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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 4. Special Fund Investments [16470 - 16476] (Article 4 added by Stats. 1945, Ch. 991.)

16470. The Pooled Money Investment Board shall, at such times as it deems necessary, determine whether any portion of the money then on deposit in the State Treasury to the credit of any fund, exclusive of the General Fund, is not necessary for immediate use; and if so, it shall determine the amount thereof in each such fund, which amount shall thereupon be designated as "surplus money." This article does not apply to any fund included within subdivisions (b), (c), (d), (e), and (f) of Section 16475, or the State Highway Fund, the Public Employees' Retirement Fund, Legislators' Retirement Fund and State Teachers' Retirement Fund, or the Unemployment Compensation Disability Fund.

Any special fund excepted from this article may elect, by filing with the Pooled Money Investment Board a notice of election, to come under the provisions of the Surplus Money Investment Fund; which election shall be revocable by such special fund effective as of December 31st or June 30th of any year upon 30 or more days' notice prior to either of said dates.

(Amended by Stats. 1975, Ch. 533.)

16471. Upon the determination and designation of surplus money in any special fund, the Controller shall transfer from that fund to the Surplus Money Investment Fund in the State Treasury, which fund is continued in existence, the amount of surplus money so determined and designated. Nothing herein shall authorize the transfer of money from any special fund to the Surplus Money Investment Fund, if the transfer will interfere with the carrying out of the purpose for which the special fund was created.

(Amended by Stats. 1990, Ch. 496, Sec. 1.)

16472. All moneys transferred to or deposited in the Surplus Money Investment Fund are hereby appropriated without regard to fiscal years to carry out the purposes of this article.

(Amended by Stats. 1959, Ch. 597.)

16473. The Pooled Money Investment Board shall, at such times as it deems necessary, determine whether any portion of the money theretofore transferred to and remaining in the Surplus Money Investment Fund from any special fund is needed by such special fund to carry out the purposes for which it was created; and if so, it shall determine the amount thereof. Thereupon, it shall reduce the amount of surplus money theretofore designated with respect to such special fund by the amount determined to be needed by such fund. Upon such reduction of the surplus money in any special fund, the State Treasurer shall, on order of the State Controller, transfer from the Surplus Money Investment Fund to such special fund an amount of money equal to that by which the surplus money of such fund was reduced.

(Amended by Stats. 1957, Ch. 1542.)

16473.5. For the purposes of this article, a written determination signed by a majority of the members of the Pooled Money Investment Board shall be deemed to be the determination of the board.

(Amended by Stats. 1963, Ch. 1545.)

16474. The money in the Surplus Money Investment Fund, shall be invested and reinvested by the State Treasurer as a part of the Pooled Money Investment Account.

(Amended by Stats. 1967, Ch. 505.)

16475. At the conclusion of each calendar quarter, all interest earned and other increment derived from investments made pursuant to this article, interest earnings from demand accounts, and interest earnings pursuant to Section 20825 shall, on order of the Controller, be deposited in the Surplus Money Investment Fund. The Controller, after deducting an amount equal to the reasonable costs incurred by the Treasurer, the Controller, and the Department of Finance in carrying out this article, shall apportion, quarterly, to the following funds in the Treasury, interest earned or increment derived for the three calendar months ending with those dates:

(a) The General Fund.

(b) Each fund into which are deposited or which contains moneys collected from any tax now or hereafter imposed by the state upon the manufacture, sale, distribution, or use of motor vehicle fuel, for use in motor vehicles upon the public streets and highways.

(c) Each fund into which are deposited or which contains moneys collected from motor vehicle and other vehicle registration license fees or from any other tax or license fee now or hereafter imposed by the state upon vehicles, motor vehicles or the operation thereof, except those taxes and license fees that, by the provisions of Section 7 of Article XIX of the California Constitution, are exempted from the provisions of Section 2 of Article XIX.

(d) Each fund into which are deposited or that contains moneys collected under any law of this state relating to the protection, conservation, propagation, or preservation of fish, game, mollusks, or crustaceans, and fines imposed by any court for the violation of any of those laws.

(e) Each fund into which are deposited or that contains moneys available for construction, repair, replacement, maintenance or operation of public works of the state, including, but not limited to, the facilities of the State Water Resources Development System, as defined in Section 12931 of the Water Code, toll facilities financed, built, or acquired pursuant to the California Toll Bridge Authority Act (Chapter 1 (commencing with Section 30000) of Division 17 of the Streets and Highways Code), or moneys available for the payment of principal or interest on bonds issued to provide for the construction of those facilities.

(f) Every other fund in respect to which the Director of Finance on the advice of the Attorney General determines that the operation of the California Constitution or the United States Constitution prohibits the expenditure of interest received under this article and allocated on the basis of amounts in that fund for General Fund purposes.

(g) Each fund not included within subdivisions (a) to (f), inclusive.

The apportionments shall be made by the Controller in the following manner:

(1) All money not apportioned to the funds referred to in subdivisions (b), (c), (d), (e), (f), and (g) shall be apportioned to the General Fund.

(2) There shall be apportioned to each of the funds referred to in subdivisions (b), (c), (d), (e), (f), and (g), an amount directly proportionate to the respective amounts transferred from those funds to the Surplus Money Investment Fund and the length of time the amounts remained therein.

(3) Interest accrued or paid to the Pooled Money Investment Account from the proceeds of tax-exempt obligations on loans made pursuant to Section 16312 or 16313, to the extent thereof, shall be deemed apportioned to the State Highway Account or any other accounts that may be designated by the Controller pursuant to Section 16654, but only to the extent of its proportionate earnings as determined under paragraph (2). This paragraph shall neither increase nor decrease the amount of earnings apportioned to any fund or account in accordance with this section. These moneys shall be deemed expended, or applied to reimburse expenditures previously paid, first following the allocation of these interest earnings of the Surplus Money Investment Fund to the State Highway Account or any other accounts that may be designated by the Controller pursuant to Section 16654. It is the intent of the Legislature that this paragraph shall authorize the Treasurer and the Controller to monitor the expenditure of the proceeds of tax-exempt obligations in order to comply with federal tax laws and shall neither increase nor decrease the amount of bonds, notes, or other obligations to be issued by the state or any subdivision thereof, nor shall this paragraph be interpreted to indicate that the allocation is contrary to any bond act.

(Amended by Stats. 2017, Ch. 50, Sec. 1. (SB 84) Effective July 10, 2017.)

16475.1. Notwithstanding any other provisions of law, the interest earned by governmental cost funds, as determined jointly by the Controller and Director of Finance, for the period January 1, 1982, through June 30, 1982, inclusive, shall be transferred to the unappropriated surplus of the General Fund. This section shall not apply to the Department of Food and Agriculture Fund or to the Acala Cotton Fund. The section shall also not apply to any governmental cost funds if the use of interest from those funds for General Fund purposes is prohibited by the California Constitution or the United States Constitution.

(Added by Stats. 1982, Ch. 207, Sec. 3. Effective May 20, 1982.)

16475.5. Notwithstanding Section 16475, at the conclusion of each calendar quarter, all interest earned and other increment derived from the investment pursuant to this article of money of the Fish and Game Preservation Fund, less the expenses incurred by the

Treasurer, the Controller, and the Department of Finance under this article in connection with the investment of this money, shall be transferred to the Fish and Game Preservation Fund.

(Amended by Stats. 2003, Ch. 100, Sec. 3. Effective January 1, 2004.)

16476. If any provision of this article, or the application thereof to the money in any fund referred to herein, is held invalid, the remaining provisions of this article shall not be affected thereby.

(Added by Stats. 1945, Ch. 991.)