

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 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 ~~declare the Legislature's intent to clarify the authority of~~ 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: 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. It is the intent of the Legislature to clarify the~~
- 2 ~~authority of public pension systems to establish credit~~

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 this act take effect immediately.

