

GOVERNMENT INVESTMENT STANDARDS

AMENDMENTS

2003 GENERAL SESSION

STATE OF UTAH

Sponsor: Brent H. Goodfellow

This act modifies the State Money Management Act by modifying the prudent person rule for managing investments.

This act affects sections of Utah Code Annotated 1953 as follows:

AMENDS:

51-7-14, as last amended by Chapter 44, Laws of Utah 1984

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

Section 1. Section **51-7-14** is amended to read:

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

(1) Selection of investments as authorized by Sections 51-7-11, 51-7-12, and 51-7-13 shall be made with the exercise of that degree of judgment and care, under circumstances then prevailing, [~~which men~~] that persons of prudence, discretion, and intelligence exercise in the management of their own affairs, not for speculation but for investment, considering the probable safety of their capital, as well as the probable benefits to be derived and the probable duration for which [~~such~~] that investment may be made, [~~and~~] considering the investment objectives specified in Section 51-7-17, and considering 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 such sale or other disposition tends to maximize the benefits that may be derived from such changed investment.