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**GOVERNMENT CODE - GOV**

**TITLE 1. GENERAL [100 - 7931.000]** ( Title 1 enacted by Stats. 1943, Ch. 134. )

**DIVISION 8. SECURITIES OWNED BY STATE AGENCIES [7600 - 7605]** ( Division 8 added by Stats. 1975, Ch. 1214. )

**CHAPTER 1. Investment of Securities Owned by State Agencies [7600 - 7605]** ( Chapter 1 added by Stats. 1975, Ch. 1214. )

**ARTICLE 2. Security Loans [7602 - 7605]** ( Article 2 added by Stats. 1975, Ch. 1214. )

**7602.** A state agency which is authorized pursuant to Section 22312 of the Education Code and Sections 16481 and 20208.5 of the Government Code may enter into security loan agreements with broker-dealers and with any state or national banks for the purpose of prudently supplementing the income normally received from investments.

(Amended by Stats. 1982, Ch. 1194, Sec. 3.)

**7603.** All loans of securities shall be made pursuant to one of the standardized security loan agreement forms, as developed by the administrators of the State Pooled Investment Account, as authorized by Section 16481, the Public Employees' Retirement System, or the State Teachers' Retirement System and as approved by the Commissioner of Financial Protection and Innovation.

(Amended by Stats. 2022, Ch. 452, Sec. 176. (SB 1498) Effective January 1, 2023.)

**7604.** In the event of a loss in the reacquisition of loaned securities, the responsible state agency shall make a written report of the loss to the Legislature and the State Auditor as soon as possible, but not later than 30 days after the incurrence of that loss.

(Amended by Stats. 2003, Ch. 107, Sec. 7. Effective January 1, 2004.)

**7605.** Each state agency which enters into security loan agreements shall (a) maintain detailed records of all security loans, (b) develop controls and reports to monitor the conduct of the transactions, and (c) publicize the net results of the security loan transaction separate from the results of other investment activities.

(Added by Stats. 1975, Ch. 1214.)