

# SB2449



## 104TH GENERAL ASSEMBLY

### State of Illinois

2025 and 2026

SB2449

Introduced 2/7/2025, by Sen. Rachel Ventura

#### SYNOPSIS AS INTRODUCED:

15 ILCS 520/22.5

from Ch. 130, par. 41a

Amends the Deposit of State Moneys Act. Removes a provision that allows the State Treasurer to invest or reinvest any State money in bonds, notes, debentures, or other similar obligations of a foreign government that satisfies specified requirements.

LRB104 11308 SPS 21394 b

A BILL FOR

1 AN ACT concerning State government.

2 **Be it enacted by the People of the State of Illinois,**  
3 **represented in the General Assembly:**

4 Section 5. The Deposit of State Moneys Act is amended by  
5 changing Section 22.5 as follows:

6 (15 ILCS 520/22.5) (from Ch. 130, par. 41a)

7 (For force and effect of certain provisions, see Section  
8 90 of P.A. 94-79)

9 Sec. 22.5. Permitted investments. The State Treasurer may  
10 invest and reinvest any State money in the State Treasury  
11 which is not needed for current expenditures due or about to  
12 become due, in obligations of the United States government or  
13 its agencies or of National Mortgage Associations established  
14 by or under the National Housing Act, 12 U.S.C. 1701 et seq.,  
15 or in mortgage participation certificates representing  
16 undivided interests in specified, first-lien conventional  
17 residential Illinois mortgages that are underwritten, insured,  
18 guaranteed, or purchased by the Federal Home Loan Mortgage  
19 Corporation or in Affordable Housing Program Trust Fund Bonds  
20 or Notes as defined in and issued pursuant to the Illinois  
21 Housing Development Act. All such obligations shall be  
22 considered as cash and may be delivered over as cash by a State  
23 Treasurer to his successor.

1           The State Treasurer may purchase any state bonds with any  
2 money in the State Treasury that has been set aside and held  
3 for the payment of the principal of and interest on the bonds.  
4 The bonds shall be considered as cash and may be delivered over  
5 as cash by the State Treasurer to his successor.

6           The State Treasurer may invest or reinvest any State money  
7 in the State Treasury that is not needed for current  
8 expenditures due or about to become due, or any money in the  
9 State Treasury that has been set aside and held for the payment  
10 of the principal of and interest on any State bonds, in bonds  
11 issued by counties or municipal corporations of the State of  
12 Illinois.

13           The State Treasurer may invest or reinvest up to 5% of the  
14 College Savings Pool Administrative Trust Fund, the Illinois  
15 Public Treasurer Investment Pool (IPTIP) Administrative Trust  
16 Fund, and the State Treasurer's Administrative Fund that is  
17 not needed for current expenditures due or about to become  
18 due, in common or preferred stocks of publicly traded  
19 corporations, partnerships, or limited liability companies,  
20 organized in the United States, with assets exceeding  
21 \$500,000,000 if: (i) the purchases do not exceed 1% of the  
22 corporation's or the limited liability company's outstanding  
23 common and preferred stock; (ii) no more than 10% of the total  
24 funds are invested in any one publicly traded corporation,  
25 partnership, or limited liability company; and (iii) the  
26 corporation or the limited liability company has not been

1 placed on the list of restricted companies by the Illinois  
2 Investment Policy Board under Section 1-110.16 of the Illinois  
3 Pension Code.

4 Whenever the total amount of vouchers presented to the  
5 Comptroller under Section 9 of the State Comptroller Act  
6 exceeds the funds available in the General Revenue Fund by  
7 \$1,000,000,000 or more, then the State Treasurer may invest  
8 any State money in the State Treasury, other than money in the  
9 General Revenue Fund, Health Insurance Reserve Fund, Attorney  
10 General Court Ordered and Voluntary Compliance Payment  
11 Projects Fund, Attorney General Whistleblower Reward and  
12 Protection Fund, and Attorney General's State Projects and  
13 Court Ordered Distribution Fund, which is not needed for  
14 current expenditures, due or about to become due, or any money  
15 in the State Treasury which has been set aside and held for the  
16 payment of the principal of and the interest on any State bonds  
17 with the Office of the Comptroller in order to enable the  
18 Comptroller to pay outstanding vouchers. At any time, and from  
19 time to time outstanding, such investment shall not be greater  
20 than \$2,000,000,000. Such investment shall be deposited into  
21 the General Revenue Fund or Health Insurance Reserve Fund as  
22 determined by the Comptroller. Such investment shall be repaid  
23 by the Comptroller with an interest rate tied to the London  
24 Interbank Offered Rate (LIBOR) or the Federal Funds Rate or an  
25 equivalent market established variable rate, but in no case  
26 shall such interest rate exceed the lesser of the penalty rate

1 established under the State Prompt Payment Act or the timely  
2 pay interest rate under Section 368a of the Illinois Insurance  
3 Code. The State Treasurer and the Comptroller shall enter into  
4 an intergovernmental agreement to establish procedures for  
5 such investments, which market established variable rate to  
6 which the interest rate for the investments should be tied,  
7 and other terms which the State Treasurer and Comptroller  
8 reasonably believe to be mutually beneficial concerning these  
9 investments by the State Treasurer. The State Treasurer and  
10 Comptroller shall also enter into a written agreement for each  
11 such investment that specifies the period of the investment,  
12 the payment interval, the interest rate to be paid, the funds  
13 in the State Treasury from which the State Treasurer will draw  
14 the investment, and other terms upon which the State Treasurer  
15 and Comptroller mutually agree. Such investment agreements  
16 shall be public records and the State Treasurer shall post the  
17 terms of all such investment agreements on the State  
18 Treasurer's official website. In compliance with the  
19 intergovernmental agreement, the Comptroller shall order and  
20 the State Treasurer shall transfer amounts sufficient for the  
21 payment of principal and interest invested by the State  
22 Treasurer with the Office of the Comptroller under this  
23 paragraph from the General Revenue Fund or the Health  
24 Insurance Reserve Fund to the respective funds in the State  
25 Treasury from which the State Treasurer drew the investment.  
26 Public Act 100-1107 shall constitute an irrevocable and

1 continuing authority for all amounts necessary for the payment  
2 of principal and interest on the investments made with the  
3 Office of the Comptroller by the State Treasurer under this  
4 paragraph, and the irrevocable and continuing authority for  
5 and direction to the Comptroller and State Treasurer to make  
6 the necessary transfers.

7 The State Treasurer may invest or reinvest any State money  
8 in the State Treasury that is not needed for current  
9 expenditure, due or about to become due, or any money in the  
10 State Treasury that has been set aside and held for the payment  
11 of the principal of and the interest on any State bonds, in any  
12 of the following:

13 (1) Bonds, notes, certificates of indebtedness,  
14 Treasury bills, or other securities now or hereafter  
15 issued that are guaranteed by the full faith and credit of  
16 the United States of America as to principal and interest.

17 (2) Bonds, notes, debentures, or other similar  
18 obligations of the United States of America, its agencies,  
19 and instrumentalities, or other obligations that are  
20 issued or guaranteed by supranational entities; provided,  
21 that at the time of investment, the entity has the United  
22 States government as a shareholder.

23 (2.5) (Blank). ~~Bonds, notes, debentures, or other~~  
24 ~~similar obligations of a foreign government, other than~~  
25 ~~the Republic of the Sudan, that are guaranteed by the full~~  
26 ~~faith and credit of that government as to principal and~~

1 ~~interest, but only if the foreign government has not~~  
2 ~~defaulted and has met its payment obligations in a timely~~  
3 ~~manner on all similar obligations for a period of at least~~  
4 ~~25 years immediately before the time of acquiring those~~  
5 ~~obligations.~~

6 (3) Interest-bearing savings accounts,  
7 interest-bearing certificates of deposit,  
8 interest-bearing time deposits, or any other investments  
9 constituting direct obligations of any bank as defined by  
10 the Illinois Banking Act.

11 (4) Interest-bearing accounts, certificates of  
12 deposit, or any other investments constituting direct  
13 obligations of any savings and loan associations  
14 incorporated under the laws of this State or any other  
15 state or under the laws of the United States.

16 (5) Dividend-bearing share accounts, share certificate  
17 accounts, or class of share accounts of a credit union  
18 chartered under the laws of this State or the laws of the  
19 United States; provided, however, the principal office of  
20 the credit union must be located within the State of  
21 Illinois.

22 (6) Bankers' acceptances of banks whose senior  
23 obligations are rated in the top 2 rating categories by 2  
24 national rating agencies and maintain that rating during  
25 the term of the investment and the bank has not been placed  
26 on the list of restricted companies by the Illinois

1 Investment Policy Board under Section 1-110.16 of the  
2 Illinois Pension Code.

3 (7) Short-term obligations of either corporations or  
4 limited liability companies organized in the United States  
5 with assets exceeding \$500,000,000 if (i) the obligations  
6 are rated at the time of purchase at one of the 3 highest  
7 classifications established by at least 2 standard rating  
8 services and mature not later than 270 days from the date  
9 of purchase, (ii) the purchases do not exceed 10% of the  
10 corporation's or the limited liability company's  
11 outstanding obligations, (iii) no more than one-third of  
12 the public agency's funds are invested in short-term  
13 obligations of either corporations or limited liability  
14 companies, and (iv) the corporation or the limited  
15 liability company has not been placed on the list of  
16 restricted companies by the Illinois Investment Policy  
17 Board under Section 1-110.16 of the Illinois Pension Code.

18 (7.5) Obligations of either corporations or limited  
19 liability companies organized in the United States, that  
20 have a significant presence in this State, with assets  
21 exceeding \$500,000,000 if: (i) the obligations are rated  
22 at the time of purchase at one of the 3 highest  
23 classifications established by at least 2 standard rating  
24 services and mature more than 270 days, but less than 10  
25 years, from the date of purchase; (ii) the purchases do  
26 not exceed 10% of the corporation's or the limited

1 liability company's outstanding obligations; (iii) no more  
2 than one-third of the public agency's funds are invested  
3 in such obligations of corporations or limited liability  
4 companies; and (iv) the corporation or the limited  
5 liability company has not been placed on the list of  
6 restricted companies by the Illinois Investment Policy  
7 Board under Section 1-110.16 of the Illinois Pension Code.

8 (8) Money market mutual funds registered under the  
9 Investment Company Act of 1940.

10 (9) The Public Treasurers' Investment Pool created  
11 under Section 17 of the State Treasurer Act or in a fund  
12 managed, operated, and administered by a bank.

13 (10) Repurchase agreements of government securities  
14 having the meaning set out in the Government Securities  
15 Act of 1986, as now or hereafter amended or succeeded,  
16 subject to the provisions of that Act and the regulations  
17 issued thereunder.

18 (11) Investments made in accordance with the  
19 Technology Development Act.

20 (12) Investments made in accordance with the Student  
21 Investment Account Act.

22 (13) Investments constituting direct obligations of a  
23 community development financial institution, which is  
24 certified by the United States Treasury Community  
25 Development Financial Institutions Fund and is operating  
26 in the State of Illinois.

1           (14) Investments constituting direct obligations of a  
2           minority depository institution, as designated by the  
3           Federal Deposit Insurance Corporation, that is operating  
4           in the State of Illinois.

5           (15) Investments made in accordance with any other law  
6           that authorizes the State Treasurer to invest or deposit  
7           funds.

8           For purposes of this Section, "agencies" of the United  
9           States Government includes:

10           (i) the federal land banks, federal intermediate  
11           credit banks, banks for cooperatives, federal farm credit  
12           banks, or any other entity authorized to issue debt  
13           obligations under the Farm Credit Act of 1971 (12 U.S.C.  
14           2001 et seq.) and Acts amendatory thereto;

15           (ii) the federal home loan banks and the federal home  
16           loan mortgage corporation;

17           (iii) the Commodity Credit Corporation; and

18           (iv) any other agency created by Act of Congress.

19           The State Treasurer may lend any securities acquired under  
20           this Act. However, securities may be lent under this Section  
21           only in accordance with Federal Financial Institution  
22           Examination Council guidelines and only if the securities are  
23           collateralized at a level sufficient to assure the safety of  
24           the securities, taking into account market value fluctuation.  
25           The securities may be collateralized by cash or collateral  
26           acceptable under Sections 11 and 11.1.

1 (Source: P.A. 101-81, eff. 7-12-19; 101-206, eff. 8-2-19;  
2 101-586, eff. 8-26-19; 101-657, eff. 3-23-21; 102-297, eff.  
3 8-6-21; 102-558, eff. 8-20-21; 102-813, eff. 5-13-22.)