

REFERENCE TITLE: establishment; bank of Arizona

State of Arizona
House of Representatives
Fiftieth Legislature
First Regular Session
2011

HB 2221

Introduced by
Representative Fillmore

AN ACT

AMENDING TITLE 6, ARIZONA REVISED STATUTES, BY ADDING CHAPTER 18; RELATING TO
THE BANK OF ARIZONA.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:

2 Section 1. Title 6, Arizona Revised Statutes, is amended by adding
3 chapter 18, to read:

4 CHAPTER 18

5 BANK OF ARIZONA

6 ARTICLE 1. GENERAL PROVISIONS

7 6-1801. Establishment of bank of Arizona

8 A. THIS STATE SHALL ENGAGE IN THE BUSINESS OF BANKING AND SHALL
9 MAINTAIN A SYSTEM OF BANKING OWNED, CONTROLLED AND OPERATED BY THIS STATE
10 UNDER THE NAME OF THE BANK OF ARIZONA.

11 B. THE BANK OF ARIZONA MUST COMPLY WITH CHAPTER 2 OF THIS TITLE.

12 6-1802. Bank of Arizona commission duties

13 THE BANK OF ARIZONA COMMISSION SHALL OPERATE, MANAGE AND CONTROL THE
14 BANK OF ARIZONA, LOCATE AND MAINTAIN ITS PLACES OF BUSINESS, OF WHICH THE
15 PRINCIPAL PLACE MUST BE IN THIS STATE, AND MAKE AND ENFORCE ORDERS, RULES AND
16 BYLAWS FOR THE TRANSACTION OF ITS BUSINESS. THE BUSINESS AND FINANCIAL
17 TRANSACTIONS OF THE BANK, IN ADDITION TO OTHER MATTERS SPECIFIED IN THIS
18 CHAPTER, MAY INCLUDE ANYTHING THAT ANY BANK OR BANK HOLDING COMPANY MAY
19 LAWFULLY DO. THIS SECTION DOES NOT LIMIT OR QUALIFY EITHER THE POWERS OF THE
20 BANK OF ARIZONA COMMISSION OR THE FUNCTIONS OF THE BANK OF ARIZONA. THE
21 POWERS OF THE BANK OF ARIZONA COMMISSION AND THE FUNCTIONS OF THE BANK MUST
22 BE IMPLEMENTED THROUGH ACTIONS TAKEN AND POLICIES ADOPTED BY THE BANK OF
23 ARIZONA COMMISSION.

24 6-1803. Bank of Arizona advisory board of directors; terms

25 A. AN ADVISORY BOARD OF DIRECTORS TO THE BANK OF ARIZONA IS
26 ESTABLISHED CONSISTING OF THE FOLLOWING SEVEN PERSONS:

27 1. ONE MEMBER OF THE SENATE WHO IS APPOINTED BY THE PRESIDENT OF THE
28 SENATE.

29 2. ONE MEMBER OF THE HOUSE OF REPRESENTATIVES WHO IS APPOINTED BY THE
30 SPEAKER OF THE HOUSE OF REPRESENTATIVES.

31 3. THREE PERSONS WHO ARE APPOINTED BY THE STATE TREASURER.

32 4. TWO PUBLIC MEMBERS WHO ARE APPOINTED BY THE GOVERNOR.

33 B. THE TERMS OF MEMBERS APPOINTED PURSUANT TO SUBSECTION A, PARAGRAPH
34 3 OR 4 ARE FOUR YEARS.

35 6-1804. Duties of the bank of Arizona advisory board of
36 directors

37 THE ADVISORY BOARD OF DIRECTORS TO THE BANK OF ARIZONA SHALL:

38 1. ESTABLISH THE BANK OF ARIZONA COMMISSION TO MANAGE AND OPERATE THE
39 BANK OF ARIZONA.

40 2. MEET REGULARLY WITH THE MANAGEMENT OF THE BANK OF ARIZONA TO REVIEW
41 THE BANK'S OPERATIONS TO DETERMINE WHETHER RECOMMENDATIONS SHOULD BE MADE BY
42 THE BOARD TO THE BANK OF ARIZONA COMMISSION RELATING TO IMPROVED MANAGEMENT
43 PERFORMANCE, BETTER CUSTOMER SERVICE AND OVERALL IMPROVEMENT IN INTERNAL
44 METHODS, PROCEDURES AND OPERATING POLICIES OF THE BANK.

1 3. MAKE RECOMMENDATIONS TO THE BANK OF ARIZONA COMMISSION RELATING TO
2 THE ESTABLISHMENT OF ADDITIONAL OBJECTIVES FOR THE OPERATION OF THE BANK OF
3 ARIZONA.

4 4. MAKE RECOMMENDATIONS TO THE BANK OF ARIZONA COMMISSION CONCERNING
5 THE APPOINTMENT OF OFFICERS OF THE BANK OF ARIZONA.

6 5. MEET REGULARLY WITH THE BANK OF ARIZONA COMMISSION TO PRESENT ANY
7 RECOMMENDATIONS CONCERNING THE BANK OF ARIZONA.

8 6-1805. Bank president and employees; compensation

9 THE BANK OF ARIZONA COMMISSION SHALL EMPLOY OFFICERS, EMPLOYEES AND
10 AGENTS AS THE BANK OF ARIZONA COMMISSION DEEMS NECESSARY AND IN THE INTERESTS
11 OF THIS STATE AND SHALL PRESCRIBE THE DUTIES, DESIGNATE THE TITLES AND FIX
12 THE COMPENSATION OF ALL APPOINTED PERSONS.

13 6-1806. Removal and discharge of appointees

14 THE BANK OF ARIZONA COMMISSION MAY REMOVE AND DISCHARGE ANY PERSON
15 APPOINTED PURSUANT TO THIS CHAPTER.

16 6-1807. State monies deposited in bank of Arizona; income of
17 the bank

18 A. ALL STATE MONIES MUST BE DEPOSITED IN THE BANK OF ARIZONA BY THE
19 PERSONS HAVING CONTROL OF THE MONIES OR MUST BE DEPOSITED IN ACCORDANCE WITH
20 CONSTITUTIONAL AND STATUTORY PROVISIONS.

21 B. ALL INCOME EARNED BY THE BANK FOR ITS OWN ACCOUNT ON STATE MONIES
22 THAT ARE DEPOSITED IN OR INVESTED WITH THE BANK TO THE CREDIT OF THIS STATE
23 MUST BE CREDITED TO AND BECOME A PART OF THE REVENUES AND INCOME OF THE BANK.

24 C. NOTWITHSTANDING ANY OTHER LAW, ALL MONIES IN THE STATE COMPENSATION
25 FUND, ESTABLISHED BY SECTION 23-981, ON THE EFFECTIVE DATE OF THIS CHAPTER
26 SHALL BE DEPOSITED IN THE BANK OF ARIZONA.

27 6-1808. Guaranty of deposits; exemption from all taxation

28 ALL DEPOSITS IN THE BANK OF ARIZONA ARE GUARANTEED BY THIS STATE. THE
29 DEPOSITS ARE EXEMPT FROM ALL STATE, COUNTY AND MUNICIPAL TAXES.

30 6-1809. Clearinghouse

31 FOR BANKS THAT MAKE THE BANK OF ARIZONA A RESERVE DEPOSITARY, THE BANK
32 OF ARIZONA MAY PERFORM THE FUNCTIONS AND RENDER THE SERVICES OF A
33 CLEARINGHOUSE, INCLUDING ALL FACILITIES FOR PROVIDING DOMESTIC AND FOREIGN
34 EXCHANGE, AND MAY REDISCOUNT PAPER, ON TERMS THAT THE BANK OF ARIZONA
35 COMMISSION PRESCRIBES.

36 6-1810. Powers

37 THE BANK OF ARIZONA MAY MAKE, PURCHASE, GUARANTEE OR HOLD LOANS TO ALL
38 PERSONS IN THIS STATE AS PRESCRIBED BY THE BANK OF ARIZONA ADVISORY BOARD OF
39 DIRECTORS AND THE BANK OF ARIZONA.

40 6-1811. Loans to state general fund

41 IF THE BALANCE IN THE STATE GENERAL FUND IS INSUFFICIENT TO MEET
42 LEGISLATIVE APPROPRIATIONS, THE BANK OF ARIZONA MAY LOAN MONIES TO THE STATE
43 GENERAL FUND UP TO AMOUNTS ALLOWED BY LAW. THE LOANS SHALL BE IN A MANNER AS
44 DETERMINED BY THE BANK OF ARIZONA ADVISORY BOARD OF DIRECTORS AND THE BANK OF
45 ARIZONA COMMISSION.

1 6-1812. Limitations on loans
2 NOTWITHSTANDING ANY OTHER LAW, THE BANK OF ARIZONA MAY NOT MAKE ANY
3 LOAN OR OTHERWISE GIVE ITS CREDIT TO A MEMBER OF THE BANK OF ARIZONA
4 COMMISSION OR THE BANK OF ARIZONA ADVISORY BOARD OF DIRECTORS. BEFORE TAKING
5 OFFICE, A MEMBER OF THE BANK OF ARIZONA COMMISSION MUST FILE A STATEMENT WITH
6 THE BANK OF ARIZONA INDICATING ANY PERSONAL INTEREST THAT THE MEMBER HAS IN
7 ANY LOAN OR LOAN APPLICATION IN EXISTENCE OR PENDING AT ANY TIME DURING THE
8 MEMBER'S TERM ON THE COMMISSION.
9 6-1813. Program termination
10 THE PROGRAM ESTABLISHED BY THIS CHAPTER ENDS ON JULY 1, 2021 PURSUANT
11 TO SECTION 41-3102.
12 Sec. 2. Initial terms of members of the bank of Arizona
13 advisory board of directors
14 A. Notwithstanding section 6-1803, Arizona Revised Statutes, as added
15 by this act, the initial terms of members of the bank of Arizona advisory
16 board of directors appointed pursuant to section 6-1803, subsection A,
17 paragraphs 3 and 4, Arizona Revised Statutes, as added by this act, are:
18 1. Two terms ending July 1, 2013.
19 2. Three terms ending July 1, 2015.
20 B. All subsequent appointments shall be made as prescribed by statute.