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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 4. WARRANTS [17000 - 17296.5] (Part 4 added by Stats. 1945, Ch. 120.)

CHAPTER 2. Registered Warrants [17200 - 17296.5] (Chapter 2 added by Stats. 1945, Ch. 120.)

ARTICLE 1. General [17200 - 17213] (Article 1 added by Stats. 1945, Ch. 120.)

17200. All provisions of this chapter referring to registered warrants are applicable to "reimbursement warrants" and "refunding warrants," unless the context otherwise requires.

(Added by Stats. 1945, Ch. 120.)

17201. The Department of General Services may make rules and regulations governing the issuance and sale of registered warrants.

(Amended by Stats. 2016, Ch. 31, Sec. 143. (SB 836) Effective June 27, 2016.)

17202. All registered warrants issued by the state are legal investments for all:

- (a) Trust funds.
- (b) Funds of all insurers.
- (c) Funds of savings and loan associations.
- (d) Funds of all banks, including any legal combination of commercial banks, savings banks and trust companies.
- (e) Funds of all counties, municipal corporations, districts, public corporations, political subdivisions, or state agencies.

(Amended by Stats. 1976, Ch. 349.)

17203. Such registered warrants are acceptable and may be used as security for the faithful performance of any public or private trust or obligation or for the performance of any act, including the use of such registered warrants by banks and savings and loan associations as security for deposits of funds of any county, municipal or public corporation, district, political subdivision, or state agency.

(Amended by Stats. 1976, Ch. 349.)

17204. Any State agency that is authorized to invest funds in the treasury in securities which are legal investments for savings banks may invest the funds in registered warrants of the State.

(Added by Stats. 1945, Ch. 120.)

17205. Notwithstanding any provision of the Uniform Commercial Code, all registered warrants are negotiable instruments.

(Amended by Stats. 1994, Ch. 135, Sec. 4. Effective January 1, 1995.)

17206. Whenever a registered warrant is issued for the purpose of making an interdepartmental payment or in error the State agency having legal ownership of the warrant may present it to the Controller for cancellation and credit to the fund on which it was drawn. The warrant shall be accompanied by a report in writing requesting the cancellation, explaining the reason for the request and specifying the proper appropriation to be credited with the amount of the warrant.

(Added by Stats. 1945, Ch. 120.)

17207. After verification of the proper appropriation to be credited, the Controller shall cancel the warrant and credit the amount to the proper fund or appropriation in the same manner as other money paid into the State treasury.

(Added by Stats. 1945, Ch. 120.)

17208. Whenever such a registered warrant is canceled the Controller shall so notify the Treasurer in writing, specifying the number, date, amount, to whom drawn, fund on which drawn and date of cancellation.

(Added by Stats. 1945, Ch. 120.)

17209. Whenever the Controller deems that it will increase the salability or the price of registered warrants to obtain, prior to or after sale, a legal opinion as to the validity of the warrants from attorneys other than the Attorney General, the Controller may obtain a legal opinion.

(Amended by Stats. 1993, Ch. 766, Sec. 1. Effective January 1, 1994.)

17210. Registered warrants shall be paid by the Treasurer in conformity with law.

(Added by Stats. 1945, Ch. 120.)

17211. Registered warrants described in subdivisions (b) and (c) of Section 17212 issued in connection with any credit enhancement or liquidity agreement (including in the form of a letter of credit, standby purchase agreement, liquidity facility, or other similar arrangement) entered into by the state to secure or support any reimbursement warrants or refunding warrants issued pursuant to this chapter shall be based upon the same claims, and shall have the same priority as to payment from unapplied money in the General Fund, as the reimbursement warrants or refunding warrants paid with funds disbursed under or in connection with the credit enhancement or liquidity agreement. These warrants shall be issued and registered in the amounts requested by the provider of the credit enhancement or liquidity agreement.

(Amended by Stats. 2009, Ch. 23, Sec. 2. Effective July 28, 2009.)

17212. (a) Notwithstanding Section 17222, if at any time it is necessary to register warrants pursuant to this chapter for the payment of principal of or interest on notes issued pursuant to Section 17302, the warrants shall bear interest at either the fixed or variable interest rate specified in the notes as the interest rate for that warrant or, if no rate is set forth, the fixed or variable interest rate borne by the notes. In both cases, the interest rate on those warrants shall not exceed 12 percent per annum.

(b) Notwithstanding Section 17222, if at any time it is necessary to register warrants pursuant to this chapter for the payment of any obligations of the state under any credit enhancement or liquidity agreement, including in the form of a letter of credit, standby purchase agreement, reimbursement agreement, liquidity facility, or other similar arrangement, authorized pursuant to Section 5922, the warrants shall bear interest at the fixed or variable rate specified in the credit enhancement or liquidity agreement as the interest rate for those warrants. Those registered warrants may provide for periodic payment of interest thereon prior to redemption.

(c) Notwithstanding Section 17222, if at any time it is necessary to register warrants pursuant to this chapter for the payment of any periodic interest payment on registered warrants described in subdivision (b), the warrants shall bear interest at the fixed or variable rate specified in the credit enhancement or liquidity agreement as the interest rate for those warrants and shall be payable only upon redemption of the warrants.

(d) Notwithstanding subdivisions (b) and (c), in no case shall the total sum of interest payments under the credit enhancement or liquidity agreement and on any warrants described in subdivisions (b) and (c) exceed the amount of the appropriation pursuant to law for the payment of interest under the credit enhancement or liquidity agreement.

(Amended by Stats. 2009, Ch. 23, Sec. 3. Effective July 28, 2009.)

17213. Notwithstanding any other provision of law, the Controller is the agent for sale for registered warrants, reimbursement warrants, and refunding warrants issued pursuant to this chapter.

(Added by Stats. 2003, 1st Ex. Sess., Ch. 12, Sec. 2. Effective June 2, 2003.)