

Department of Finance		<b>Fund: 0616</b>
<b>STATE OF CALIFORNIA MANUAL OF STATE FUNDS</b>		<b>PAGE 1</b> Renumbered From:
<b><u>Legal Title</u></b> County Formation Revolving Fund		
<b><u>Legal Citation/Authority</u></b> Chapter 1247, Statutes of 1975 Government Code sections 23331-23344		
<b><u>Fund Classification</u></b> <b><u>GAAP Basis</u></b> Governmental/Special Revenue Funds	<b><u>Fund Classification</u></b> <b><u>Legal Basis</u></b> Nongovernmental/Working Capital and Revolving Funds	
<b><u>Purpose</u></b> Making loans to County Formation Review Commissions. All loans are required to be repaid within one year of the date on which the issue of county formation was voted upon by the people. If a new county is created, the loan is repaid by the new county. If a new county is not formed, the loan is repaid by each affected county in equal shares.  Loans may not exceed \$100,000 per commission and are to bear interest at the rate earned by the Pooled Money Investment Board, on its investment of state funds, at the time the loan is made.		
<b><u>Administering Agency/Organization Code</u></b> State Controller/Org 0840		
<b><u>Major Revenue Source</u></b> Loan repayments, including interest, from County Formation Review Commissions.		
<b><u>Disposition of Fund (upon abolishment)</u></b> Pursuant to Government Code section 16346, in the absence of language that identifies a successor fund, any balance remaining in this fund upon abolishment, shall be transferred to the General Fund.		
<b><u>Appropriation Authority</u></b> Section 23344(d) of the Government Code provides that the fund is "appropriated without regard to fiscal year, for the purposes of this section."		
<b><u>State Appropriations Limit</u></b> <b>Always Excluded</b> – Revenues in this fund are not proceeds of taxes and even after transfer, will never become proceeds of taxes because the major revenue source is derived from a Working Capital and Revolving Fund.		
<b><u>Comments/Historical Information</u></b> Chapter 1247, Statutes of 1975 provided for a permanent working capital advance of \$100,000 from the General Fund. Chapter 465, Statutes of 1978 appropriated an additional \$300,000 from the General Fund to the County Formation Revolving Fund, thereby increasing this working capital advance to \$400,000.		