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

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

CHAPTER 18
BANK OF ARIZONA

ARTICLE 1. GENERAL PROVISIONS

6-1801. Establishment of bank of Arizona
A. This state shall engage in the business of banking and shall maintain a system of banking owned, controlled and operated by this state under the name of the Bank of Arizona.
B. The Bank of Arizona must comply with Chapter 2 of this title.

6-1802. Bank of Arizona commission duties
The Bank of Arizona Commission shall operate, manage and control the Bank of Arizona, locate and maintain its places of business, of which the principal place must be in this state, and make and enforce orders, rules and bylaws for the transaction of its business. The business and financial transactions of the bank, in addition to other matters specified in this chapter, may include anything that any bank or bank holding company may lawfully do. This section does not limit or qualify either the powers of the Bank of Arizona Commission or the functions of the Bank of Arizona. The powers of the Bank of Arizona Commission and the functions of the Bank must be implemented through actions taken and policies adopted by the Bank of Arizona Commission.

6-1803. Bank of Arizona advisory board of directors; terms
A. An advisory board of directors to the Bank of Arizona is established consisting of the following seven persons:
1. One member of the Senate who is appointed by the President of the Senate.
2. One member of the House of Representatives who is appointed by the Speaker of the House of Representatives.
3. Three persons who are appointed by the State Treasurer.
4. Two public members who are appointed by the Governor.
B. The terms of members appointed pursuant to subsection A, paragraph 3 or 4 of this section are four years.
C. Appointed members serve at the pleasure of the person who made the appointment.

6-1804. Duties of the bank of Arizona advisory board of directors
The advisory board of directors to the Bank of Arizona shall:
1. Establish the Bank of Arizona Commission to manage and operate the Bank of Arizona.
2. Meet regularly with the management of the Bank of Arizona to review the bank's operations to determine whether recommendations should be made by the Board to the Bank of Arizona Commission relating to improved management
PERFORMANCE, BETTER CUSTOMER SERVICE AND OVERALL IMPROVEMENT IN INTERNAL
METHODS, PROCEDURES AND OPERATING POLICIES OF THE BANK.

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

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

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

6-1805. Bank president and employees; compensation
THE BANK OF ARIZONA COMMISSION SHALL EMPLOY OFFICERS, EMPLOYEES AND
AGENTS AS THE BANK OF ARIZONA COMMISSION DEEMS NECESSARY AND IN THE INTERESTS
OF THIS STATE AND SHALL PRESCRIBE THE DUTIES, DESIGNATE THE TITLES AND FIX
THE COMPENSATION OF ALL APPOINTED PERSONS.

6-1806. Removal and discharge of appointees
THE BANK OF ARIZONA COMMISSION MAY REMOVE AND DISCHARGE ANY PERSON
APPOINTED PURSUANT TO THIS CHAPTER EXCEPT A PERSON APPOINTED PURSUANT TO
SECTION 6-1803.

6-1807. State monies deposited in bank of Arizona; income of
the bank
A. ALL STATE MONIES MUST BE DEPOSITED IN THE BANK OF ARIZONA BY THE
PERSONS HAVING CONTROL OF THE MONIES OR MUST BE DEPOSITED IN ACCORDANCE WITH
CONSTITUTIONAL AND STATUTORY PROVISIONS.
B. ALL INCOME EARNED BY THE BANK FOR ITS OWN ACCOUNT ON STATE MONIES
THAT ARE DEPOSITED IN OR INVESTED WITH THE BANK TO THE CREDIT OF THIS STATE
MUST BE CREDITED TO AND BECOME A PART OF THE REVENUES AND INCOME OF THE BANK.

6-1808. Guaranty of deposits; exemption from all taxation
ALL DEPOSITS IN THE BANK OF ARIZONA ARE GUARANTEED BY THIS STATE. THE
DEPOSITS ARE EXEMPT FROM ALL STATE, COUNTY AND MUNICIPAL TAXES.

6-1809. Clearinghouse
FOR BANKS THAT MAKE THE BANK OF ARIZONA A RESERVE DEPOSITARY, THE BANK
OF ARIZONA MAY PERFORM THE FUNCTIONS AND RENDER THE SERVICES OF A
CLEARINGHOUSE, INCLUDING ALL FACILITIES FOR PROVIDING DOMESTIC AND FOREIGN
EXCHANGE, AND MAY REDISCOUNT PAPER, ON TERMS THAT THE BANK OF ARIZONA
COMMISSION PREScribes.

6-1810. Powers
THE BANK OF ARIZONA MAY MAKE, PURCHASE, GUARANTEE OR HOLD LOANS TO ALL
PERSONS IN THIS STATE AS PRESCRIBED BY THE BANK OF ARIZONA ADVISORY BOARD OF
DIRECTORS AND THE BANK OF ARIZONA.

6-1811. Limitations on loans
NOTWITHSTANDING ANY OTHER LAW, THE BANK OF ARIZONA MAY NOT MAKE ANY
LOAN OR OTHERWISE GIVE ITS CREDIT TO A MEMBER OF THE BANK OF ARIZONA
COMMISSION OR THE BANK OF ARIZONA ADVISORY BOARD OF DIRECTORS. BEFORE TAKING
OFFICE, A MEMBER OF THE BANK OF ARIZONA COMMISSION MUST FILE A STATEMENT WITH
THE BANK OF ARIZONA INDICATING ANY PERSONAL INTEREST THAT THE MEMBER HAS IN
ANY LOAN OR LOAN APPLICATION IN EXISTENCE OR PENDING AT ANY TIME DURING THE
MEMBER’S TERM ON THE COMMISSION.

6-1812. Program termination
THE PROGRAM ESTABLISHED BY THIS CHAPTER ENDS ON JULY 1, 2022 PURSUANT
TO SECTION 41-3102.

Sec. 2. Initial terms of members of the bank of Arizona
advisory board of directors
A. Notwithstanding section 6-1803, Arizona Revised Statutes, as added
by this act, the initial terms of members of the bank of Arizona advisory
board of directors appointed pursuant to section 6-1803, subsection A,
paragraphs 3 and 4, Arizona Revised Statutes, as added by this act, are:
1. Two terms ending July 1, 2014.
2. Three terms ending July 1, 2016.
B. All subsequent appointments shall be made as prescribed by statute.