

AMENDED IN ASSEMBLY APRIL 26, 2004

AMENDED IN ASSEMBLY APRIL 12, 2004

CALIFORNIA LEGISLATURE—2003–04 REGULAR SESSION

**ASSEMBLY BILL**

**No. 2364**

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**Introduced by Assembly Member Correa**

February 19, 2004

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An act to add Section 7514.3 to the Government Code, relating to public pension systems, and declaring the urgency thereof, to take effect immediately.

LEGISLATIVE COUNSEL'S DIGEST

AB 2364, as amended, Correa. Public pension systems: credit enhancement.

Existing law declares that the retirement boards of public pension and retirement systems have fiduciary responsibility over the assets of the public pension or retirement system.

This bill would authorize public pension systems to establish credit enhancement programs to assist issuers of municipal and public finance debt, as specified.

The bill would declare that it is to take effect immediately as an urgency statute.

Vote:  $\frac{2}{3}$ . Appropriation: no. Fiscal committee: no. State-mandated local program: no.



*The people of the State of California do enact as follows:*

1 SECTION 1. Section 7514.3 is added to the Government  
2 Code, to read:  
3 7514.3. Notwithstanding any other provision of law, public  
4 pension systems may, subject to and consistent with their fiduciary  
5 duties and the standard for prudent investment set forth in Section  
6 17 of Article XVI of the California Constitution, establish credit  
7 enhancement programs to assist entities of state and local  
8 government and other issuers of municipal and public finance debt  
9 to secure more favorable financing terms through a variety of types  
10 of credit enhancement including, but not limited to, enhancement  
11 of the credit of bonds, notes, and other indebtedness, ~~thereby~~  
12 ~~hastening the state's economic recovery.~~  
13 SEC. 2. This act is an urgency statute necessary for the  
14 immediate preservation of the public peace, health, or safety  
15 within the meaning of Article IV of the Constitution and shall go  
16 into immediate effect. The facts constituting the necessity are:  
17 In order that public retirement systems may establish credit  
18 enhancement programs during this period of fiscal crisis, ~~and~~  
19 ~~thereby hasten the state's economic recovery, it is necessary that~~  
20 *it is necessary that* this act take effect immediately.

