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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 3. Reimbursement and Refunding Warrants [17240 - 17255]** ( Article 3 added by Stats. 1945, Ch. 120. )

[17240.](#) As used in this chapter:

(a) "Reimbursement warrants" refers to warrants drawn by the Controller on the General Fund pursuant to this article to reimburse the General Cash Revolving Fund for demands against the General Fund for which warrants were drawn against the General Cash Revolving Fund.

(b) "Refunding warrants" refers to warrants drawn by the Controller on the General Fund pursuant to this article to provide funds for the payment of reimbursement warrants bearing a fixed maturity date or warrants issued pursuant to Section 17211.

(Amended by Stats. 2009, Ch. 23, Sec. 5. Effective July 28, 2009.)

[17240.5.](#) (a) If the Controller requests that registered reimbursement warrants be issued, and the Governor determines pursuant to Section 16381 that the need for those warrants is justified, a copy of the written request from the Controller shall also be provided to the chairperson and vice chairperson of the Senate Committee on Budget and Fiscal Review and the Assembly Committee on Budget, the chairperson and vice chairperson of the Joint Legislative Budget Committee, and the chairperson and vice chairperson of the Senate and Assembly Committee on Appropriations.

(b) No later than 15 days following the completion of a registered reimbursement warrant issuance, the Controller shall report on the specific details of the issuance to the chairperson and vice chairperson of the Senate Committee on Budget and Fiscal Review and the Assembly Committee on Budget, the chairperson and vice chairperson of the Joint Legislative Budget Committee, and the chairperson and vice chairperson of the Senate and Assembly Committee on Appropriations.

(Added by Stats. 2007, Ch. 336, Sec. 1. Effective January 1, 2008.)

[17241.](#) To reimburse the General Cash Revolving Fund, the Controller may draw reimbursement warrants on the General Fund in the same manner as if General Cash Revolving Fund warrants had not been issued to meet the demands for which they were drawn.

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

[17242.](#) If a reimbursement warrant represents an amount in excess of the balance remaining in the unapplied money in the General Fund after first deducting from such unapplied money the amount, as estimated by the Controller, which is required by law to be earmarked, reserved or set apart from such unapplied money for the payment of obligations of the State having priority over the obligation to which such reimbursement warrant is applicable, it shall be registered by the Treasurer pursuant to the provisions of this chapter.

(Amended by Stats. 1951, Ch. 222.)

[17243.](#) The Controller may fix a maturity date for reimbursement warrants, and indorse upon each warrant, the date upon which the principal amount of the warrant will be paid and redeemed. The Controller, with the concurrence of the Department of Finance and the Office of the State Treasurer, may fix periodic payment dates for interest on reimbursement warrants or provide that interest on reimbursement warrants be paid only upon redemption, provided that interest on registered reimbursement warrants for which the committee has not fixed a maximum rate of interest pursuant to Section 17244 shall be paid only upon redemption of the registered reimbursement warrant.

*(Amended by Stats. 2009, Ch. 23, Sec. 6. Effective July 28, 2009.)*

**17244.** (a) Notwithstanding any other provision of law, in lieu of prescribing a precise interest rate on registered reimbursement warrants, the committee may fix a maximum rate of interest for the warrants, not to exceed 12 percent per annum for either fixed or variable interest rate warrants, and prescribe that the interest rate on the warrants, not in excess of that maximum, shall be either of the following:

(1) Fixed in accordance with the best bids for the warrants if the warrants are sold at public sale.

(2) Fixed or variable on the terms and conditions the Controller shall approve at the time of sale of the warrants if the warrants are sold in negotiated sales.

(b) Different rates of interest for any reimbursement warrants may be so fixed or established by the Controller.

*(Amended by Stats. 2009, Ch. 23, Sec. 7. Effective July 28, 2009.)*

**17245.** Registered reimbursement warrants shall be sold by the Controller at public sale to the best bidders or in negotiated sales on the terms and conditions the Controller shall approve, but at no less than face value of the registered reimbursement warrants offered.

*(Amended by Stats. 2009, Ch. 23, Sec. 8. Effective July 28, 2009.)*

**17246.** Notice of public sale of registered reimbursement warrants shall be given by the Controller by publication, not less than three days prior to sale, at least once in a newspaper published in the City of Sacramento.

*(Amended by Stats. 2007, Ch. 336, Sec. 4. Effective January 1, 2008.)*

**17247.** The notice of public sale shall specify the amount of warrants to be sold, and the minimum amount for which the Controller will consider bids, and shall invite sealed bids for the purchase of the warrants. The notice shall state that no bid will be accepted that is less than the face value of the warrants bid for, and that the warrants will be awarded to the persons making the best bids as determined by the Controller, considering the interest rate and premium offered, if any.

*(Amended by Stats. 2007, Ch. 336, Sec. 5. Effective January 1, 2008.)*

**17248.** The Controller may give additional notice of any such sale in such form and manner as he may determine.

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

**17249.** At the time specified in the notice of sale, the Controller shall open the bids, and award the warrants to the persons making the best bids as determined by him. The Controller may reject any and all bids. No bid for less than the face value of any warrants shall be accepted.

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

**17250.** The Controller shall endorse any registered reimbursement warrant so sold or to be sold in the name of and on behalf of the payee named in the warrant. The endorsement transfers to the holder the warrant and the claims in pursuance of which it was drawn, irrespective of whether the claimants have received the amount of such claims through warrants drawn on the General Cash Revolving Fund.

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

**17251.** The cancellation, invalidity or abatement, in whole or in part, of any such claim, or of any warrant drawn against the General Cash Revolving Fund, does not invalidate or otherwise affect any registered reimbursement warrant. The certificate of the Controller relative to any of the matters required to be found, determined or exist as a condition to or in connection with the issuance, registration or sale of registered reimbursement warrants, or the making or auditing of any demand, or in respect to the issuance of warrants on the General Cash Revolving Fund is conclusive in favor of any holder of any registered reimbursement warrant.

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

**17252.** It is not essential to the validity of the sale of any reimbursement warrant that it be actually registered prior to sale.

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

**17253.** The proceeds of the sale of any registered reimbursement warrant shall be deposited in the State Treasury; an amount equal to its face value shall be credited to the General Cash Revolving Fund; and any premium received shall be deposited in the

General Fund and used for the payment of interest on the registered reimbursement warrants.

*(Amended by Stats. 2009, Ch. 23, Sec. 9. Effective July 28, 2009.)*

**17255.** (a) It is the intent of the Legislature, in enacting this section, to recognize the state's General Fund budget deficit accumulated prior to July 1, 2009. It is further the intent of the Legislature that proceeds from the sale of reimbursement warrants, a short-term obligation up to the amount needed to offset the accumulated General Fund Budget deficit through June 30, 2009, be accounted for as a reduction in expenditures for the 2008–09 fiscal year.

(b) For purposes of this section, the "accumulated General Fund budget deficit through June 30, 2009" means the projected negative balance of the Special Fund for Economic Uncertainties at the end of the 2008–09 fiscal year, not including the effect of the accrual of reimbursement warrants in subdivision (a) to offset expenditures in 2008–09.

*(Added by Stats. 2009, 3rd Ex. Sess., Ch. 4, Sec. 3. Effective February 20, 2009.)*