

Assembly Bill No. 731

CHAPTER 771

An act to amend Section 31596 of the Government Code, relating to local government.

[Approved by Governor October 7, 1999. Filed with Secretary of State October 10, 1999.]

LEGISLATIVE COUNSEL'S DIGEST

AB 731, Wesson. County employee retirement: fund transfers: securities.

The County Employees' Retirement Law of 1937 authorizes security custodian services to be performed by trust companies and banks within this state.

This bill would authorize boards to have these services performed by trust companies and banks not within the state.

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

SECTION 1. Section 31596 of the Government Code is amended to read:

31596. (a) When securities belonging to or held for the retirement association are sold, the county treasurer shall deliver the securities to the purchaser upon receiving the proceeds, and may execute any and all documents necessary to transfer title. The duties imposed upon the county treasurer by this article are a part of his or her official duties, for the faithful performance of which he or she is liable on his or her official bond.

(b) The board may, or if authorized by the board, the treasurer shall authorize a state or federally chartered depository institution, the deposits of which are insured by the Federal Deposit Insurance Corporation, or any trust company licensed under state or federal law to conduct the business of a trust company or any Federal Reserve Bank, to act as custodian of any securities owned by the retirement association. In that case, the duties imposed by subdivision (a) upon the county treasurer shall instead be performed by the board and shall be included in any agreement for custodial services. Any of these banks or trust companies may be authorized to collect the income from the securities and deposit the proceeds in an account established by the board for the retirement association.

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