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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 7. Prohibited Business Arrangements [16649.80 - 16649.95] (Chapter 7 added by Stats. 1992, Ch. 1351, Sec. 2.)

16649.80. The definitions in this section shall govern the construction and interpretation of this chapter.

(a) "Investment" or "invest" means the commitment of funds or other assets to a business firm, including a loan or other extension of credit made to that firm, or security given for the other assets to that business enterprise, or the beneficial ownership or control of a share or interest in that business firm, or of a bond or other debt instrument issued by that business firm.

(b) "Business firm" means any foreign or domestic organization, association, corporation, partnership, venture, or other entity, its subsidiary, or affiliate which exists for profitmaking purposes or to otherwise secure economic advantage, other than a financial institution.

(c) "Financial institution" means any foreign or domestic bank, bank holding company, savings and loan association, or credit union, or any foreign or domestic insurance company, brokerage firm, securities firm, investment company, mortgage banking company, finance company, personal property broker, mortgage loan broker, or consumer credit company, or any affiliate or subsidiary thereof.

(d) "Business arrangements" means projects, ventures, undertakings, contractual relations, or other efforts requiring ongoing or periodic performance by either or both parties.

(e) "Discriminatory business practices" means business arrangements that are prohibited by Sections 16721 and 16721.5 of the Business and Professions Code.

(f) "State trust moneys" means funds administered by the Public Employees' Retirement Fund, the Legislators' Retirement Fund, the State Teachers' Retirement Fund, the Judges' Retirement Fund, the Judges' Retirement System II Fund, the Volunteer Firefighter Fund, the General Fund portion of the University of California Retirement Fund, and any funds invested pursuant to this part.

(g) "State trust fund" means the Public Employees' Retirement Fund, the Legislators' Retirement Fund, the State Teachers' Retirement Fund, the Judges' Retirement Fund, the Judges' Retirement System II Fund, the Volunteer Firefighter Fund, and any investment fund created by this part.

(h) "State moneys" means all money, bonds, and securities in possession of or collected by any state agency.

(i) "Compliance with the Arab League's economic boycott of Israel" means taking any action, with respect to the boycott of Israel by Arab countries, which is prohibited by the United States Export Administration Act of 1979.

(Amended by Stats. 1994, Ch. 879, Sec. 2. Effective September 27, 1994. Operative November 9, 1994, by Sec. 16 of Ch. 879.)

16649.81. On or after January 1, 1994, state trust moneys shall not be used to make additional or new investments or to renew existing investments in business firms that engage in discriminatory business practices in furtherance of or in compliance with the Arab League's economic boycott of Israel.

(Added by Stats. 1992, Ch. 1351, Sec. 2. Effective January 1, 1993.)

16649.82. Section 16649.81 shall not apply to any business firm which, by resolution of its governing body, adopts a policy not to renew existing, expand existing, or engage in new, discriminatory business practices in furtherance of or in compliance with the Arab League's economic boycott of Israel. The resolution required by this section shall include the following statement: "____ (name of business firm) agrees not to renew existing, expand existing, or engage in new, discriminatory business practices in furtherance of or in compliance with the Arab League's economic boycott of Israel."

(Amended by Stats. 1993, Ch. 439, Sec. 2. Effective January 1, 1994.)

16649.83. On or after January 1, 1994, state trust moneys shall not be used to make additional or new investments or to renew existing investments in financial institutions that engage in discriminatory business practices in furtherance of or in compliance with the Arab League's economic boycott of Israel.

(Amended by Stats. 1993, Ch. 439, Sec. 3. Effective January 1, 1994.)

16649.84. Section 16649.83 shall not apply to any financial institution which, by resolution of its governing body, adopts a policy not to renew existing, expand existing, or engage in new, discriminatory business practices in furtherance of or in compliance with the Arab League's economic boycott of Israel. The resolution required by this section shall include the following statement: "____ (name of financial institution) agrees not to renew existing, expand existing, or engage in new, discriminatory business practices in furtherance of or in compliance with the Arab League's economic boycott of Israel."

(Amended by Stats. 1993, Ch. 439, Sec. 4. Effective January 1, 1994.)

16649.86. (a) A copy of a resolution, as described in Sections 16649.82 and 16649.84, shall be submitted to the Treasurer and to the chief administrative officer of each state trust fund. Information shall also be submitted by business firms that provides a description of the discriminatory business practices in furtherance of or in compliance with the Arab League's economic boycott of Israel in existence as of the date of the resolution.

(b) The copy of a resolution shall be accompanied by a certification, under penalty of perjury, that the adopted policy is being complied with. Annually thereafter a certification, under penalty of perjury, that the adopted policy is being complied with shall be submitted to the Treasurer.

(c) The resolution and the information submitted to the Treasurer shall be deemed public documents and shall be open to public inspection.

(Added by Stats. 1992, Ch. 1351, Sec. 2. Effective January 1, 1993.)

16649.87. Beginning January 1, 1995, and continuing thereafter until January 1, 1998, state trust funds shall annually reduce by one-third the value of their respective investments in business firms and financial institutions that engage in discriminatory business practices in furtherance of or in compliance with the Arab League's economic boycott of Israel.

(Amended by Stats. 1993, Ch. 439, Sec. 5. Effective January 1, 1994.)

16649.88. Effective January 1, 1998, state trust funds shall not make or hold any investment in any business firm or financial institution that engages in discriminatory business practices in furtherance of or in compliance with the Arab League's economic boycott of Israel.

(Amended by Stats. 1993, Ch. 439, Sec. 6. Effective January 1, 1994.)

16649.89. State moneys shall not be deposited with financial institutions that, following January 1, 1994, engage in discriminatory business practices in furtherance of or in compliance with the Arab League's economic boycott of Israel.

(Added by Stats. 1992, Ch. 1351, Sec. 2. Effective January 1, 1993.)

16649.90. The prohibitions contained in Sections 16649.83, 16649.87, 16649.88, and 16649.89, shall not apply to any loan or extension of credit for which an agreement is entered into before the date of enactment of this chapter.

(Added by Stats. 1992, Ch. 1351, Sec. 2. Effective January 1, 1993.)

16649.92. Present, future, and former members of the governing board of any trust fund, jointly and individually, state officers and employees, and investment managers under contract with the state shall be indemnified from the General Fund by the State of California from all claims, demands, suits, actions, damages, judgments, costs, charges and expenses, including court costs and attorney's fees, and against all liability, losses, and damages of any nature whatsoever that these present, future, or former board members, officers, employees, or contract investment managers shall or may at any time sustain by reason of any decision to restrict, reduce, or eliminate investments pursuant to this chapter.

(Added by Stats. 1992, Ch. 1351, Sec. 2. Effective January 1, 1993.)

16649.93. Present, future, and former Regents of the University of California, jointly and individually, officers and employees of the University of California, and investment managers under contract with the University of California shall be indemnified from the General Fund by the State of California from all claims, demands, suits, actions, damages, judgments, costs, charges, and expenses, including court costs and attorney's fees and against all liability, losses, and damages of any nature whatsoever that these present, future, or former regents, officers, employees, or contract investment managers shall or may at any time sustain by reason of any decision to restrict, reduce, or eliminate university investments pursuant to this chapter.

(Added by Stats. 1992, Ch. 1351, Sec. 2. Effective January 1, 1993.)

16649.94. This chapter shall not apply to any Internal Revenue Code Section 457, 401(k), or 403(b) defined contribution plan administered by the Department of Human Resources.

(Amended by Stats. 2012, Ch. 665, Sec. 53. (SB 1308) Effective January 1, 2013.)

16649.95. (a) Nothing in this chapter shall prohibit a business firm from utilizing a single resolution to satisfy the requirements of both Sections 16649.82 and 16641.5, provided that the specific requirements of Sections 16649.82 and 16641.5 are each fully complied with in the single resolution.

(b) Nothing in this chapter shall prohibit a financial institution from utilizing a single resolution to satisfy the requirements of both Sections 16649.84 and 16642.5, provided that the specific requirements of Sections 16649.84 and 16642.5 are each fully complied with in the single resolution.

(c) Nothing in this chapter shall prohibit a business firm or financial institution from utilizing a single certification to satisfy the requirements of both Sections 16649.86 and 16643, provided that the specific requirements of Sections 16649.86 and 16643 are each fully complied with in the single certification.

(Added by Stats. 1992, Ch. 1351, Sec. 2. Effective January 1, 1993.)