AS AMENDED BY CHAPTER 90, LAWS OF
UTAH 1973, AND SECTION 51-7-11 AND 51-7-12, UTAH CODE ANNOTATED 1953, AS
ENACTED BY CHAPTER 27, LAWS OF UTAH 1974; RELATING TO INVESTMENT FOR PRIVATE OR
AND PRIVATE ENTITIES; INCLUDING AS PROPER INVESTMENTS FOR CERTAIN OF
THESE ENTITIES, OBLIGATIONS ISSUED UNDER FARM CREDIT ACT OF 1971; AND PRO-
VIDING IN RESPECT TO THE RETIREMENT BOARD FUNDS AND PUBLIC FUNDS UNDER
THE STATE MONEY MANAGEMENT ACT FOR CORRECTIONS AND OPERATIONS IN THE
NATURE OF CERTAIN ALLOWED INVESTMENTS.

Be it enacted by the Legislature of the State of Utah:

Section 1. Section 7-5-11, Utah Code Annotated 1953, as amended by
Chapter 13, Laws of Utah 1959, is amended to read:

7-5-11. Administrators, executors, guardians, trustees, and other
fiduciaries of every kind and nature, banks, savings banks, trust companies
and other financial institutions are authorized, without any order of any
court, in addition to investments now authorized by laws of this state, to
invest funds held by them in such capacities, in bonds and other obliga-
tions or of bonds or obligations guaranteed as to interest and principal
by the United States; bonds or debentures issued by any Federal Home Loan
Bank, in accordance with the provisions of the Federal Home Loan Bank Act;
consolidated Federal Home Loan Bank bonds or debentures issued by the

LEGAL SERVICES DIVISION

Approved

Indexed

Proof Read

(AUTHORIZED INVESTMENTS)

1975

GENERAL SESSION

Substitute
H. B. No. 66

By REP. BYRON FISHER
REP. STANLEY A. LEAVITT

Rep. Darnell S. Dennis
Rep. David C. Harvey
Rep. Eldon A. Noney

AN ACT AMENDING SECTION 7-5-11, UTAH CODE ANNOTATED 1953, AS AMENDED BY CHAPTER 13, LAWS OF UTAH 1959, SECTION 33-1-1, UTAH CODE ANNOTATED 1953, AS AMENDED BY CHAPTER 60, LAWS OF UTAH 1957, AS AMENDED BY CHAPTER 51, LAWS OF UTAH 1959, SECTION 49-9-12, UTAH CODE ANNOTATED 1953, AS ENACTED BY CHAPTER 74, LAWS OF UTAH 1963, AS AMENDED BY CHAPTER 66, LAWS OF UTAH 1965, AS AMENDED BY CHAPTER 98, LAWS OF UTAH 1973, AND ^{AND 51-7-13} SECTION 51-7-11, UTAH CODE ANNOTATED 1953, AS ENACTED BY CHAPTER 27, LAWS OF UTAH 1974; RELATING TO INVESTMENTS BY PUBLIC AND PRIVATE ENTITIES; INCLUDING AS PROPER INVESTMENTS FOR CERTAIN OF THESE ENTITIES OBLIGATIONS ISSUED UNDER FARM CREDIT ACT OF 1971; AND PROVIDING IN RESPECT TO THE RETIREMENT BOARD FUNDS AND PUBLIC FUNDS UNDER THE STATE MONEY MANAGEMENT ACT FOR CORRECTIONS AND UP-DATING IN THE NATURE OF CERTAIN ALLOWED INVESTMENTS.

Be it enacted by the Legislature of the State of Utah:

Section 1. Section 7-5-11, Utah Code Annotated 1953, as amended by Chapter 13, Laws of Utah 1959, is amended to read:

7-5-11. Administrators, executors, guardians, trustees, and other fiduciaries of every kind and nature, banks, savings banks, trust companies and other financial institutions are authorized, without any order of any court, in addition to investments now authorized by laws of this state, to invest funds held by them in such capacities, in bonds and other obligations or of bonds or obligations guaranteed as to interest and principal by the United States; bonds or debentures issued by any Federal Home Loan Bank, in accordance with the provisions of the Federal Home Loan Bank Act; consolidated Federal Home Loan Bank bonds or debentures issued by the

LEGAL SERVICES COMMITTEE

Approved MSIIndexed MSIProof Read MSI

(AUTHORIZED INVESTMENTS)

1975

GENERAL SESSION

Substitute
H. B. No. 66

CHIEF SPONSOR REP. BYRON FISHER

By Rep. Stanley A. Leavitt

Rep. Daniel S. Dennis

Rep. David C. Harvey

Rep. Eldon A. Money

AN ACT AMENDING SECTION 7-5-11, UTAH CODE ANNOTATED 1953, AS AMENDED BY CHAPTER 13, LAWS OF UTAH 1959, SECTION 33-1-1, UTAH CODE ANNOTATED 1953, AS AMENDED BY CHAPTER 60, LAWS OF UTAH 1957, AS AMENDED BY CHAPTER 51, LAWS OF UTAH 1959, SECTION 49-9-12, UTAH CODE ANNOTATED 1953, AS ENACTED BY CHAPTER 74, LAWS OF UTAH 1963, AS AMENDED BY CHAPTER 86, LAWS OF UTAH 1965, AS AMENDED BY CHAPTER 98, LAWS OF UTAH 1973, AND SECTION 51-7-11, UTAH CODE ANNOTATED 1953, AS ENACTED BY CHAPTER 27, LAWS OF UTAH 1974; RELATING TO INVESTMENTS BY PUBLIC AND PRIVATE ENTITIES; INCLUDING AS PROPER INVESTMENTS FOR CERTAIN OF THESE ENTITIES OBLIGATIONS ISSUED UNDER FARM CREDIT ACT OF 1971; AND PROVIDING IN RESPECT TO THE RETIREMENT BOARD FUNDS AND PUBLIC FUNDS UNDER THE STATE MONEY MANAGEMENT ACT FOR CORRECTIONS AND UP-DATING IN THE NATURE OF CERTAIN ALLOWED INVESTMENTS.

Be it enacted by the Legislature of the State of Utah:

Section 1. Section 7-5-11, Utah Code Annotated 1953, as amended by Chapter 13, Laws of Utah 1959, is amended to read:

7-5-11. Administrators, executors, guardians, trustees, and other fiduciaries of every kind and nature, banks, savings banks, trust companies and other financial institutions are authorized, without any order of any court, in addition to investments now authorized by laws of this state, to invest funds held by them in such capacities, in bonds and other obligations or of bonds or obligations guaranteed as to interest and principal by the United States; bonds or debentures issued by any Federal Home Loan Bank, in accordance with the provisions of the Federal Home Loan Bank Act; consolidated Federal Home Loan Bank bonds or debentures issued by the

X
1 Substitute
2 H. B. No. 66

3 Federal Home Loan Bank System in accordance with the provisions of the
4 Federal Home Loan Bank Act, and amendments thereto; farm loan bonds, con-
5 solidated farm loan bonds, debentures, consolidated debentures, and other
6 obligations issued by federal land banks and federal intermediate credit
7 banks under the authority of the Federal Farm Loan Act approved July 17,
8 1916, as now or hereafter amended (Title 12 U.S.C., sections 636-1012
9 and sections 1021-1129) and the Farm Credit Act of 1971 and amendments to
10 it (Title 12 U.S.C., sections 2001-2257), and the bonds, debentures, con-
11 solidated debentures and other obligations issued by banks for co-operatives
12 under the authority of the Farm Credit Act of 1933, as now or hereafter
13 amended (Title 12 U.S.C., sections 1131-1138f) and the Farm Credit Act of
14 1971 and amendments to it (Title 12 U.S.C., sections 2001-2257); bonds or
15 debentures issued by the Federal Savings and Loan Insurance Corporation in
16 accordance with the provisions of Title IV of the National Housing Act, and
17 amendments thereto; to insured shares or accounts of building and loan or
18 savings and loan associations incorporated under the laws of this state
19 which have been insured by the Federal Savings and Loan Insurance Corporation
20 and insured shares of federal savings and loan associations incorporated
21 under the laws of the United States, which have been insured by the
22 Federal Savings and Loan Insurance Corporation, to the extent to which the
23 withdrawal or repurchasable values of such shares or accounts now are or
24 may hereafter be insured by the Federal Savings and Loan Insurance Corpor-
25 ation, and such investments shall be deemed and held to be legal invest-
26 ments for such funds.

27 The provisions of this section are supplemental to any and all other
28 laws relating to and declaring what shall be legal investments for the
29 persons, corporations and organizations referred to in this section.

30 Section 2. Section 33-1-1, Utah Code Annotated 1953, as amended by
31 Chapter 60, Laws of Utah 1957, as amended by Chapter 51, Laws of Utah
32 1959, is amended to read:

33 33-1-1. On and after the passage of this act investment by receivers,
34 insurance companies of whatever type or nature, building and loan associa-
 tions, savings and loan associations and other financial institutions,

Substitute
H.B. No. 66

charitable, educational, eleemosynary and public corporations and organizations, municipalities and other public corporations and bodies, mutual assessment insurance companies, mutual benevolent and benefit associations; or investment of funds of any state insurance fund, state sinking fund, state school fund, firemen's relief and pension fund, police pension fund, or other pension fund; or investment by any administrative department, board, commission or officer of the state government, and of any county government, authorized by law to make investments of funds in the custody or under the control of such department, board, commission or officer, school district or township, or the investment by any private, political, or public instrumentality, body, corporation or person of their own funds or funds in their possession in bonds and other obligations of or bonds or obligations guaranteed as to interest and principal by the United States; bonds or debentures issued by any federal home loan bank in accordance with the provisions of the Federal Home Loan Bank Act as now or hereafter amended; consolidated federal home loan bank bonds or debentures issued by the federal home loan bank board in accordance with the provisions of the Federal Home Loan Bank Act as now or hereafter amended; farm loan bonds, consolidated farm loan bonds, debentures, consolidated debentures and other obligations issued by federal land banks and federal intermediate credit banks under the authority of the Federal Farm Loan Act approved July 17, 1916, as now or hereafter amended (Title 12, U.S.C. sections 636-1012 and sections 1021-1129) and the Farm Credit Act of 1971 and amendments to it (Title 12 U.S.C., sections 2001-2257), and the bonds, debentures, consolidated debentures and other obligations issued by banks for co-operatives under the authority of the Farm Credit Act of 1933, as now or hereafter amended (Title 12 U. S. C., sections 1131-1138f) and the Farm Credit Act of 1971 and amendments to it (Title 12 U. S. C., sections 2001-2257); bonds or debentures issued by the federal savings and loan insurance corporation in accordance with the provisions of Title IV of the National Housing Act as now or hereafter amended; in shares or accounts of building and loan associations which have been insured by the federal savings and loan insurance corporation and shares or accounts of federal savings and loan associations incorporated under the provisions of the Home Owners' Loan Act of 1933 as now or hereafter amended; which have been

X
1 Substitute
2 H. B. No. 66

3 insured by the federal savings and loan insurance corporation to the extent
4 to which the withdrawal or repurchasable value of such shares or accounts
5 now are or may hereafter be insured by the federal savings and loan insur-
6 ance corporation under the Acts of Congress of the United States of America
7 now in effect or which may hereafter be enacted, shall be lawful.

8 Section 3. Section 49-9-12, Utah Code Annotated 1953, as enacted by
9 Chapter 74, Laws of Utah 1963, as amended by Chapter 86, Laws of Utah 1965,
10 as amended by Chapter 98, Laws of Utah 1973, is amended to read:

11 49-9-12. (1) The retirement board may invest any and all funds assigned
12 to it as set forth as follows:

13 (a) Bonds or other evidences of indebtedness of the United States of
14 America or any of its agencies or instrumentalities when such obligations
15 are guaranteed as to principal and interest by the United States of America,
16 ~~or by any agency or instrumentality thereof, including obligations of the~~
17 ~~federal land banks, federal intermediate credit banks, federal home loan~~
18 ~~banks, federal national mortgage association, farmers home administration~~
19 ~~and banks for co-operatives, notes,].~~

20 (b) General obligation bonds or other evidence of indebtedness of any
21 state, or of any county, incorporated city, town or school district of the
22 state or territory of the United States, provided said bonds are at the time
23 of purchase rated within the three highest classifications established by
24 at least one standard rating service.

25 (c) Bonds, notes or evidence of indebtedness of any county, municipal,
26 or municipal district utility within the United States, which are payable
27 from revenues or earnings specifically pledged for the payment of the
28 principal and interest on such obligations, provided that said revenue
29 bonds are at the time of purchase rated within the three highest classifi-
30 cations established by at least one standard rating service.

31 (d) Bonds, debentures or other evidences of indebtedness issued,
32 assumed or guaranteed by any solvent corporation or institution created
33 or existing under the laws of the United States or of any state, district
34 or territory thereof, which are not in default as to principal or interest,
35 provided that said bonds at the time of purchase are rated within the
36 three highest classifications established by at least one standard
37 rating service.

Substitute
H. B. No. 66

(e) Equipment trust obligations or certificates secured by an interest in transportation equipment wholly or in part within the United States which carry the right to receive determined portions of rental, purchase or fixed obligatory payments to be made for the use or purchase or fixed obligatory payments to be made for the use or purchase of such transportation equipment, provided that said obligations are at the time of purchase rated within the three highest classifications established by at least one standard rating service.

(f) Securities of any open-end or closed-end management type investment company or investment trust, participation in common trust funds or shares, preferred or guaranteed stock, and nonassessable common stock or shares of any solvent corporation or institution created or existing under the laws of the United States or any state, district or territory thereof, provided that said stocks are at the time of purchase rated within the three highest classifications established by at least one standard rating service.

(g) Obligations issued or unconditionally guaranteed by ~~[the International Bank for Reconstruction and Development, or the Inter-American Development Bank]~~ international development lending institutions of which the United States is a member and whose obligations are qualified for investment by national banks.

(h) Real estate mortgages secured by Federal Housing Administration (FHA) or Veterans Administration (VA) insurance or guaranteed commitments or notes secured by mortgages or trust deeds on real estate which are guaranteed as to payment of interest and principal by a corporation, approved by the state commissioner of insurance, which is licensed to do business in the state of Utah as an insurer and which has assets of \$50 million or more and that the corporation insurance exposure at the time of note purchase is limited to not more than 25 times the value of capital, surplus and contingency reserves.

(i) Saving deposit or certificate of deposit of a bank insured by the Federal Deposit Insurance Corporation, or to the extent that they are insured in shares or accounts of either state chartered or federal chartered savings and loan and building and loan associations which are insured by the Federal Savings and Loan Insurance Corporation.

(j) The interest in or portion of notes, obligations or other written

1 Substitute
2 H. B. No. 66

3 evidence of indebtedness used as collateral for loans and which are guaran-
4 teed by any authorized agency of the United States government as to pay-
5 ment of principal, interest or rents.

6 (k) Bonds or other evidence of indebtedness issued or guaranteed by
7 an agency or instrumentality of the United States, including, but not limited
8 to, the guaranteed portion of loans guaranteed by any such agency or
9 instrumentality.

10 (1) [k] Unrated securities which would otherwise qualify for purchase
11 by the board under [paragraphs] subsections (1) (b), (c), (d), (e) or (f)
12 of this section, where such unrated securities are found by the board to
13 be of a quality equal to securities rated within the three highest classi-
14 fications as required of rated securities.

15 (2) Investments shall not be subject to the control of the board of
16 examiners.

17 Section 4. Section 51-7-11, Utah Code Annotated 1953, as enacted by
18 Chapter 27, Laws of Utah 1974, is amended to read:

19 51-7-11. (1) All public funds, other than funds of the state retirement board,
20 funds of the board of Indian affairs, the permanent school fund and other
21 funds of the division of state lands, the state insurance fund, and funds
22 of member institutions of the state system of higher education not transferred
23 to the state treasurer by section 51-7-4, may be deposited or invested only
24 in such of the following as meet the criteria of section 51-7-17:

25 (a) Demand deposits and time certificates of deposit (negotiable or
26 non-negotiable) of qualified depositories of the state of Utah;

27 (b) Repurchase agreements with qualified depositories, acting as prin-
28 cipal or agent, for securities of the United States or other evidences of indebt-
29 edness of like quality, if these securities or other evidences of indebt-
30 edness are delivered to the custody of the public treasurer or be supported
31 by a safekeeping receipt issued by a qualified depository;

32 (c) Bankers acceptances, which may not be held for more than thirty
33 days;

34 (d) Other negotiable certificates of deposit, which may not be held
35 for more than thirty days;

36 (e) Bonds or other evidence of indebtedness of the United States of
America or any of its agencies or instrumentalities when these obligations

Substitute
H. B. No. 66

are guaranteed as to principal and interest by the United States of America~~[, or by any agency or instrumentality of the United States, including, but not limited to, obligations of the federal land banks, federal intermediate credit banks, federal home loan banks, federal national mortgage associations, farmers home administration notes, banks for co-operatives, and the guaranteed portion of loans guaranteed by the small-business administration];~~

(f) Tax anticipation and general obligation bonds of the state of Utah or of any county, incorporated city or town, school district, or other political subdivision of this state;

(g) Bonds, notes, or other evidence of indebtedness of any county, incorporated city or town, school district or other political subdivision of the state of Utah which are payable from assessments or from revenues or earnings specifically pledged for payment of the principal and interest on these obligations;

(h) Real estate mortgages or deeds of trust secured by federal housing administration insurance, veterans administration guaranties, or mortgages guaranteed by other federal government agencies;

(i) Deposits or certificates of deposit (negotiable or non-negotiable) of state chartered or federal chartered savings and loan or building and loan associations which have an office in the state of Utah and which are insured by the Federal Savings and Loan Insurance Corporation;

(j) Loans to college students guaranteed or insured by the government of the United States or any agency of it; ~~[or]~~

(k) Bonds or other evidence of indebtedness issued or guaranteed by an agency or instrumentality of the United States, including, but not limited to, the guaranteed portion of loans guaranteed by any such agency or instrumentality;

(l) Bonds or other evidence of indebtedness issued or guaranteed by international development lending institutions of which the United States is a member and whose obligations are qualified for investment by national banks; or

[(k)] (m) Investments authorized under section 55-18-29.

(n) Loans to the University of Utah hospital for a period not to exceed 90 days for the purpose of providing such hospital with operating capital; provided, that such loans are secured by the accounts receivable of the hospital.

Substitute
H. R. No. 66

(2) Minimum rates of interest on the certificates described in subsection (1) (i) of this section shall be established by the council so as to be competitive with investments of like nature, quality, amount, and duration. The maximum amount of public funds that each association may hold shall be determined by the council in accordance with the investment objectives of this act and be based upon the character, liquidity and condition of the assets, the amount of reserves and capital accounts, and the nature and extent of the liabilities of each association.

Section 6. Section 51-7-13, Utah Code Annotated 1953, as enacted by Chapter 87, Laws of Utah 1974, is amended to read:

51-7-13. (1) In respect of the funds of member institutions of the state system of higher education which are not transferred to the state treasurer by section 51-7-4, the following provisions shall apply:

(a) All deposits of these funds shall be made only in qualified depositories in accordance with the rules and regulations of the council;

(b) All funds acquired by gift, devise, or bequest or by federal or private grant shall be invested in accordance with the ~~provisions of~~ ^{terms of the gift or grant} ~~section 51-7-13 and the rules and regulations of the council~~ ^{provided otherwise, in which event these funds shall be invested and managed in accordance with the standards specified in section 51-8-7;}

(c) All funds pledged or otherwise collected to the payment of interest and principal of bonds issued by the institution shall be invested in accordance with the terms of the borrowing instruments applicable to such bonds, but if no such provision is applicable, these funds shall be invested as provided in section 51-7-11 and the rules and regulations of the council;

(d) All other funds in the custody or control of any such institution shall be invested as provided in section 51-7-11 and the rules and regulations of the council.

(2) Each institution shall make monthly reports as to the deposit and investment of funds in its custody or control to its institutional council and the state board of higher education. The state auditor shall conduct or cause to be conducted an annual audit of the investment program of each institution. The state board of higher education shall require such internal controls and supervision as are necessary to insure the appropriate safekeeping, investment, and accounting for all funds of these institutions and shall submit

Substitute
H. B. No. 66

are guaranteed as to principal and interest by the United States of America [~~or by any agency or instrumentality of the United States, including, but not limited to, obligations of the Federal land banks, Federal intermediate credit banks, Federal home loan banks, Federal national mortgage associations, Farmers Home Administration notes, banks for co-operatives, and the guaranteed portion of loans guaranteed by the small business administration~~];

(f) Tax anticipation and general obligation bonds of the state of Utah or of any county, incorporated city or town, school district, or other political subdivision of this state;

(g) Bonds, notes, or other evidence of indebtedness of any county, incorporated city or town, school district or other political subdivision of the state of Utah which are payable from assessments or from revenues or earnings specifically pledged for payment of the principal and interest on these obligations;

(h) Real estate mortgages or deeds of trust secured by federal housing administration insurance, veterans administration guaranties, or mortgages guaranteed by other federal government agencies;

(i) Deposits or certificates of deposit (negotiable or non-negotiable) of state chartered or federal chartered savings and loan or building and loan associations which have an office in the state of Utah and which are insured by the Federal Savings and Loan Insurance Corporation;

(j) Loans to college students guaranteed or insured by the government of the United States or any agency of it; [or]

(k) Bonds or other evidence of indebtedness issued or guaranteed by an agency or instrumentality of the United States, including, but not limited to, the guaranteed portion of loans guaranteed by any such agency or instrumentality;

(l) Bonds or other evidence of indebtedness issued or guaranteed by international development lending institutions of which the United States is a member and whose obligations are qualified for investment by national banks; or

(m) Investments authorized under section 55-13-29.

(2) Minimum rates of interest on the certificates described in subsection (1) (i) of this section shall be established by the council so as

(n) Loans to the University of Utah hospital for a period not to exceed 90 days for the purpose of providing such hospital with operating capital; provided, that such loans are secured by the accounts receivable of the hospital.

Substitute
H. B. No. 66

- 1
- 2 to be competitive with investments of like nature, quality, amount, and
- 3 duration. The maximum amount of public funds that each association may
- 4 hold shall be determined by the council in accordance with the invest-
- 5 ment objectives of this act and be based upon the character, liquidity and
- 6 condition of the assets, the amount of reserves and capital accounts, and
- 7 the nature and extent of the liabilities of each association.

Insert

1 annually to the governor and the legislature a summary report of all investments
2 by institutions under its jurisdiction.

3 (3) The state board of higher education may release, in whole or in
4 part, a restriction imposed by the applicable gift instrument on the investment
5 of a fund held by a member institution:

6 (a) With the written consent of the donor; or

7 (b) If written consent of the donor cannot be obtained by reason of
8 his death, disability, unavailability or impossibility of identification, by
9 applying in the name of the institution to the district court of the district
10 in which the institution is located for such release. If, after notice and
11 opportunity to be heard, the court finds that the restriction is obsolete,
12 inappropriate, or impracticable, it may by order release the restriction in
13 whole or in part.

Section 5. Section 51-7-13, Utah Code Annotated 1953, as enacted by Chapter 27, Laws of Utah 1974, is amended to read:

51-7-13. (1) In respect of the funds of member institutions of the state system of higher education which are not transferred to the state treasurer by section 51-7-4, the following provisions shall apply:

(a) All deposits of these funds shall be made only in qualified depositories in accordance with the rules and regulations of the council;

(b) All funds acquired by gift, devise, or bequest or by federal or private grant shall be invested in accordance with the ~~provisions of section 51-7-12 and~~ the rules and regulations of the council unless the terms of the gift or grant provide otherwise, in which event these funds shall be invested and managed in accordance with the standards specified in section 33-2-1;

(c) All funds pledged or otherwise dedicated to the payment of interest and principal of bonds issued by the institution shall be invested in accordance with the terms of the borrowing instruments applicable to such bonds, but if no such provision is applicable, these funds shall be invested as provided in section 51-7-11 and the rules and regulations of the council;

(d) All other funds in the custody or control of any such institution shall be invested as provided in section 51-7-11 and the rules and regulations of the council.

(2) Each institution shall make monthly reports as to the deposit and investments of funds in its custody or control to its institutional council and the state board of higher education. The state auditor shall conduct or cause to be conducted an annual audit of the investment program of each institution. The state board of higher education shall require such internal controls and supervision as are necessary to insure the appropriate safekeeping, investment, and accounting for all funds of these institutions and shall submit annually to the governor and the legislature a summary report of all investments by institutions under its jurisdiction.

(3) The state board of higher education may release, in whole or in part, a restriction imposed by the applicable gift instrument on the investment of a fund held by a member institution:

(a) With the written consent of the donor; or

(b) If written consent of the donor cannot be obtained by reason of his death, disability, unavailability or impossibility of identification, by applying in the name of the institution to the district court of the district in which the institution is located for such release. If, after notice and opportunity to be heard, the court finds that the restriction is obsolete, inappropriate, or impracticable, it may by order release the restriction in whole or in part."

Approved MEL
Indexed _____
Proof Read _____

(AUTHORIZED INVESTMENTS)

1975

GENERAL SESSION

H.B. No. 66

By Rep. Stanley A. Leavitt

Rep. Daniel S. Dennis

Rep. David C. Harvey

Rep. Eldon A. Money

AN ACT AMENDING SECTION 7-5-11, UTAH CODE ANNOTATED 1953, AS AMENDED BY CHAPTER 13, LAWS OF UTAH 1959, SECTION 33-1-1, UTAH CODE ANNOTATED 1953, AS AMENDED BY CHAPTER 60, LAWS OF UTAH 1957, AS AMENDED BY CHAPTER 51, LAWS OF UTAH 1959, SECTION 49-9-12, UTAH CODE ANNOTATED 1953, AS ENACTED BY CHAPTER 74, LAWS OF UTAH 1963, AS AMENDED BY CHAPTER 86, LAWS OF UTAH 1965, AS AMENDED BY CHAPTER 98, LAWS OF UTAH 1973, AND SECTION 51-7-11, UTAH CODE ANNOTATED 1953, AS ENACTED BY CHAPTER 27, LAWS OF UTAH 1974; RELATING TO INVESTMENTS BY PUBLIC AND PRIVATE ENTITIES; INCLUDING FOR CERTAIN OF THESE ENTITIES OBLIGATIONS ISSUED UNDER FARM CREDIT ACT OF 1971; AND PROVIDING IN RESPECT TO THE RETIREMENT BOARD FUNDS AND PUBLIC FUNDS UNDER THE STATE MONEY MANAGEMENT ACT FOR CORRECTIONS IN THE NATURE OF CERTAIN INVESTMENTS.

Be it enacted by the Legislature of the State of Utah:

Section 1. Section 7-5-11, Utah Code Annotated 1953, as amended by Chapter 13, Laws of Utah 1959, is amended to read:

7-5-11. Administrators, executors, guardians, trustees, and other fiduciaries of every kind and nature, banks, savings banks, trust companies and other financial institutions are authorized, without any order of any court, in addition to investments now authorized by laws of this state, to invest funds held by them in such capacities, in bonds and other obligations or of bonds or obligations guaranteed as to interest and principal by the United States; bonds or debentures issued by any Federal Home Loan Bank, in accordance with the provisions of the Federal Home Loan Bank Act; consolidated Federal Home Loan Bank bonds or debentures issued by the

1 H.R. No. 66

2 Federal Home Loan Bank System in accordance with the provisions of the
3 Federal Home Loan Bank Act, and amendments thereto; farm loan bonds, con-
4 solidated farm loan bonds, debentures, consolidated debentures and other
5 obligations issued by federal land banks and federal intermediate credit
6 banks under the authority of the Federal Farm Loan Act approved July 17,
7 1916, as now or hereafter amended [Title 12 U.S.C., sections 636-1012
8 and sections 1021-1129] and the Farm Credit Act of 1971 and amendments to
9 it (Title 12 U.S.C., sections 2001-2257), and the bonds, debentures, con-
10 solidated debentures and other obligations issued by banks for co-operatives
11 under the authority of the Farm Credit Act of 1933, as now or hereafter
12 amended (Title 12 U.S.C., sections 1131-1138f) and the Farm Credit Act of
13 1971 and amendments to it (Title 12 U.S.C., sections 2001-2257); bonds or
14 debentures issued by the Federal Savings and Loan Insurance Corporation in
15 accordance with the provisions of Title IV of the National Housing Act, and
16 amendments thereto; to insured shares or accounts of building and loan or
17 savings and loan associations incorporated under the laws of this state
18 which have been insured by the Federal Savings and Loan Insurance Corporation
19 and insured shares of federal savings and loan associations incorporated
20 under the laws of the United States, which have been insured by the
21 Federal Savings and Loan Insurance Corporation, to the extent to which the
22 withdrawal or repurchasable values of such shares or accounts now are or
23 may hereafter be insured by the Federal Savings and Loan Insurance Corpora-
24 tion, and such investments shall be deemed and held to be legal invest-
25 ments for such funds.

26 The provisions of this section are supplemental to any and all other
27 laws relating to and declaring what shall be legal investments for the
28 persons, corporations and organizations referred to in this section.

29 Section 2. Section 33-1-1, Utah Code Annotated 1953, as amended by
30 Chapter 60, Laws of Utah 1957, as amended by Chapter 51, Laws of Utah
31 1959, is amended to read:

32 33-1-1. On and after the passage of this act investment by receivers,
33 insurance companies of whatever type or nature, building and loan associa-
34 tions, savings and loan associations and other financial institutions,

1 HB. No. 66

2 charitable, educational, eleemosynary and public corporations and organ-
3 zations, municipalities and other public corporations and bodies, mutual
4 assessment insurance companies, mutual benevolent and benefit associations;
5 or investment of funds of any state insurance fund, state sinking fund,
6 state school fund, firemen's relief and pension fund, police pension fund,
7 or other pension fund; or investment by any administrative department, board,
8 commission or officer of the state government, and of any county government,
9 authorized by law to make investments of funds in the custody or under the
10 control of such department, board, commission or officer, school district
11 or township, or the investment by any private, political, or public instru-
12 mentality, body, corporation or person of their own funds or funds in their
13 possession in bonds and other obligations of or bonds or obligations
14 guaranteed as to interest and principal by the United States; bonds or
15 debentures issued by any federal home loan bank in accordance with the
16 provisions of the Federal Home Loan Bank Act as now or hereafter amended;
17 consolidated federal home loan bank bonds or debentures issued by the
18 federal home loan bank board in accordance with the provisions of the
19 Federal Home Loan Bank Act as now or hereafter amended; farm loan bonds,
20 consolidated farm loan bonds, debentures, consolidated debentures and
21 other obligations issued by federal land banks and federal intermediate
22 credit banks under the authority of the Federal Farm Loan Act approved
23 July 17, 1916, as now or hereafter amended (Title 12, U.S.C. sections
24 636-1012 and sections 1021-1129) and the Farm Credit Act of 1971 and
25 amendments to it (Title 12 U.S.C., sections 2001-2257), and the bonds,
26 debentures, consolidated debentures and other obligations issued by banks
27 for co-operatives under the authority of the Farm Credit Act of 1933, as
28 now or hereafter amended (Title 12 U. S. C., sections 1131-1138f) and the
29 Farm Credit Act of 1971 and amendments to it (Title 12 U. S. C., sections
30 2001-2257); bonds or debentures issued by the federal savings and loan
31 insurance corporation in accordance with the provisions of Title IV of the
32 National Housing Act as now or hereafter amended; in shares or accounts
33 of building and loan associations which have been insured by the federal
34 savings and loan insurance corporation and shares or accounts of federal
35 savings and loan associations incorporated under the provisions of the
36 Home Owners' Loan Act of 1933 as now or hereafter amended; which have been

1 HB. No. 116

2 insured by the federal savings and loan insurance corporation to the extent
3 to which the withdrawal or repurchasable value of such shares or accounts
4 now are or may hereafter be insured by the federal savings and loan insur-
5 ance corporation under the Acts of Congress of the United States of America
6 now in effect or which may hereafter be enacted, shall be lawful.

7 Section 3. Section 49-9-12, Utah Code Annotated 1953, as enacted by
8 Chapter 74, Laws of Utah 1963, as amended by Chapter 86, Laws of Utah 1965,
9 as amended by Chapter 98, Laws of Utah 1973, is amended to read:

10 49-9-12. (1) The retirement board may invest any and all funds assigned
11 to it as set forth as follows:

12 (a) Bonds or other evidences of indebtedness of the United States of
13 America or any of its agencies or instrumentalities when such obligations
14 are guaranteed as to principal and interest by the United States of America,
15 or by any agency or instrumentality thereof, including [obligations-of-the
16 federal-land-banks,-federal-intermediate-credit-banks,] federal home loan
17 banks, [federal-national-mortgage-association,] and farmers home administra-
18 tion [and-banks-for-co-operatives] notes[y].

19 (b) General obligation bonds or other evidence of indebtedness of any
20 state, or of any county, incorporated city, town or school district of the
21 state or territory of the United States, provided said bonds are at the time
22 of purchase rated within the three highest classifications established by
23 at least one standard rating service.

24 (c) Bonds, notes or evidence of indebtedness of any county, municipal,
25 or municipal district utility within the United States, which are payable
26 from revenues or earnings specifically pledged for the payment of the
27 principal and interest on such obligations, provided that said revenue
28 bonds are at the time of purchase rated within the three highest classifi-
29 cations established by at least one standard rating service.

30 (d) Bonds, debentures or other evidences of indebtedness issued,
31 assumed or guaranteed by any solvent corporation or institution created
32 or existing under the laws of the United States or of any state, district
33 or territory thereof, which are not in default as to principal or interest,
34 provided that said bonds at the time of purchase are rated within the
35 three highest classifications established by at least one standard
36 rating service.

1 **HB No 456**

2 (e) Equipment trust obligations or certificates secured by an interest
3 in transportation equipment wholly or in part within the United States
4 which carry the right to receive determined portions of rental, purchase
5 or fixed obligatory payments to be made for the use or purchase or fixed
6 obligatory payments to be made for the use or purchase of such transpor-
7 tation equipment, provided that said obligations are at the time of pur-
8 chase rated within the three highest classifications established by at
9 least one standard rating service.

10 (f) Securities of any open-end or closed-end management type invest-
11 ment company or investment trust, participation in common trust funds or
12 shares, preferred or guaranteed stock, and nonassessable common stock or
13 shares of any solvent corporation or institution created or existing under
14 the laws of the United States or any state, district or territory thereof,
15 provided that said stocks are at the time of purchase rated within the three
16 highest classifications established by at least one standard rating service.

17 (g) Obligations issued or unconditionally guaranteed by the Interna-
18 tional Bank for Reconstruction and Development, or the Inter-American
19 Development Bank.

20 (h) Real estate mortgages secured by Federal Housing Administration
21 (FHA) or Veterans Administration (VA) insurance or guaranteed commitments
22 or notes secured by mortgages or trust deeds on real estate which are
23 guaranteed as to payment of interest and principal by a corporation, ap-
24 proved by the state commissioner of insurance, which is licensed to do
25 business in the state of Utah as an insurer and which has assets of \$50
26 million or more and that the corporation insurance exposure at the time
27 of note purchase is limited to not more than 25 times the value of capital,
28 surplus and contingency reserves.

29 (i) Saving deposit or certificate of deposit of a bank insured by the
30 Federal Deposit Insurance Corporation, or to the extent that they are in-
31 sured in shares or accounts of either state chartered or federal chartered
32 savings and loan and building and loan associations which are insured by
33 the Federal Savings and Loan Insurance Corporation.

34 (j) The interest in or portion of notes, obligations or other written
35 evidence of indebtedness used as collateral for loans and which are guaran-
36 teed by any authorized agency of the United States government as to pay-
37 ment of principal, interest or rents.

1 **HB. No. 66**

2 (k) Bonds or other evidence of indebtedness issued or guaranteed by
3 an agency or instrumentality of the United States, including, but not limited
4 to, obligations of federal land banks, federal intermediate credit banks,
5 the federal national mortgage association, and banks for cooperatives.

6 (1) [k] Unrated securities which would otherwise qualify for purchase
7 by the board under [paragraphs] subsections (1) (b), (c), (d), (e) or (f)
8 of this section, where such unrated securities are found by the board to
9 be of a quality equal to securities rated within the three highest classi-
10 fications as required of rated securities.

11 (2) Investments shall not be subject to the control of the board of
12 examiners.

13 Section 4. Section 51-7-11, Utah Code Annotated 1953, as enacted by
14 Chapter 27, Laws of Utah 1974, is amended to read:

15 51-7-11. (1) All public funds, other than funds of the state retirement board,
16 funds of the board of Indian affairs, the permanent school fund and other
17 funds of the division of state lands, the state insurance fund, and funds
18 of member institutions of the state system of higher education not transferred
19 to the state treasurer by section 51-7-4, may be deposited or invested only
20 in such of the following as meet the criteria of section 51-7-17:

21 (a) Demand deposits and time certificates of deposit (negotiable or
22 non-negotiable) of qualified depositories of the state of Utah;

23 (b) Repurchase agreements with qualified depositories, acting as prin-
24 cipal or agent, for securities of the United States or other evidences of in-
25 debtedness of like quality, if these securities or other evidences of indebt-
26 edness are delivered to the custody of the public treasurer or be supported
27 by a safekeeping receipt issued by a qualified depository;

28 (c) Bankers acceptances, which may not be held for more than thirty
29 days;

30 (d) Other negotiable certificates of deposit, which may not be held
31 for more than thirty days;

32 (e) Bonds or other evidence of indebtedness of the United States of
33 America or any of its agencies or instrumentalities when these obligations
34 are guaranteed as to principal and interest by the United States of
35 America, or by any agency or instrumentality of the United States, includ-
36 ing, but not limited to, obligations of the [federal-land-banks, -federal

1 **HB. No. 66**

2 ~~intermediate-credit-banks,] federal home loan banks, [federal-national~~
3 ~~mortgage-associations,] farmers home administration, [notes, banks-for-co-~~
4 ~~operatives,] and the guaranteed portion of loans guaranteed by the small~~
5 ~~business administration;~~

6 (f) Tax anticipation and general obligation bonds of the state of
7 Utah or of any county, incorporated city or town, school district, or
8 other political subdivision of this state;

9 (g) Bonds, notes, or other evidence of indebtedness of any county,
10 incorporated city or town, school district or other political subdivision
11 of the state of Utah which are payable from assessments or from revenues
12 or earnings specifically pledged for payment of the principal and interest
13 on these obligations;

14 (h) Real estate mortgages or deeds of trust secured by federal housing
15 administration insurance, veterans administration guaranties, or mortgages
16 guaranteed by other federal government agencies;

17 (i) Deposits or certificates of deposit (negotiable or non-negotiable)
18 of state chartered or federal chartered savings and loan or building and
19 loan associations which have an office in the state of Utah and which
20 are insured by the Federal Savings and Loan Insurance Corporation;

21 (j) Loans to college students guaranteed or insured by the government
22 of the United States or any agency of it; [or]

23 (k) Bonds or other evidence of indebtedness issued or guaranteed by
24 an agency or instrumentality of the United States, including, but not
25 limited to, obligations of federal land banks, federal intermediate credit
26 banks, the federal national mortgage association, and banks for cooper-
27 atives; or

28 [(k)] (1) Investments authorized under section 55-18-29.

29 (2) Minimum rates of interest on the certificates described in sub-
30 section (1) (i) of this section shall be established by the council so as
31 to be competitive with investments of like nature, quality, amount, and
32 duration. The maximum amount of public funds that each association may
33 hold shall be determined by the council in accordance with the invest-
34 ment objectives of this act and be based upon the character, liquidity and
35 condition of the assets, the amount of reserves and capital accounts, and
36 the nature and extent of the liabilities of each association.

H.B. No 66

MANAGEMENT AND FISCAL ANALYSIS

H.B. No. 66

None required.

OFFICE OF THE LEGISLATIVE ANALYST

LEGAL SERVICES COMMITTEE
Approved MSL
Indexed MSL
Proof Read MSL

(AUTHORIZED INVESTMENTS)

1975

GENERAL SESSION

Substitute
H. B. No. 66

By Rep. Stanley A. Leavitt

Rep. Dannel S. Dennis

Rep. David C. Harvey

Rep. Eldon A. Money

AN ACT AMENDING SECTION 7-5-11, UTAH CODE ANNOTATED 1953, AS AMENDED BY CHAPTER 13, LAWS OF UTAH 1959, SECTION 33-1-1, UTAH CODE ANNOTATED 1953, AS AMENDED BY CHAPTER 60, LAWS OF UTAH 1957, AS AMENDED BY CHAPTER 51, LAWS OF UTAH 1959, SECTION 49-9-12, UTAH CODE ANNOTATED 1953, AS ENACTED BY CHAPTER 74, LAWS OF UTAH 1963, AS AMENDED BY CHAPTER 86, LAWS OF UTAH 1965, AS AMENDED BY CHAPTER 98, LAWS OF UTAH 1973, AND SECTION 51-7-11, UTAH CODE ANNOTATED 1953, AS ENACTED BY CHAPTER 27, LAWS OF UTAH 1974; RELATING TO INVESTMENTS BY PUBLIC AND PRIVATE ENTITIES; INCLUDING AS PROPER INVESTMENTS FOR CERTAIN OF THESE ENTITIES OBLIGATIONS ISSUED UNDER FARM CREDIT ACT OF 1971; AND PROVIDING IN RESPECT TO THE RETIREMENT BOARD FUNDS AND PUBLIC FUNDS UNDER THE STATE MONEY MANAGEMENT ACT FOR CORRECTIONS AND UP-DATING IN THE NATURE OF CERTAIN ALLOWED INVESTMENTS.

Be it enacted by the Legislature of the State of Utah:

Section 1. Section 7-5-11, Utah Code Annotated 1953, as amended by Chapter 13, Laws of Utah 1959, is amended to read:

7-5-11. Administrators, executors, guardians, trustees, and other fiduciaries of every kind and nature, banks, savings banks, trust companies and other financial institutions are authorized, without any order of any court, in addition to investments now authorized by laws of this state, to invest funds held by them in such capacities, in bonds and other obligations or of bonds or obligations guaranteed as to interest and principal by the United States; bonds or debentures issued by any Federal Home Loan Bank, in accordance with the provisions of the Federal Home Loan Bank Act; consolidated Federal Home Loan Bank bonds or debentures issued by the

Substitute
H. B. No. 66

Federal Home Loan Bank System in accordance with the provisions of the Federal Home Loan Bank Act, and amendments thereto; farm loan bonds, consolidated farm loan bonds, debentures, consolidated debentures and other obligations issued by federal land banks and federal intermediate credit banks under the authority of the Federal Farm Loan Act approved July 17, 1916, as now or hereafter amended (Title 12 U.S.C., sections 636-1012 and sections 1021-1129) and the Farm Credit Act of 1971 and amendments to it (Title 12 U.S.C., sections 2001-2257), and the bonds, debentures, consolidated debentures and other obligations issued by banks for co-operatives under the authority of the Farm Credit Act of 1933, as now or hereafter amended (Title 12 U.S.C., sections 1131-1138f) and the Farm Credit Act of 1971 and amendments to it (Title 12 U.S.C., sections 2001-2257); bonds or debentures issued by the Federal Savings and Loan Insurance Corporation in accordance with the provisions of Title IV of the National Housing Act, and amendments thereto; to insured shares or accounts of building and loan or savings and loan associations incorporated under the laws of this state which have been insured by the Federal Savings and Loan Insurance Corporation and insured shares of federal savings and loan associations incorporated under the laws of the United States, which have been insured by the Federal Savings and Loan Insurance Corporation, to the extent to which the withdrawal or repurchasable values of such shares or accounts now are or may hereafter be insured by the Federal Savings and Loan Insurance Corporation, and such investments shall be deemed and held to be legal investments for such funds.

The provisions of this section are supplemental to any and all other laws relating to and declaring what shall be legal investments for the persons, corporations and organizations referred to in this section.

Section 2. Section 33-1-1, Utah Code Annotated 1953, as amended by Chapter 60, Laws of Utah 1957, as amended by Chapter 51, Laws of Utah 1959, is amended to read:

33-1-1. On and after the passage of this act investment by receivers, insurance companies of whatever type or nature, building and loan associations, savings and loan associations and other financial institutions,

Substitute
H.B. No. 66

charitable, educational, eleemosynary and public corporations and organizations, municipalities and other public corporations and bodies, mutual assessment insurance companies, mutual benevolent and benefit associations; or investment of funds of any state insurance fund, state sinking fund, state school fund, firemen's relief and pension fund, police pension fund, or other pension fund; or investment by any administrative department, board, commission or officer of the state government, and of any county government, authorized by law to make investments of funds in the custody or under the control of such department, board, commission or officer, school district or township, or the investment by any private, political, or public instrumentality, body, corporation or person of their own funds or funds in their possession in bonds and other obligations of or bonds or obligations guaranteed as to interest and principal by the United States; bonds or debentures issued by any federal home loan bank in accordance with the provisions of the Federal Home Loan Bank Act as now or hereafter amended; consolidated federal home loan bank bonds or debentures issued by the federal home loan bank board in accordance with the provisions of the Federal Home Loan Bank Act as now or hereafter amended; farm loan bonds, consolidated farm loan bonds, debentures, consolidated debentures and other obligations issued by federal land banks and federal intermediate credit banks under the authority of the Federal Farm Loan Act approved July 17, 1916, as now or hereafter amended (Title 12, U.S.C. sections 636-1012 and sections 1021-1129) and the Farm Credit Act of 1971 and amendments to it (Title 12 U.S.C., sections 2001-2257), and the bonds, debentures, consolidated debentures and other obligations issued by banks for co-operatives under the authority of the Farm Credit Act of 1933, as now or hereafter amended (Title 12 U. S. C., sections 1131-1138f) and the Farm Credit Act of 1971 and amendments to it (Title 12 U. S. C., sections 2001-2257); bonds or debentures issued by the federal savings and loan insurance corporation in accordance with the provisions of Title IV of the National Housing Act as now or hereafter amended; in shares or accounts of building and loan associations which have been insured by the federal savings and loan insurance corporation and shares or accounts of federal savings and loan associations incorporated under the provisions of the Home Owners' Loan Act of 1933 as now or hereafter amended; which have been

Substitute
H. B. No. 66

insured by the federal savings and loan insurance corporation to the extent to which the withdrawal or repurchasable value of such shares or accounts now are or may hereafter be insured by the federal savings and loan insurance corporation under the Acts of Congress of the United States of America now in effect or which may hereafter be enacted, shall be lawful.

Section 3. Section 49-9-12, Utah Code Annotated 1953, as enacted by Chapter 74, Laws of Utah 1963, as amended by Chapter 86, Laws of Utah 1965, as amended by Chapter 98, Laws of Utah 1973, is amended to read:

49-9-12. (1) The retirement board may invest any and all funds assigned to it as set forth as follows:

(a) Bonds or other evidences of indebtedness of the United States of America or any of its agencies or instrumentalities when such obligations are guaranteed as to principal and interest by the United States of America~~[, or-by-any-agency-or-instrumentality-thereof,-including-obligations-of-the-federal-land-banks,-federal-intermediate-credit-banks,-federal-home-loan banks,-federal-national-mortgage-association,-farmers-home-administration-and-banks-for-co-operatives-notes,]~~.

(b) General obligation bonds or other evidence of indebtedness of any state, or of any county, incorporated city, town or school district of the state or territory of the United States, provided said bonds are at the time of purchase rated within the three highest classifications established by at least one standard rating service.

(c) Bonds, notes or evidence of indebtedness of any county, municipal, or municipal district utility within the United States, which are payable from revenues or earnings specifically pledged for the payment of the principal and interest on such obligations, provided that said revenue bonds are at the time of purchase rated within the three highest classifications established by at least one standard rating service.

(d) Bonds, debentures or other evidences of indebtedness issued, assumed or guaranteed by any solvent corporation or institution created or existing under the laws of the United States or of any state, district or territory thereof, which are not in default as to principal or interest, provided that said bonds at the time of purchase are rated within the three highest classifications established by at least one standard rating service.

Substitute
H. B. No. 66

(e) Equipment trust obligations or certificates secured by an interest in transportation equipment wholly or in part within the United States which carry the right to receive determined portions of rental, purchase or fixed obligatory payments to be made for the use or purchase or fixed obligatory payments to be made for the use or purchase of such transportation equipment, provided that said obligations are at the time of purchase rated within the three highest classifications established by at least one standard rating service.

(f) Securities of any open-end or closed-end management type investment company or investment trust, participation in common trust funds or shares, preferred or guaranteed stock, and nonassessable common stock or shares of any solvent corporation or institution created or existing under the laws of the United States or any state, district or territory thereof, provided that said stocks are at the time of purchase rated within the three highest classifications established by at least one standard rating service.

(g) Obligations issued or unconditionally guaranteed by ~~[the International Bank for Reconstruction and Development, or the Inter-American Development Bank]~~ international development lending institutions of which the United States is a member and whose obligations are qualified for investment by national banks.

(h) Real estate mortgages secured by Federal Housing Administration (FHA) or Veterans Administration (VA) insurance or guaranteed commitments or notes secured by mortgages or trust deeds on real estate which are guaranteed as to payment of interest and principal by a corporation, approved by the state commissioner of insurance, which is licensed to do business in the state of Utah as an insurer and which has assets of \$50 million or more and that the corporation insurance exposure at the time of note purchase is limited to not more than 25 times the value of capital, surplus and contingency reserves.

(i) Saving deposit or certificate of deposit of a bank insured by the Federal Deposit Insurance Corporation, or to the extent that they are insured in shares or accounts of either state chartered or federal chartered savings and loan and building and loan associations which are insured by the Federal Savings and Loan Insurance Corporation.

(j) The interest in or portion of notes, obligations or other written

Substitute
H. B. No. 66

evidence of indebtedness used as collateral for loans and which are guaranteed by any authorized agency of the United States government as to payment of principal, interest or rents.

(k) Bonds or other evidence of indebtedness issued or guaranteed by an agency or instrumentality of the United States, including, but not limited to, the guaranteed portion of loans guaranteed by any such agency or instrumentality.

(1) [k] Unrated securities which would otherwise qualify for purchase by the board under [paragraphs] subsections (1) (b), (c), (d), (e) or (f) of this section, where such unrated securities are found by the board to be of a quality equal to securities rated within the three highest classifications as required of rated securities.

(2) Investments shall not be subject to the control of the board of examiners.

Section 4. Section 51-7-11, Utah Code Annotated 1953, as enacted by Chapter 27, Laws of Utah 1974, is amended to read:

51-7-11. (1) All public funds, other than funds of the state retirement board, funds of the board of Indian affairs, the permanent school fund and other funds of the division of state lands, the state insurance fund, and funds of member institutions of the state system of higher education not transferred to the state treasurer by section 51-7-4, may be deposited or invested only in such of the following as meet the criteria of section 51-7-17:

(a) Demand deposits and time certificates of deposit (negotiable or non-negotiable) of qualified depositories of the state of Utah;

(b) Repurchase agreements with qualified depositories, acting as principal or agent, for securities of the United States or other evidences of indebtedness of like quality, if these securities or other evidences of indebtedness are delivered to the custody of the public treasurer or be supported by a safekeeping receipt issued by a qualified depository;

(c) Bankers acceptances, which may not be held for more than thirty days;

(d) Other negotiable certificates of deposit, which may not be held for more than thirty days;

(e) Bonds or other evidence of indebtedness of the United States of America or any of its agencies or instrumentalities when these obligations

Substitute
H. B. No. 66

are guaranteed as to principal and interest by the United States of America~~[, or by any agency or instrumentality of the United States, including, but not limited to, obligations of the federal land banks, federal intermediate credit banks, federal home loan banks, federal national mortgage associations, farmers home administration notes, banks for co-operatives, and the guaranteed portion of loans guaranteed by the small business administration];~~

(f) Tax anticipation and general obligation bonds of the state of Utah or of any county, incorporated city or town, school district, or other political subdivision of this state;

(g) Bonds, notes, or other evidence of indebtedness of any county, incorporated city or town, school district or other political subdivision of the state of Utah which are payable from assessments or from revenues or earnings specifically pledged for payment of the principal and interest on these obligations;

(h) Real estate mortgages or deeds of trust secured by federal housing administration insurance, veterans administration guaranties, or mortgages guaranteed by other federal government agencies;

(i) Deposits or certificates of deposit (negotiable or non-negotiable) of state chartered or federal chartered savings and loan or building and loan associations which have an office in the state of Utah and which are insured by the Federal Savings and Loan Insurance Corporation;

(j) Loans to college students guaranteed or insured by the government of the United States or any agency of it; ~~[or]~~

(k) Bonds or other evidence of indebtedness issued or guaranteed by an agency or instrumentality of the United States, including, but not limited to, the guaranteed portion of loans guaranteed by any such agency or instrumentality;

(l) Bonds or other evidence of indebtedness issued or guaranteed by international development lending institutions of which the United States is a member and whose obligations are qualified for investment by national banks; or

~~[(k)]~~ (m) Investments authorized under section 55-18-29.

(2) Minimum rates of interest on the certificates described in subsection (1) (i) of this section shall be established by the council so as

Substitute
H. B. No. 66

- 1
- 2 to be competitive with investments of like nature, quality, amount, and
- 3 duration. The maximum amount of public funds that each association may
- 4 hold shall be determined by the council in accordance with the invest-
- 5 ment objectives of this act and be based upon the character, liquidity and
- 6 condition of the assets, the amount of reserves and capital accounts, and
- 7 the nature and extent of the liabilities of each association.

(AUTHORIZED INVESTMENTS)

1975

GENERAL SESSION

H.B. No. 66By Rep. Stanley A. LeavittRep. Dannie S. DennisRep. David C. HarveyRep. Eldon A. Money

AN ACT AMENDING SECTION 7-5-11, UTAH CODE ANNOTATED 1953, AS AMENDED BY CHAPTER 13, LAWS OF UTAH 1959, SECTION 33-1-1, UTAH CODE ANNOTATED 1953, AS AMENDED BY CHAPTER 60, LAWS OF UTAH 1957, AS AMENDED BY CHAPTER 51, LAWS OF UTAH 1959, SECTION 49-9-12, UTAH CODE ANNOTATED 1953, AS ENACTED BY CHAPTER 74, LAWS OF UTAH 1963, AS AMENDED BY CHAPTER 86, LAWS OF UTAH 1965, AS AMENDED BY CHAPTER 98, LAWS OF UTAH 1973, AND SECTION 51-7-11, UTAH CODE ANNOTATED 1953, AS ENACTED BY CHAPTER 27, LAWS OF UTAH 1974; RELATING TO INVESTMENTS BY PUBLIC AND PRIVATE ENTITIES; INCLUDING FOR CERTAIN OF THESE ENTITIES OBLIGATIONS ISSUED UNDER FARM CREDIT ACT OF 1971; AND PROVIDING IN RESPECT TO THE RETIREMENT BOARD FUNDS AND PUBLIC FUNDS UNDER THE STATE MONEY MANAGEMENT ACT FOR CORRECTIONS IN THE NATURE OF CERTAIN INVESTMENTS.

Be it enacted by the Legislature of the State of Utah:

Section 1. Section 7-5-11, Utah Code Annotated 1953, as amended by Chapter 13, Laws of Utah 1959, is amended to read:

7-5-11. Administrators, executors, guardians, trustees, and other fiduciaries of every kind and nature, banks, savings banks, trust companies and other financial institutions are authorized, without any order of any court, in addition to investments now authorized by laws of this state, to invest funds held by them in such capacities, in bonds and other obligations or of bonds or obligations guaranteed as to interest and principal by the United States; bonds or debentures issued by any Federal Home Loan Bank, in accordance with the provisions of the Federal Home Loan Bank Act; consolidated Federal Home Loan Bank bonds or debentures issued by the

1 **HB. No. 66**

2 Federal Home Loan Bank System in accordance with the provisions of the
3 Federal Home Loan Bank Act, and amendments thereto; farm loan bonds, con-
4 solidated farm loan bonds, debentures, consolidated debentures and other
5 obligations issued by federal land banks and federal intermediate credit
6 banks under the authority of the Federal Farm Loan Act approved July 17,
7 1916, as now or hereafter amended (Title 12 U.S.C., sections 636-1012
8 and sections 1021-1129) and the Farm Credit Act of 1971 and amendments to
9 it (Title 12 U.S.C., sections 2001-2257), and the bonds, debentures, con-
10 solidated debentures and other obligations issued by banks for co-operatives
11 under the authority of the Farm Credit Act of 1933, as now or hereafter
12 amended (Title 12 U.S.C., sections 1131-1138f) and the Farm Credit Act of
13 1971 and amendments to it (Title 12 U.S.C., sections 2001-2257); bonds or
14 debentures issued by the Federal Savings and Loan Insurance Corporation in
15 accordance with the provisions of Title IV of the National Housing Act, and
16 amendments thereto; to insured shares or accounts of building and loan or
17 savings and loan associations incorporated under the laws of this state
18 which have been insured by the Federal Savings and Loan Insurance Corporation
19 and insured shares of federal savings and loan associations incorporated
20 under the laws of the United States, which have been insured by the
21 Federal Savings and Loan Insurance Corporation, to the extent to which the
22 withdrawal or repurchasable values of such shares or accounts now are or
23 may hereafter be insured by the Federal Savings and Loan Insurance Corpor-
24 ation, and such investments shall be deemed and held to be legal invest-
25 ments for such funds.

26 The provisions of this section are supplemental to any and all other
27 laws relating to and declaring what shall be legal investments for the
28 persons, corporations and organizations referred to in this section.

29 Section 2. Section 33-1-1, Utah Code Annotated 1953, as amended by
30 Chapter 60, Laws of Utah 1957, as amended by Chapter 51, Laws of Utah
31 1959, is amended to read:

32 33-1-1. On and after the passage of this act investment by receivers,
33 insurance companies of whatever type or nature, building and loan associa-
34 tions, savings and loan associations and other financial institutions,

1 **HB. No. 66**

2 charitable, educational, eleemosynary and public corporations and organi-
3 zations, municipalities and other public corporations and bodies, mutual
4 assessment insurance companies, mutual benevolent and benefit associations;
5 or investment of funds of any state insurance fund, state sinking fund,
6 state school fund, firemen's relief and pension fund, police pension fund,
7 or other pension fund; or investment by any administrative department, board,
8 commission or officer of the state government, and of any county government,
9 authorized by law to make investments of funds in the custody or under the
10 control of such department, board, commission or officer, school district
11 or township, or the investment by any private, political, or public instru-
12 mentality, body, corporation or person of their own funds or funds in their
13 possession in bonds and other obligations of or bonds or obligations
14 guaranteed as to interest and principal by the United States; bonds or
15 debentures issued by any federal home loan bank in accordance with the
16 provisions of the Federal Home Loan Bank Act as now or hereafter amended;
17 consolidated federal home loan bank bonds or debentures issued by the
18 federal home loan bank board in accordance with the provisions of the
19 Federal Home Loan Bank Act as now or hereafter amended; farm loan bonds,
20 consolidated farm loan bonds, debentures, consolidated debentures and
21 other obligations issued by federal land banks and federal intermediate
22 credit banks under the authority of the Federal Farm Loan Act approved
23 July 17, 1916, as now or hereafter amended (Title 12, U.S.C. sections
24 636-1012 and sections 1021-1129) and the Farm Credit Act of 1971 and
25 amendments to it (Title 12 U.S.C., sections 2001-2257), and the bonds,
26 debentures, consolidated debentures and other obligations issued by banks
27 for co-operatives under the authority of the Farm Credit Act of 1933, as
28 now or hereafter amended (Title 12 U. S. C., sections 1131-1138f) and the
29 Farm Credit Act of 1971 and amendments to it (Title 12 U. S. C., sections
30 2001-2257); bonds or debentures issued by the federal savings and loan
31 insurance corporation in accordance with the provisions of Title IV of the
32 National Housing Act as now or hereafter amended; in shares or accounts
33 of building and loan associations which have been insured by the federal
34 savings and loan insurance corporation and shares or accounts of federal
35 savings and loan associations incorporated under the provisions of the
36 Home Owners' Loan Act of 1933 as now or hereafter amended; which have been

1 HB No. 66

2 insured by the federal savings and loan insurance corporation to the extent
3 to which the withdrawal or repurchasable value of such shares or accounts
4 now are or may hereafter be insured by the federal savings and loan insur-
5 ance corporation under the Acts of Congress of the United States of America
6 now in effect or which may hereafter be enacted, shall be lawful.

7 Section 3. Section 49-9-12, Utah Code Annotated 1953, as enacted by
8 Chapter 74, Laws of Utah 1963, as amended by Chapter 86, Laws of Utah 1965,
9 as amended by Chapter 98, Laws of Utah 1973, is amended to read:

10 49-9-12. (1) The retirement board may invest any and all funds assigned
11 to it as set forth as follows:

12 (a) Bonds or other evidences of indebtedness of the United States of
13 America or any of its agencies or instrumentalities when such obligations
14 are guaranteed as to principal and interest by the United States of America,
15 or by any agency or instrumentality thereof, including [~~obligations of the~~
16 ~~federal land banks, federal intermediate credit banks,~~] federal home loan
17 banks, [~~federal national mortgage association,~~] and farmers home administra-
18 tion [~~and banks for co-operatives~~] notes[~~;~~].

19 (b) General obligation bonds or other evidence of indebtedness of any
20 state, or of any county, incorporated city, town or school district of the
21 state or territory of the United States, provided said bonds are at the time
22 of purchase rated within the three highest classifications established by
23 at least one standard rating service.

24 (c) Bonds, notes or evidence of indebtedness of any county, municipal,
25 or municipal district utility within the United States, which are payable
26 from revenues or earnings specifically pledged for the payment of the
27 principal and interest on such obligations, provided that said revenue
28 bonds are at the time of purchase rated within the three highest classifi-
29 cations established by at least one standard rating service.

30 (d) Bonds, debentures or other evidences of indebtedness issued,
31 assumed or guaranteed by any solvent corporation or institution created
32 or existing under the laws of the United States or of any state, district
33 or territory thereof, which are not in default as to principal or interest,
34 provided that said bonds at the time of purchase are rated within the
35 three highest classifications established by at least one standard
36 rating service.

1 **HB No 66**

2 (e) Equipment trust obligations or certificates secured by an interest
3 in transportation equipment wholly or in part within the United States
4 which carry the right to receive determined portions of rental, purchase
5 or fixed obligatory payments to be made for the use or purchase or fixed
6 obligatory payments to be made for the use or purchase of such transpor-
7 tation equipment, provided that said obligations are at the time of pur-
8 chase rated within the three highest classifications established by at
9 least one standard rating service.

10 (f) Securities of any open-end or closed-end management type invest-
11 ment company or investment trust, participation in common trust funds or
12 shares, preferred or guaranteed stock, and nonassessable common stock or
13 shares of any solvent corporation or institution created or existing under
14 the laws of the United States or any state, district or territory thereof,
15 provided that said stocks are at the time of purchase rated within the three
16 highest classifications established by at least one standard rating service.

17 (g) Obligations issued or unconditionally guaranteed by the Interna-
18 tional Bank for Reconstruction and Development, or the Inter-American
19 Development Bank.

20 (h) Real estate mortgages secured by Federal Housing Administration
21 (FHA) or Veterans Administration (VA) insurance or guaranteed commitments
22 or notes secured by mortgages or trust deeds on real estate which are
23 guaranteed as to payment of interest and principal by a corporation, ap-
24 proved by the state commissioner of insurance, which is licensed to do
25 business in the state of Utah as an insurer and which has assets of \$50
26 million or more and that the corporation insurance exposure at the time
27 of note purchase is limited to not more than 25 times the value of capital,
28 surplus and contingency reserves.

29 (i) Saving deposit or certificate of deposit of a bank insured by the
30 Federal Deposit Insurance Corporation, or to the extent that they are in-
31 sured in shares or accounts of either state chartered or federal chartered
32 savings and loan and building and loan associations which are insured by
33 the Federal Savings and Loan Insurance Corporation.

34 (j) The interest in or portion of notes, obligations or other written
35 evidence of indebtedness used as collateral for loans and which are guaran-
36 teed by any authorized agency of the United States government as to pay-
37 ment of principal, interest or rents.

1 **HB. No. 66**

2 (k) Bonds or other evidence of indebtedness issued or guaranteed by
3 an agency or instrumentality of the United States, including, but not limited
4 to, obligations of federal land banks, federal intermediate credit banks,
5 the federal national mortgage association, and banks for cooperatives.

6 (1) [k] Unrated securities which would otherwise qualify for purchase
7 by the board under [paragraphs] subsections (1) (b), (c), (d), (e) or (f)
8 of this section, where such unrated securities are found by the board to
9 be of a quality equal to securities rated within the three highest classi-
10 fications as required of rated securities.

11 (2) Investments shall not be subject to the control of the board of
12 examiners.

13 Section 4. Section 51-7-11, Utah Code Annotated 1953, as enacted by
14 Chapter 27, Laws of Utah 1974, is amended to read:

15 51-7-11. (1) All public funds, other than funds of the state retirement board,
16 funds of the board of Indian affairs, the permanent school fund and other
17 funds of the division of state lands, the state insurance fund, and funds
18 of member institutions of the state system of higher education not transferred
19 to the state treasurer by section 51-7-4, may be deposited or invested only
20 in such of the following as meet the criteria of section 51-7-17:

21 (a) Demand deposits and time certificates of deposit (negotiable or
22 non-negotiable) of qualified depositories of the state of Utah;

23 (b) Repurchase agreements with qualified depositories, acting as prin-
24 cipal or agent, for securities of the United States or other evidences of in-
25 debtedness of like quality, if these securities or other evidences of indebt-
26 edness are delivered to the custody of the public treasurer or be supported
27 by a safekeeping receipt issued by a qualified depository;

28 (c) Bankers acceptances, which may not be held for more than thirty
29 days;

30 (d) Other negotiable certificates of deposit, which may not be held
31 for more than thirty days;

32 (e) Bonds or other evidence of indebtedness of the United States of
33 America or any of its agencies or instrumentalities when these obligations
34 are guaranteed as to principal and interest by the United States of
35 America, or by any agency or instrumentality of the United States, includ-
36 ing, but not limited to, obligations of the ~~[federal land banks, federal~~

1 **HB. No. 66**

2 ~~intermediate-credit-banks,~~ federal home loan banks, [~~federal-national~~
3 ~~mortgage-associations,~~ farmers home administration, [~~notes,-banks-for-co-~~
4 ~~operatives,~~] and the guaranteed portion of loans guaranteed by the small
5 business administration;

6 (f) Tax anticipation and general obligation bonds of the state of
7 Utah or of any county, incorporated city or town, school district, or
8 other political subdivision of this state;

9 (g) Bonds, notes, or other evidence of indebtedness of any county,
10 incorporated city or town, school district or other political subdivision
11 of the state of Utah which are payable from assessments or from revenues
12 or earnings specifically pledged for payment of the principal and interest
13 on these obligations;

14 (h) Real estate mortgages or deeds of trust secured by federal housing
15 administration insurance, veterans administration guaranties, or mortgages
16 guaranteed by other federal government agencies;

17 (i) Deposits or certificates of deposit (negotiable or non-negotiable)
18 of state chartered or federal chartered savings and loan or building and
19 loan associations which have an office in the state of Utah and which
20 are insured by the Federal Savings and Loan Insurance Corporation;

21 (j) Loans to college students guaranteed or insured by the government
22 of the United States or any agency of it; [or]

23 (k) Bonds or other evidence of indebtedness issued or guaranteed by
24 an agency or instrumentality of the United States, including, but not
25 limited to, obligations of federal land banks, federal intermediate credit
26 banks, the federal national mortgage association, and banks for cooper-
27 atives; or

28 [{k}] (1) Investments authorized under section 55-18-29.

29 (2) Minimum rates of interest on the certificates described in sub-
30 section (1) (i) of this section shall be established by the council so as
31 to be competitive with investments of like nature, quality, amount, and
32 duration. The maximum amount of public funds that each association may
33 hold shall be determined by the council in accordance with the invest-
34 ment objectives of this act and be based upon the character, liquidity and
35 condition of the assets, the amount of reserves and capital accounts, and
36 the nature and extent of the liabilities of each association.

House Bill No. 66

By STANLEY LEAVITT DANIEL DENNIS DAVID HARVEY ELDON MONEY

READ

First Time JAN 13 1975

Referred to Rules Committee JAN 13 1975

Ordered Printed and Referred to Committee on Federal, State and Local Concerns JAN 17 1975

Reported

FAVORABLY

FEB 6 1975

Second Time FEB 6 1975

Third Time FEB 18 1975 FEB 18 1975 FEB 18 1975

AMENDMENTS

FURTHER ACTION

Committee _____

Second Reading _____

Third Reading _____

FINAL VOTE

Yeas 66

Nays 0

Absent 9

19 FEB 18 1975

Transmitted to Senate

FEB 18 1975

RECEIVED FROM THE SENATE

MAR 12 1975

Concurred Senate Amendments

59-0-16

(date)

MAR 12 1975

Concurred Conference Committee

(vote)

(date)

ENROLLED

(vote)

(date)

SENT TO GOVERNOR

(date)

In The Senate

RECEIVED FROM HOUSE

2-19-75

MAR 12 1975

19

READ

First Time 2-19-75

Referred to Committee on

RULES

FEB 19 1975

Reported

Second Time

Third Time MAR 11 1975

AMENDMENTS

Committee _____

Second Reading _____

Third Reading _____

FURTHER ACTION

REPORTED BY SIFTING COMMITTEE

MAR 8 1975

UNDER SUSPENSION OF RULES

2nd, 3rd

C/S HAND OUT 3/12/75

FINAL VOTE

Yeas 23

Nays 1

Absent 5

MAR 11 1975

RETURNED TO HOUSE

MAR 11 1975

MAR 12 1975

Concurred Conference Committee

(vote)

(date)

BLUE

Approved 1975
Indexed _____
Proof Read _____

(POLICE AUTHORITY TO STOP
AND QUESTION SUSPECTS)

1975

GENERAL SESSION

H. B. No. 67

By Rep. Douglas F. Sonntag

Rep. David R. Irvine

AN ACT AMENDING SECTION 77-13-33, UTAH CODE ANNOTATED 1953, AS ENACTED BY
CHAPTER 203, LAWS OF UTAH 1967; RELATING TO THE AUTHORITY OF A
POLICE OFFICER TO STOP AND QUESTION SUSPECTS; PROVIDING A CHANGE
IN THE STANDARD FOR INITIATING A STOP OF A SUSPECT.

Be it enacted by the Legislature of the State of Utah:

Section 1. Section 77-13-33, Utah Code Annotated 1953, as enacted
by Chapter 203, Laws of Utah 1967, is amended to read:

77-13-33. A peace officer may stop any person in a public place
whom he has ~~probable~~ reasonable ~~probable~~ cause to believe:

(1) is in the act of committing a felony crime;

(2) has committed a felony crime; or

(3) is attempting to commit a felony crime;

and may demand of him his name, address and an explanation of his
actions.

Approved ELBA
Indexed _____
Proof Read _____

(POLICE AUTHORITY TO STOP
AND QUESTION SUSPECTS)

1975

GENERAL SESSION

H. B. No. 67

By Rep. Douglas F. Sonntag

Rep. David R. Irvine

AN ACT AMENDING SECTION 77-13-33, UTAH CODE ANNOTATED 1953, AS ENACTED BY
CHAPTER 203, LAWS OF UTAH 1967; RELATING TO THE AUTHORITY OF A
POLICE OFFICER TO STOP AND QUESTION SUSPECTS; PROVIDING A CHANGE
IN THE STANDARD FOR INITIATING A STOP OF A SUSPECT.

Be it enacted by the Legislature of the State of Utah:

Section 1. Section 77-13-33, Utah Code Annotated 1953, as enacted
by Chapter 203, Laws of Utah 1967, is amended to read:

77-13-33. A peace officer may stop any person in a public place
whom he has ~~probable~~ ^{reasonable} cause to believe:

- (1) is in the act of committing a [felony] crime;
- (2) has committed a [felony] crime; or
- (3) is attempting to commit a [felony] crime;

and may demand of him his name, address and an explanation of his
actions.

MANAGEMENT AND FISCAL ANALYSIS

H. B. No. 67

None Required

OFFICE OF THE LEGISLATIVE ANALYST

LEGAL SERVICES COMMITTEE
Approved MSL
Indexed _____
Proof Read _____

(POLICE AUTHORITY TO STOP
AND QUESTION SUSPECTS)
1975
GENERAL SESSION

H. B. No. 67

By Rep. Douglas F. Sonntag

Rep. David R. Irvine

AN ACT AMENDING SECTION 77-13-33, UTAH CODE ANNOTATED 1953, AS ENACTED BY
CHAPTER 203, LAWS OF UTAH 1967; RELATING TO THE AUTHORITY OF A
POLICE OFFICER TO STOP AND QUESTION SUSPECTS; PROVIDING A CHANGE
IN THE STANDARD FOR INITIATING A STOP OF A SUSPECT.

Be it enacted by the Legislature of the State of Utah:

Section 1. Section 77-13-33, Utah Code Annotated 1953, as enacted
by Chapter 203, Laws of Utah 1967, is amended to read:

77-13-33. A peace officer may stop any person in a public place
whom he has [~~probable~~] reasonable cause to believe:

(1) is in the act of committing a [~~felony~~] crime;

(2) has committed a [~~felony~~] crime; or

(3) is attempting to commit a [~~felony~~] crime;

and may demand of him his name, address and an explanation of his
actions.

House Bill No. 67

By DOUGLAS SONNTAG DAVID IRVINE

READ

First Time JAN 13 1975

Referred to Rules Committee JAN 13 1975

Ordered Printed and Referred to Committee on Judiciary JAN 14 1975

Reported

FAVORABLY

JAN 17 1975

Second Time JAN 17 1975

Third Time JAN 17 1975 + JAN 20 1975

AMENDMENTS

FURTHER ACTION

Committee

RECONSIDER FEB 3 1975 38-27

Second Reading

TOP OF 3RD FEB 3 1975

PASSED

38-35-2

FEB 3 1975

Third Reading

FINAL VOTE

Yeas

41

Nays

32

Absent

2

19 JAN 20 1975

Transmitted to Senate

JAN 20 1975

RECEIVED FROM THE SENATE

CONCURRED; THEN WILL FAILED

35-35-7

FAILED

JAN 31 1975

(date)

Concurred Conference Committee

(vote)

(date)

ENROLLED

SENT TO GOVERNOR

(date)

In The Senate

RECEIVED FROM HOUSE

JAN 20 1975

19

READ

First Time

JAN 20 1975

Referred to Committee on

RULES

JAN 17, 1975

TRANSPORTATION & PUBLIC SAFETY JAN 21 1975

Second Time

JAN 29, 1975

Reported

Third Time

JAN 30, 1975

AMENDMENTS

FURTHER ACTION

Committee

Second Reading

JAN 29, 1975

Third Reading

FINAL VOTE

Yeas

15

Nays

7

Absent

7

JAN 30 1975

RETURNED TO HOUSE

JAN 31 1975

Concurred Conference Committee

(vote)

(date)

BLUE

LEGAL SERVICES COMMITTEE

Approved M.S.L.

Indexed _____

Proof Read _____

(PRE-SALE SAFETY INSPECTION OF USED VEHICLES BY DEALERS)

1975

GENERAL SESSION

H.B. No. 68

By Rep. Georgia B. Peterson

Rep. David R. Irvine

AN ACT AMENDING SECTION 41-6-158, UTAH CODE ANNOTATED 1953, AS AMENDED BY CHAPTER 78, LAWS OF UTAH 1957, AS AMENDED BY CHAPTER 95, LAWS OF UTAH 1967; RELATING TO INSPECTIONS OF VEHICLES; PROVIDING THAT EVERY MOTOR VEHICLE DEALER PRIOR TO SELLING OR OFFERING FOR SALE ANY USED MOTOR VEHICLE, USED TRAILER, USED SEMITRAILER OR USED POLE TRAILER REGISTERED IN THIS STATE, MUST HAVE IT INSPECTED AND OBTAIN AN OFFICIAL CERTIFICATE OF INSPECTION THEREFOR.

~~Be it enacted by the Legislature of the State of Utah:~~

Section 1. Section 41-6-158, Utah Code Annotated 1953, as amended by Chapter 78, Laws of Utah 1957, as amended by Chapter 95, Laws of Utah 1967, is amended to read:

41-6-158. (1) (a) The department shall at least once each year, but not more frequently than twice each year, require that every motor vehicle, trailer, semitrailer and pole trailer registered in this state be inspected and that an official certificate of inspection and approval be obtained for each such vehicle.

Such inspections shall be made and such certificates obtained with respect to the mechanism, brakes and equipment of every such vehicle as shall be designated by the department.

The department is hereby authorized to make necessary rules and regulations for the administration and enforcement of this section and to designate any period or periods of time during which owners of any vehicles, subject to this section, shall display upon such vehicles certificates of inspection and approval duly issued for such vehicle either upon the lower right-hand corner of the windshield thereof when required or upon such

1 H.B. No. 68

2 vehicle in such position as to be visible from the outside.

3 (b) The department may authorize the acceptance in this state of a
4 certificate of inspection and approval issued in another state having an
5 inspection law similar to this act and may extend the time within which a
6 certificate shall be obtained by the resident owner of a vehicle which
7 was not in this state during the time an inspection was required.

8 (c) It shall be unlawful for any person to drive a vehicle registered
9 in this state upon any street or highway without displaying the safety
10 inspection sticker during the time designated by the department.

11 (2) Notwithstanding any contrary provision of subsection (1), every
12 motor vehicle dealer as defined in section 41-3-4, prior to selling or
13 offering for sale any used motor vehicle, used trailer, used semitrailer
14 or pole trailer registered in this state shall have that vehicle inspected
15 and shall obtain an official certificate of inspection therefor.

MANAGEMENT AND FISCAL ANALYSIS

H.B. No. 68

No fiscal impact.

OFFICE OF THE LEGISLATIVE ANALYST

(PRE-SALE SAFETY INSPECTION OF USED VEHICLES BY DEALERS)

1975

GENERAL SESSION

H.B. No. 68By Rep. Georgia B. PetersonRep. David R. Irvine

AN ACT AMENDING SECTION 41-6-158, UTAH CODE ANNOTATED 1953, AS AMENDED BY CHAPTER 78, LAWS OF UTAH 1957, AS AMENDED BY CHAPTER 95, LAWS OF UTAH 1967; RELATING TO INSPECTIONS OF VEHICLES; PROVIDING THAT EVERY MOTOR VEHICLE DEALER PRIOR TO SELLING OR OFFERING FOR SALE ANY USED MOTOR VEHICLE, USED TRAILER, USED SEMITRAILER OR USED POLE TRAILER REGISTERED IN THIS STATE, MUST HAVE IT INSPECTED AND OBTAIN AN OFFICIAL CERTIFICATE OF INSPECTION THEREFOR.

~~Be it enacted by the Legislature of the State of Utah:~~

Section 1. Section 41-6-158, Utah Code Annotated 1953, as amended by Chapter 78, Laws of Utah 1957, as amended by Chapter 95, Laws of Utah 1967, is amended to read:

41-6-158. (1) (a) The department shall at least once each year, but not more frequently than twice each year, require that every motor vehicle, trailer, semitrailer and pole trailer registered in this state be inspected and that an official certificate of inspection and approval be obtained for each such vehicle.

Such inspections shall be made and such certificates obtained with respect to the mechanism, brakes and equipment of every such vehicle as shall be designated by the department.

The department is hereby authorized to make necessary rules and regulations for the administration and enforcement of this section and to designate any period or periods of time during which owners of any vehicles, subject to this section, shall display upon such vehicles certificates of inspection and approval duly issued for such vehicle either upon the lower right-hand corner of the windshield thereof when required or upon such

1 H.B. No. 68

2 vehicle in such position as to be visible from the outside.

3 (b) The department may authorize the acceptance in this state of a
4 certificate of inspection and approval issued in another state having an
5 inspection law similar to this act and may extend the time within which a
6 certificate shall be obtained by the resident owner of a vehicle which
7 was not in this state during the time an inspection was required.

8 (c) It shall be unlawful for any person to drive a vehicle registered
9 in this state upon any street or highway without displaying the safety
10 inspection sticker during the time designated by the department.

11 (2) Notwithstanding any contrary provision of subsection (1), every
12 motor vehicle dealer as defined in section 41-3-4, prior to selling or
13 offering for sale any used motor vehicle, used trailer, used semitrailer
14 or pole trailer registered in this state shall have that vehicle inspected
15 and shall obtain an official certificate of inspection therefor.

House Bill No. 68

By GEORGIA PETERSON DAVID IRVINE

READ

First Time MAY 13 1975

Referred to Rules Committee MAY 13 1975

Ordered Printed and Referred to Committee on _____

Reported _____

Second Time _____

Third Time _____

AMENDMENTS

Committee _____

Second Reading _____

Third Reading _____

FURTHER ACTION

FEB 26 1975

Staffing Committee

ELIMINATING CLAUSE STRICKEN

MAR 13 1975

FINAL VOTE

Yeas _____

Nays _____

Absent _____

19 _____

Transmitted to Senate _____

RECEIVED FROM THE SENATE

Concurred Senate Amendments _____

(date) _____

Concurred Conference Committee _____

(vote) _____

(date) _____

ENROLLED _____

(vote) _____

(date) _____

SENT TO GOVERNOR _____

(date) _____

In The Senate

RECEIVED FROM HOUSE _____

READ

, 19 _____

First Time _____

Referred to Committee on _____

Reported _____

Second Time _____

Third Time _____

AMENDMENTS

Committee _____

Second Reading _____

Third Reading _____

FURTHER ACTION

FINAL VOTE

Yeas _____

Nays _____

Absent _____

19 _____

RETURNED TO HOUSE _____

Concurred Conference Committee _____

(vote) _____

(date) _____

BLUE

Reviewed _____
Indexed _____
Proof Read _____

(CLOUD SEEDING APPROPRIATION)

1975

GENERAL SESSION

H.B. No. 69

By Rep. Glade M. Sowards

Rep. Cary Peterson

Rep. Ray Nielsen

AN ACT APPROPRIATING \$200,000 TO THE DIVISION OF WATER RESOURCES FROM THE
GENERAL FUND FOR FISCAL YEAR 1976 FOR CLOUD SEEDING AND WEATHER
MODIFICATION PURPOSES.

Be it enacted by the Legislature of the State of Utah:

Section 1. There is appropriated to the division of water resources
from the general fund from funds not otherwise appropriated the sum of
\$200,000 for the fiscal year ending on June 30, 1976. The division shall
utilize this sum in cloud seeding projects on a state-wide basis, cloud
seeding research, project evaluations, environmental monitoring, and pur-
chase of equipment and for participation with the counties, cities, towns,
or other political subdivisions of this state, or other states or the
United States, or any of their agencies or instrumentalities, in weather
modification program.

MANAGEMENT AND FISCAL ANALYSIS

H.B. No. 69

This bill carries with it a \$200,000 General Fund
appropriation to implement its provisions.

OFFICE OF THE LEGISLATIVE ANALYST

APPROVED
Approved MEH
Indexed _____
Proof Read _____

(CLOUD SEEDING APPROPRIATION)

1975

GENERAL SESSION

H. B. No. 69

By Rep. Glade M. Sowards

Rep. Cary Peterson

Rep. Ray Nielsen

AN ACT APPROPRIATING \$200,000 TO THE DIVISION OF WATER RESOURCES FROM THE
GENERAL FUND FOR FISCAL YEAR 1976 FOR CLOUD SEEDING AND WEATHER
MODIFICATION PURPOSES.

Be it enacted by the Legislature of the State of Utah:

Section 1. There is appropriated to the division of water resources
from the general fund from funds not otherwise appropriated the sum of
\$200,000 for the fiscal year ending on June 30, 1976. The division shall
utilize this sum in cloud seeding projects on a state-wide basis, cloud
seeding research, project evaluations, environmental monitoring, and pur-
chase of equipment and for participation with the counties, cities, towns,
or other political subdivisions of this state, or other states or the
United States, or any of their agencies or instrumentalities, in weather
modification program.

House Bill No. 69

By GLADE SOWARDS CARY PETERSON RAY NIELSEN

READ

First Time JAN 13 1975

Referred to Rules Committee JAN 13 1975

Ordered Printed and Referred to Committee on Energy, Natural Resources and Agriculture JAN 20 1975

Reported

FAVORABLY

JAN 23 1975

Second Time JAN 23 1975 ☒ Committee report adopted

Third Time JAN 24 1975 ☒

AMENDMENTS

FURTHER ACTION

Committee _____

Second Reading _____

Third Reading _____

FINAL VOTE

Yeas 56

Nays 9

Absent 10

19 JAN 24 1975

Transmitted to Senate _____

RECEIVED FROM THE SENATE MAR 12 1975

Concurred Senate Amendments _____

(date)

Concurred Conference Committee _____

(vote)

(date)

ENROLLED _____

(vote)

(date)

SENT TO GOVERNOR _____

(date)

In The Senate

RECEIVED FROM HOUSE JAN 25 1975

, 19 _____

READ

First Time JAN 27 1975 RULES

Referred to Committee on JAN 27 1975 RULES JAN 28 1975 Agriculture

Reported _____

Second Time 2/5/75

Third Time 3/12/75

AMENDMENTS

FURTHER ACTION

Committee _____

Second Reading _____

Third Reading _____

FINAL VOTE

Yeas 24

Nays 0

Absent 5

3/12 1975

RETURNED TO HOUSE MAR 12 1975

Concurred Conference Committee _____

(vote)

(date)

BLUE

Approved WEL
Indexed _____
Proof Read _____

(MILK OR MILK PRODUCTS NOT FOR HUMAN USE)

1975

GENERAL SESSION

H. B. No. 70

By Rep. Edison J. Stephens

Rep. Vern Wilcox

Rep. A. Alton Hoffman

AN ACT AMENDING SECTION 4-21-6, UTAH CODE ANNOTATED 1953; RELATING TO MILK AND MILK PRODUCTS NOT FOR HUMAN CONSUMPTION; PROVIDING THAT MILK AND MILK PRODUCTS NOT FOR HUMAN CONSUMPTION OR PERSONAL USE BE DENATURED OR DECHARACTERIZED.

Be it enacted by the Legislature of the State of Utah:

Section 1. Section 4-21-6, Utah Code Annotated 1953, is amended to read:

4-21-6. (1) No person, firm, corporation, or association within the state of Utah shall sell, offer for sale, or have in possession with intent to sell, any milk, milk products or frozen dairy foods which are adulterated or misbranded or otherwise unwholesome or unfit for human consumption. No person, firm, corporation, or association within the state of Utah shall receive, purchase or process for human consumption any milk or cream which is unacceptable as herein defined.

(a) Milk is unacceptable which:

[(a)] (i) Is ropy, bloody, or gives any indication of having come from diseased udders.

[(b)] (ii) Contains foreign oil or filterable foreign matter.

[(c)] (iii) Has a sediment rating in excess of the minimum standard established by the board of agriculture, upon the recommendation of the dairy advisory board.

[(d)] (iv) Has more than .20 of 1 per cent acid calculated as lactic, or has a lactic acid content of greater than .04 per cent, calculated by the Hillig method.

[(e)] (v) Is delivered otherwise than in clean, sanitary containers.

[(f)] (vi) Does not meet all other minimum standards as established

H. B. No. 70

by the state board of agriculture, upon the recommendation of the dairy advisory board.

(b) Cream is unacceptable which:

[(a)] (i) Is objectionable for any reason, except the acid content, defining unacceptable milk.

[(b)] (ii) Is rancid, putrid, moldy or actively foaming.

[(c)] (iii) Contains more than .8 of 1 per cent acid calculated as lactic.

(2) The Utah state department of agriculture shall enact rules and regulations requiring that any milk or milk product not produced for the personal use of the producer ^{AND IS OFFERED FOR SALE AND} or not for human consumption shall be denatured or decharacterized.

MANAGEMENT AND FISCAL ANALYSIS

H.B. No. 70

None required.

THE OFFICE OF THE LEGISLATIVE ANALYST

H. B. No. 71

1 by the state board of agriculture, upon the recommendation of the dairy
2 advisory board.

3 (b) Cream is unacceptable which:

4 [(a)] (i) Is objectionable for any reason, except the acid content,
5 defining unacceptable milk.

6 [(b)] (ii) Is rancid, putrid, moldy or actively foaming.

7 [(c)] (iii) Contains more than .8 of 1 per cent acid calculated as
8 lactic.

9 (2) The Utah state department of agriculture shall enact rules and
10 regulations requiring that any milk or milk product not ~~produced~~ used for
11 the personal use of the producer ~~or~~ [AND-IS-OFFERED-FOR-SALE-AND-NOT] or
12 offered for sale other than for human consumption shall be denatured or
13 decharacterized.

H. B. No. 70

by the state board of agriculture, upon the recommendation of the dairy advisory board.

(b) Cream is unacceptable which:

[(a)] (i) Is objectionable for any reason, except the acid content, defining unacceptable milk.

[(b)] (ii) Is rancid, putrid, moldy or actively foaming.

[(c)] (iii) Contains more than .8 of 1 per cent acid calculated as lactic.

(2) The Utah state department of agriculture shall enact rules and regulations requiring that any milk or milk product not ^{used} produced for the personal use of the producer ^{or offered for sale elsewhere} ~~or~~ ^{or} ~~is offered for sale and not~~ for human consumption shall be denatured or decharacterized.

(MILK OR MILK PRODUCTS NOT FOR HUMAN USE)

1975

GENERAL SESSION

H. B. No. 70

By Rep. Edison J. Stephens

Rep. Vern Wilcox

Rep. A. Alton Hoffman

AN ACT AMENDING SECTION 4-21-6, UTAH CODE ANNOTATED 1953; RELATING TO MILK AND MILK PRODUCTS NOT FOR HUMAN CONSUMPTION; PROVIDING THAT MILK AND MILK PRODUCTS NOT FOR HUMAN CONSUMPTION OR PERSONAL USE BE DENATURED OR DECHARACTERIZED.

Be it enacted by the Legislature of the State of Utah:

Section 1. Section 4-21-6, Utah Code Annotated 1953, is amended to read:

4-21-6. (1) No person, firm, corporation, or association within the state of Utah shall sell, offer for sale, or have in possession with intent to sell, any milk, milk products or frozen dairy foods which are adulterated or misbranded or otherwise unwholesome or unfit for human consumption. No person, firm, corporation, or association within the state of Utah shall receive, purchase or process for human consumption any milk or cream which is unacceptable as herein defined.

(a) Milk is unacceptable which:

[{a}] (i) Is ropy, bloody, or gives any indication of having come from diseased udders.

[{b}] (ii) Contains foreign oil or filterable foreign matter.

[{c}] (iii) Has a sediment rating in excess of the minimum standard established by the board of agriculture, upon the recommendation of the dairy advisory board.

[{d}] (iv) Has more than .20 of 1 per cent acid calculated as lactic, or has a lactic acid content of greater than .04 per cent, calculated by the Hillig method.

[{e}] (v) Is delivered otherwise than in clean, sanitary containers.

[{f}] (vi) Does not meet all other minimum standards as established

H. B. No. 70

by the state board of agriculture, upon the recommendation of the dairy advisory board.

(b) Cream is unacceptable which:

[{a}] (i) Is objectionable for any reason, except the acid content, defining unacceptable milk.

[{b}] (ii) Is rancid, putrid, moldy or actively foaming.

[{c}] (iii) Contains more than .8 of 1 per cent acid calculated as lactic.

✓ (2) The Utah state department of agriculture shall enact rules and regulations requiring that any milk or milk product not produced for the personal use of the producer ^{IS OFFERED FOR SALE AND} or not for human consumption shall be denatured or decharacterized.

House Bill No. 70

By EDISON STEPHENS VERN WILCOX ALTON HOFFMAN

READ

First Time JAN 18 1975

Referred to Rules Committee JAN 18 1975

Ordered Printed and Referred to Committee on Energy, Natural Resources and Agriculture JAN 20 1975

JAN 23 1975

Reported

FAVORABLY

JAN 23 1975

Second Time

Third Time JAN 24 1975

AMENDMENTS

FURTHER ACTION

Committee

Second Reading

Third Reading

FINAL VOTE

Yeas 50

Nays 18

Absent 7

19 JAN 24 1975

Transmitted to Senate

JAN 24 1975

RECEIVED FROM THE SENATE

FEB 7 1975

Concurred Senate Amendments

51-0-2524

FEB (date) 1975

Concurred Conference Committee

ENROLLED

SENT TO GOVERNOR

In The Senate

RECEIVED FROM HOUSE

JAN 23 1975

FEB 7 1975

19

READ

First Time JAN 27 1975

Referred to Committee on JAN 27 1975 RULES

JAN 28 1975

Agriculture

Second Time

Feb. 6, 1975

Reported

Third Time

Feb. 7, 1975

AMENDMENTS

FURTHER ACTION

Committee

Feb. 6, 1975

Second Reading

House concurred in Senate, Feb 7

Third Reading

FINAL VOTE

Yeas 22

Nays 2

Absent 5

19 75

RETURNED TO HOUSE

FEB 7 1975

FEB 10 1975

Concurred Conference Committee

(vote)

(date)

BLUE