

REFERENCE TITLE: establishment; bank of Arizona

State of Arizona
House of Representatives
Fiftieth Legislature
Second Regular Session
2012

HB 2104

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 OF THIS SECTION ARE FOUR YEARS.

35 C. APPOINTED MEMBERS SERVE AT THE PLEASURE OF THE PERSON WHO MADE THE
36 APPOINTMENT.

37 6-1804. Duties of the bank of Arizona advisory board of
38 directors

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

40 1. ESTABLISH THE BANK OF ARIZONA COMMISSION TO MANAGE AND OPERATE THE
41 BANK OF ARIZONA.

42 2. MEET REGULARLY WITH THE MANAGEMENT OF THE BANK OF ARIZONA TO REVIEW
43 THE BANK'S OPERATIONS TO DETERMINE WHETHER RECOMMENDATIONS SHOULD BE MADE BY
44 THE BOARD TO THE BANK OF ARIZONA COMMISSION RELATING TO IMPROVED MANAGEMENT

1 PERFORMANCE, BETTER CUSTOMER SERVICE AND OVERALL IMPROVEMENT IN INTERNAL
2 METHODS, PROCEDURES AND OPERATING POLICIES OF THE BANK.

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

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

8 5. MEET REGULARLY WITH THE BANK OF ARIZONA COMMISSION TO PRESENT ANY
9 RECOMMENDATIONS CONCERNING THE BANK OF ARIZONA.

10 6-1805. Bank president and employees; compensation

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

15 6-1806. Removal and discharge of appointees

16 THE BANK OF ARIZONA COMMISSION MAY REMOVE AND DISCHARGE ANY PERSON
17 APPOINTED PURSUANT TO THIS CHAPTER EXCEPT A PERSON APPOINTED PURSUANT TO
18 SECTION 6-1803.

19 6-1807. State monies deposited in bank of Arizona; income of
20 the bank

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

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

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. Limitations on loans

41 NOTWITHSTANDING ANY OTHER LAW, THE BANK OF ARIZONA MAY NOT MAKE ANY
42 LOAN OR OTHERWISE GIVE ITS CREDIT TO A MEMBER OF THE BANK OF ARIZONA
43 COMMISSION OR THE BANK OF ARIZONA ADVISORY BOARD OF DIRECTORS. BEFORE TAKING
44 OFFICE, A MEMBER OF THE BANK OF ARIZONA COMMISSION MUST FILE A STATEMENT WITH
45 THE BANK OF ARIZONA INDICATING ANY PERSONAL INTEREST THAT THE MEMBER HAS IN

1 ANY LOAN OR LOAN APPLICATION IN EXISTENCE OR PENDING AT ANY TIME DURING THE
2 MEMBER'S TERM ON THE COMMISSION.

3 6-1812. Program termination

4 THE PROGRAM ESTABLISHED BY THIS CHAPTER ENDS ON JULY 1, 2022 PURSUANT
5 TO SECTION 41-3102.

6 Sec. 2. Initial terms of members of the bank of Arizona
7 advisory board of directors

8 A. Notwithstanding section 6-1803, Arizona Revised Statutes, as added
9 by this act, the initial terms of members of the bank of Arizona advisory
10 board of directors appointed pursuant to section 6-1803, subsection A,
11 paragraphs 3 and 4, Arizona Revised Statutes, as added by this act, are:

12 1. Two terms ending July 1, 2014.

13 2. Three terms ending July 1, 2016.

14 B. All subsequent appointments shall be made as prescribed by statute.