

REFERENCE TITLE: state servicing banks; procedures

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

SB 1296

Introduced by
Senator Harper

AN ACT

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

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

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

4 35-315. Servicing banks; qualifications; proposals

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

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

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

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

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

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

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

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

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