

AMENDED IN ASSEMBLY MAY 24, 2004

AMENDED IN ASSEMBLY APRIL 26, 2004

AMENDED IN ASSEMBLY APRIL 12, 2004

CALIFORNIA LEGISLATURE—2003–04 REGULAR SESSION

ASSEMBLY BILL

No. 2364

Introduced by Assembly Member Correa

February 19, 2004

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

LEGISLATIVE COUNSEL'S DIGEST

AB 2364, as amended, Correa. ~~Public~~ *State* 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~~ *state* 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 *state* pension systems may, subject to and consistent with their
5 fiduciary duties and the standard for prudent investment set forth
6 in *Section 20190 of this code and* Section 17 of Article XVI of the
7 California Constitution, establish credit enhancement programs to
8 assist entities of state and local government and other issuers of
9 municipal and public finance debt to secure more favorable
10 financing terms through a variety of types of credit enhancement
11 including, but not limited to, enhancement of the credit of bonds,
12 notes, and other indebtedness. *Any credit enhancement program*
13 *shall comply with the requirements of Section 503 of the Internal*
14 *Revenue Code.*
15 SEC. 2. This act is an urgency statute necessary for the
16 immediate preservation of the public peace, health, or safety
17 within the meaning of Article IV of the Constitution and shall go
18 into immediate effect. The facts constituting the necessity are:
19 In order that ~~public~~ *state* retirement systems may establish
20 credit enhancement programs during this period of fiscal crisis, it
21 is necessary that this act take effect immediately.

