



CBA Regulatory Compliance Bulletin

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New Bill Authorizes Bank Disclosure of Agency Accounts

Earlier this year the State Treasurer's Office ("STO") sought to identify, with the help of banks, accounts that are held by state agencies or departments but which had not been made known to the STO. The STO routed the request for assistance through the Department of Business Oversight, which essentially passed the request along to banks. The request created some uncertainty over the STO's legal authority to make the requests to divulge customer information under the California Right to Financial Privacy Act (Government Code Section 7470 et. seq.).

The California legislature enacted SB 898 (Cannella, adding new Section 16301.3 to the Government Code), which requires state agencies, departments, and entities to provide the STO with their employer identification numbers. The STO may use those EIN's to monitor state money deposited outside the centralized State Treasury System. The bill also provides that, "notwithstanding any other provision of law" banks are required to provide, when requested by the STO, the following items of information relating to these EIN's:

- account number
- account balance
- account owner of record
- account type
- account opening date
- account closing date, and
- account purpose, if known.

The quoted phrase is intended to clarify that neither the STO nor banks are required to comply with, or be liable under, the provisions of the California Right to Financial Privacy Act in connection with requests made under SB 898.

The bill becomes effective as of January 1, 2015. Kevin Gould was CBA's lead lobbyist on SB 898.

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