

Date of Hearing: April 24, 2024

ASSEMBLY COMMITTEE ON LOCAL GOVERNMENT

Juan Carrillo, Chair

AB 2482 (Papan) – As Amended March 21, 2024

SUBJECT: County treasurer: settlement of accounts.

SUMMARY: Requires that, upon the request of the county auditor, the county treasurer shall provide a settlement of cash receipts and disbursements of the prior calendar month to the auditor on or before 12 business days, instead of 10, after the treasurer receives the auditor's request.

EXISTING LAW:

- 1) Requires the county treasurer to receive and keep safely all money belonging to the county and all other money directed by law to be paid to him and apply and pay it out, rendering the account as required by law [Government Code (GC) § 27000].
- 2) Authorizes the board of supervisors to, by ordinance, delegate to the county treasurer the authority to invest or reinvest the funds of the county and the funds of other depositors in the county treasury, as specified. The county treasurer shall thereafter assume full responsibility for those transactions until the board of supervisors either revokes its delegation of authority, by ordinance, or decides not to renew the annual delegation (GC 27000.1).
- 3) Specifies that with regard to county funds deposited in the county treasury, the board of supervisors is the agent of the county who serves as a fiduciary and is subject to the prudent investor standard, unless a delegation has occurred, in which case the county treasurer shall be the agent of the county with respect to these funds, serve as a fiduciary, and be subject to the prudent investor standard and the board of supervisors shall not be the agent, serve as a fiduciary, or be subject to the prudent investor standard (GC § 27000.3).
- 4) Requires treasurers to keep an account of the receipt and expenditure of all money received or paid out by them in books provided for the purpose. They shall enter in the books the amount, the time, from whom, and on what account all money was received by them, and the warrant number, the amount, time, and on what account all disbursements were made by them (GC § 27002).
- 5) Specifies that treasurers shall keep their books or any other authorized form of record so that the amounts received and paid out on account of separate funds or specific appropriations are exhibited in separate and distinct accounts, and the whole receipts and expenditures shown in one general or cash account (GC § 27003).
- 6) Requires the treasurer to settle their accounts relating to the collection, care, and disbursement of public revenue of whatsoever nature and kind with the auditor no less frequently than monthly. Upon the request of the auditor, the treasurer shall provide a settlement of cash receipts and disbursements of the prior calendar month to the auditor on or before 10 business days after the treasurer receives the auditor's request (GC § 27601).

FISCAL EFFECT: None.

COMMENTS:

- 1) **County Governance.** Existing law provides for county powers and governance, including an elected county board of supervisors, an elected county sheriff, an elected district attorney, and an elected assessor. The powers of a county can only be exercised by the board of supervisors or through officers acting under the authority of the board or authority conferred by law. The board supervises the official conduct of all county officers, particularly as their activities pertain to the management and disbursement of public funds. The board of supervisors is also vested with the constitutional authority to provide for the number, compensation, tenure, and appointment of employees.
- 2) **County Treasurer.** County treasurers typically receive and keep safely all money belonging to the county and all other money directed by law to be paid to them and pay it out, rendering the account as required. If delegated to the treasurer by the board of supervisors, the treasurer may invest or reinvest the funds of the county and the funds of other depositors in the county treasury. The treasurer must then assume full responsibility for those transactions until the board of supervisors either revokes its delegation of authority or decides not to renew the annual delegation. State law often dictates which types of investments can be made and requires the treasurer to meet certain educational, professional and training criteria. Most treasurers are elected officials, although some are appointed by the board of supervisors.
- 3) **Bill Summary and Author's Statement.** This bill requires that, upon the request of the county auditor, the treasurer shall provide a settlement of cash receipts and disbursements of the prior calendar month to the auditor on or before 12 business days, instead of 10, after the treasurer receives the auditor's request.

According to the author, "While many county boards have a standard weekly meeting schedule, these meetings can become sparse at the end of the calendar year around the holidays. Extending the timeframe by two business days will push the request into a third calendar week, allowing for more flexibility for treasurers to comply with the request while still providing the information in a timely manner."

- 4) **Previous Legislation.** SB 825 (Senate Local Government Committee) specified that the treasurer shall settle their accounts relating to the collection, care, and disbursement of public revenue of whatsoever nature and kind with the auditor no less frequently than monthly. Upon the request of the auditor, the treasurer shall provide a settlement of cash receipts and disbursements of the prior calendar month to the auditor on or before 10 business days after the treasurer receives the auditor's request. Prior to this change, treasurers were required to settle their account with the auditor not later than the tenth of each month.
- 5) **Arguments in Support.** None on file.
- 6) **Arguments in Opposition.** None on file.

REGISTERED SUPPORT / OPPOSITION:

Support

None on file

Opposition

None on file

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