

West's Annotated California Codes

Government Code (Refs & Annos)

Title 5. Local Agencies (Refs & Annos)

Division 2. Cities, Counties, and Other Agencies (Refs & Annos)

Part 1. Powers and Duties Common to Cities, Counties, and Other Agencies (Refs & Annos)

Chapter 4. Financial Affairs (Refs & Annos)

Article 2. Deposit of Funds (Refs & Annos)

West's Ann.Cal.Gov.Code § 53684

§ 53684. Local agencies; excess funds; investment by county treasurer

Currentness

(a) Unless otherwise provided by law, if the treasurer of any local agency, or other official responsible for the funds of the local agency, determines that the local agency has excess funds which are not required for immediate use, the treasurer or other official may, upon the adoption of a resolution by the legislative or governing body of the local agency authorizing the investment of funds pursuant to this section and with the consent of the county treasurer, deposit the excess funds in the county treasury for the purpose of investment by the county treasurer pursuant to [Section 53601](#) or [53635](#), or [Section 20822 of the Revenue and Taxation Code](#).

(b) The county treasurer shall, at least quarterly, apportion any interest or other increment derived from the investment of funds pursuant to this section in an amount proportionate to the average daily balance of the amounts deposited by the local agency and to the total average daily balance of deposits in the investment pool. In apportioning and distributing that interest or increment, the county treasurer may use the cash method, the accrual method, or any other method in accordance with generally accepted accounting principles.

Prior to distributing that interest or increment, the county treasurer may deduct the actual costs incurred by the county in administering this section in proportion to the average daily balance of the amounts deposited by the local agency and to the total average daily balance of deposits in the investment pool.

(c) The county treasurer shall disclose to each local agency that invests funds pursuant to this section the method of accounting used, whether cash, accrual, or other, and shall notify each local agency of any proposed changes in the accounting method at least 30 days prior to the date on which the proposed changes take effect.

(d) The treasurer or other official responsible for the funds of the local agency may withdraw the funds of the local agency pursuant to the procedure specified in [Section 27136](#).

(e) Any moneys deposited in the county treasury for investment pursuant to this section are not subject to impoundment or seizure by any county official or agency while the funds are so deposited.

(f) This section is not operative in any county until the board of supervisors of the county, by majority vote, adopts a resolution making this section operative in the county.

(g) It is the intent of the Legislature in enacting this section to provide an alternative procedure to [Section 51301](#) for local agencies to deposit money in the county treasury for investment purposes. Nothing in this section shall, therefore, be construed as a limitation on the authority of a county and a city to contract for the county treasurer to perform treasury functions for a city pursuant to [Section 51301](#).

Credits

(Added by Stats.1986, c. 582, § 1, eff. Aug. 26, 1986. Amended by [Stats.1996, c. 81 \(A.B.2845\)](#), § 1, eff. July 1, 1996; [Stats.1997, c. 204 \(S.B.1287\)](#), § 2; [Stats.2000, c. 168 \(S.B.1493\)](#), § 1; [Stats.2011, c. 369 \(A.B.1090\)](#), § 2.)

[Notes of Decisions \(1\)](#)

West's Ann. Cal. Gov. Code § 53684, CA GOVT § 53684

Current with Ch. 1 of 2023-24 2nd Ex.Sess, and all laws through Ch. 1017 of 2024 Reg.Sess.

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