

**51-7-14 Prudent man rule for management of investments -- Sale of security or investment for less than cost.**

- (1) Persons selecting investments authorized by Sections 51-7-11 and 51-7-13 shall:
  - (a) exercise that degree of judgment and care, under the circumstances prevailing at the time the investment is selected, that persons of prudence, discretion, and intelligence exercise in the management of their own affairs;
  - (b) select investments not for speculation but for investment;
  - (c) consider:
    - (i) the probable safety of the capital;
    - (ii) the probable benefits to be derived;
    - (iii) the probable duration for which that investment may be made;
    - (iv) the investment objectives specified in Section 51-7-17; and
    - (v) the investment portfolio as a whole.
- (2) A public treasurer may sell or otherwise dispose of, at less than cost, any security or investment in which public funds under his jurisdiction have been invested if that sale or other disposition tends to maximize the benefits that may be derived from the changed investment.

Amended by Chapter 277, 2006 General Session