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GOVERNMENT CODE - GOV

TITLE 2. GOVERNMENT OF THE STATE OF CALIFORNIA [8000 - 22980] (Title 2 enacted by Stats. 1943, Ch. 134.)

DIVISION 4. FISCAL AFFAIRS [16100 - 17700] (Division 4 added by Stats. 1945, Ch. 119.)

PART 2. STATE FUNDS [16300 - 16649.95] (Part 2 added by Stats. 1945, Ch. 120.)

CHAPTER 3. Investments [16430 - 16495.5] (Chapter 3 added by Stats. 1945, Ch. 120.)

ARTICLE 5. Interfund Purchases, Sales and Transfers of Bond Investments [16485 - 16490] (Article 5 added by Stats. 1951, Ch. 208.)

16485. It is the purpose of this article to authorize the establishment of procedures for the transfer of bonds between funds in the State Treasury in the following cases:

- (a) When bonds held as investments by a fund in the State Treasury are to be sold by such fund to, and purchased for, another State Treasury fund; or
- (b) When, under any provision of law, a specific amount of cash is required to be paid from a fund in the State Treasury holding bond investments to another State Treasury fund, and it is in the interest of the State to transfer all or part of such amount in bonds, in lieu of cash, because the amount of cash required to be transferred is not needed for the immediate use of the fund to which such amount is required to be paid.

(Added by Stats. 1951, Ch. 208.)

16486. For the purposes of this article, the following definitions shall apply:

- (a) "Investing authority," with respect to any State Treasury fund, means the state agency authorized by law to purchase or sell bond investments on behalf of that fund.
- (b) "Effective date" means the date on which the sale or transfer of bonds is to take effect.
- (c) "Market value" means the market value of the bonds to be sold, purchased, or transferred, as that value is jointly determined by the respective investing authorities of the funds affected by the transaction, plus the accrued interest on the bonds, as of the effective date. If the respective investing authorities fail to agree, the "market value" of the bonds shall be determined by the Treasurer.
- (d) "Bond" means any bond, note, or other form of indebtedness that is a legal investment for any state fund affected by the transaction.

(Amended by Stats. 1996, Ch. 320, Sec. 25. Effective January 1, 1997.)

16487. The State Controller may establish procedures for the purpose of carrying out the purposes set forth in Section 16485. These procedures are exempt from the Administrative Procedure Act (Chapter 3.5 (commencing with Section 11340), Chapter 4 (commencing with Section 11370), and Chapter 5 (commencing with Section 11500) of Part 1 of Division 3).

(Amended by Stats. 1996, Ch. 320, Sec. 26. Effective January 1, 1997.)

16488. The procedures authorized to be adopted by this article are permissive only, and no provision hereof shall require any state agency to approve or perform any act which, under such procedure, is an essential step in the purchase, sale or transfer of bonds thereunder.

(Added by Stats. 1951, Ch. 208.)

16489. Any procedure established under this article shall provide that the market value of the bonds shall be regarded, for the purposes thereof, as the equivalent of cash in that amount, in any purchase, sale or transfer of bonds in lieu of cash thereunder.

(Added by Stats. 1951, Ch. 208.)

16490. Any procedure established under this article shall require that in connection with any purchase, sale or transfer of bonds thereunder, the State Controller, State Treasurer, Director of Finance, and each investing authority shall be furnished a copy of:

(a) Every journal entry and other accounting instrument prepared by the State Controller and the State Treasurer for the purpose of recording such transaction on their accounts;

(b) The determination of market value and effective date made by each investing authority in connection with such transaction.

(Added by Stats. 1951, Ch. 208.)