Senate Engrossed

FILED

JANICE K. BREWER
SECRETARY OF STATE

State of Arizona
Senate
Forty-eighth Legislature
First Regular Session
2007

CHAPTER 36

SENATE BILL 1296

AN ACT

AMENDING SECTION 35-315, ARIZONA REVISED STATUTES; RELATING TO STATE SERVICING BANKS.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

Section 1. Section 35-315, Arizona Revised Statutes, is amended to read:

35-315. Servicing banks; qualifications; proposals

A. Any bank eligible to become an eligible depository having a total capital structure of ten million dollars or more and assets of two hundred million dollars or more and being otherwise in a sound condition is eligible to be the servicing bank for the state.

B. On the first Monday in ~~April~~ MARCH of each year of award, the state board of investment shall ~~notify in writing each of~~ PROVIDE FOR PUBLIC NOTICE TO the banks qualified to be a servicing bank of the time and place at which servicing proposals will be received. Requests for proposals shall clearly specify all services required to be performed by the servicing bank. The servicing proposal submitted shall be the compensation for which the qualified bank will agree to perform the required services as a servicing bank for the ensuing period of designation as established by the board of investment. The award shall be made for a period not to exceed five years and may be paid from general fund interest earnings according to rules adopted by the board of investment.

C. On the fourth Monday in April of the year of the award, the state treasurer shall receive the servicing proposals in writing. Only those proposals that conform to the specifications set forth in the request for proposals shall be considered. The qualified bank submitting the proposal with the highest value to this state, as determined by the state treasurer and the board of investment, shall be designated as the servicing bank. Designations shall be evidenced by the signing of the final proposal by the state treasurer, the board of investment and the designee bank. The state treasurer may maintain a bank account in conjunction with the servicing bank account, which must have on deposit at all times a sum of money approximating the average dollar value of daily warrants paid by the bank the previous month. ~~The balance shall be established by the state board of investment.~~

D. The state treasurer may request and qualified banks may submit proposals for any or all of the services required. The state treasurer may specify differing contract periods for any or all of the services required.

E. The state treasurer or servicing bank may terminate a servicing bank contract at any time after sixty days' prior written notice is given.

F. In addition to the services required of the servicing bank, the state treasurer shall contract for all other banking services required by any state agency. No state agency shall contract for banking services except with the written permission of the state treasurer.

G. This section does not require the state treasurer to utilize a servicing bank.

H. This section or the specifications set forth in the request for proposals shall not be construed to require the servicing bank to purchase warrants.

I. Deposits and withdrawals of monies shall be made by the state treasurer ~~through direct deposit and withdrawal~~ on the servicing bank.

APPROVED BY THE GOVERNOR APRIL 10, 2007.

FILED IN THE OFFICE OF THE SECRETARY OF STATE APRIL 11, 2007.

Passed the House April 2, 20 07,

by the following vote: 53 Ayes,

2 Nays, 5 Not Voting

Speaker of the House

Chief Clerk of the House

Passed the Senate February 21, 20 07,

by the following vote: 30 Ayes,

0 Nays, 0 Not Voting

President of the Senate

Secretary of the Senate

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF GOVERNOR

This Bill was received by the Governor this

4th day of April, 20 07,

at 1:43 o'clock P. M.

Secretary to the Governor

Approved this 10 day of

April, 20 07,

at 4:55 o'clock P. M.

Governor of Arizona

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF SECRETARY OF STATE

This Bill was received by the Secretary of State

this 11 day of April, 20 07,

at 9:04 o'clock A. M.

Janice K. Brewer

Secretary of State

S.B. 1296