

AMENDED IN ASSEMBLY APRIL 23, 2012

AMENDED IN ASSEMBLY APRIL 9, 2012

CALIFORNIA LEGISLATURE—2011–12 REGULAR SESSION

ASSEMBLY BILL

No. 1617

Introduced by Assembly Member Dickinson

February 8, 2012

An act to add ~~Section 16480.43~~ *Sections 16511 and 16512* to the Government Code, relating to state fiscal affairs.

LEGISLATIVE COUNSEL'S DIGEST

AB 1617, as amended, Dickinson. State fiscal affairs: ~~Pooled Money Investment Account~~; community banks and credit unions.

Existing law requires all moneys in the State Treasury or under control of the Treasurer belonging to or in the custody of the state to be deposited by the Treasurer to the credit of the state in eligible banks, as specified. ~~Existing law establishes a Pooled Money Investment Board, consisting of the Controller, Treasurer, and Director of Finance. The Pooled Money Investment Board governs the Pooled Money Investment Account. All state moneys held by the Treasurer in treasury trust accounts, and all moneys in the State Treasury, are continuously appropriated for the purpose of investment and deposit, except as specified. Existing law sets forth eligible securities for the investment of surplus moneys. Existing law authorizes the Treasurer to determine what amounts of money shall be deposited as time deposits or demand deposits.~~

This bill would require the Treasurer to ~~invest an average of~~ *ensure that at least 30% of surplus* the moneys in the ~~Pooled Money Investment Account, as specified, in a state or federally chartered~~ *invested in the*

time deposit program are invested in time deposits with community bank banks, as defined to mean a bank or savings institution in California with aggregate assets of less than \$10,000,000,000, or a credit union and credit unions, subject to specified considerations and a reporting requirement and to the extent consistent with liquidity requirements and prudent management.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

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

1 SECTION 1. Section ~~16480.43~~ 16511 is added to the
2 Government Code, to read:

3 ~~16480.43:~~

4 16511. (a) Notwithstanding Section 16505, to the maximum
5 extent consistent with liquidity requirements and prudent
6 management of surplus moneys and in compliance with all other
7 requirements established by state law, the Treasurer shall ~~invest~~
8 ~~an average of 30 percent of surplus moneys in the Pooled Money~~
9 ~~Investment Account, calculated over a 12-month period, in time~~
10 ~~deposits in a state or federally chartered community bank or credit~~
11 ~~union ensure that at least 30 percent of the moneys invested in the~~
12 ~~time deposit program are invested in time deposits with community~~
13 ~~banks and credit unions.~~

14 ~~(b) For purposes of this section, "surplus moneys" means those~~
15 ~~funds in the Pooled Money Investment Account exclusive of money~~
16 ~~from the Local Agency Investment Fund and money allocated for~~
17 ~~internal state borrowing.~~

18 ~~(c)~~

19 (b) When choosing which community banks and credit unions
20 to use for the investment ~~of surplus moneys~~, pursuant to
21 subdivision (a), the Treasurer ~~shall~~ may take into consideration
22 the following:

23 (1) The extent to which a community bank or credit union serves
24 a community with an unemployment rate that exceeds the statewide
25 average.

26 (2) Whether the community bank or credit union services a
27 predominantly low- or moderate-income community.

28 (3) Whether the community bank or credit union offers small
29 business loans in the communities it serves, including, but not

1 limited to, commercial and industrial loans, real estate loans, and
2 lines of credit.

3 (4) Whether the community bank is an “eligible bank” pursuant
4 to Section 16500.

5 (5) Whether the community bank or credit union is
6 headquartered in this state.

7 ~~(d)~~

8 (c) For purposes of this section, a “community bank” means a
9 bank or savings institution in California with aggregate assets of
10 less than ten billion dollars (\$10,000,000,000).

11 ~~(e)~~

12 (d) For purposes of this section, a “credit union” means a
13 financial institution defined in Section 14002 of the Financial Code
14 that has obtained from the Commissioner of Financial Institutions
15 a certificate authorizing it to act as a credit union pursuant to
16 Section 14154 of the Financial Code, a credit union organized
17 under the laws of any state, or a federally chartered credit union.

18 *SEC. 2. Section 16512 is added to the Government Code, to*
19 *read:*

20 *16512. The Treasurer shall identify in public reports related*
21 *to the time deposit program the recipients of time deposits that*
22 *meet the definition of community bank, as defined in subdivision*
23 *(c) of Section 16511, or credit union, as defined in subdivision (d)*
24 *of Section 16511.*