AN ACT

AMENDING TITLE 6, ARIZONA REVISED STATUTES, BY ADDING CHAPTER 18; AMENDING TITLE 41, CHAPTER 27, ARTICLE 2, ARIZONA REVISED STATUTES, BY ADDING SECTION 41-3025.01; 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

6-1803. Bank of Arizona advisory board of directors; terms
A. THE 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 ADVISORY BOARD OF DIRECTORS TO THE BANK OF ARIZONA. 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.

Sec. 2. Title 41, chapter 27, article 2, Arizona Revised Statutes, is amended by adding section 41-3025.01, to read:

41-3025.01. Bank of Arizona commission and the advisory board of directors to the bank of Arizona; termination

A. THE BANK OF ARIZONA COMMISSION AND THE ADVISORY BOARD OF DIRECTORS TO THE BANK OF ARIZONA TERMINATE ON JULY 1, 2025.
B. TITLE 6, CHAPTER 18 IS REPEALED ON JANUARY 1, 2026.

Sec. 3. Purpose
Pursuant to section 41-2955, subsection E, Arizona Revised Statutes, the legislature establishes the bank of Arizona commission and the advisory board of directors to the bank of Arizona to operate, manage and control a state-owned bank in Arizona.

Sec. 4. Initial terms of members of the bank of Arizona advisory board of directors
A. Notwithstanding section 6-1803, Arizona Revised Statutes, the initial terms of members of the advisory board of directors to the bank of Arizona appointed pursuant to section 6-1803, subsection A, paragraphs 3 and 4, Arizona Revised Statutes, are:
1. Two terms ending July 1, 2017.
2. Three terms ending July 1, 2019.
B. All subsequent appointments shall be made as prescribed by statute.