

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 \$500,000,000 or more, then the State Treasurer may invest any
8 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. On or after July 1, 2025, and
23 through June 30, 2026, at the request of the Governor and with
24 the approval of the Treasurer, the Comptroller may make
25 deposits into other funds in the State Treasury to pay
26 outstanding vouchers or in anticipation of vouchers that may

1 be submitted to the Comptroller for payment. Such investment
2 shall be repaid by the Comptroller with an interest rate tied
3 to the Secured Overnight Financing Rate (SOFR) or the Federal
4 Funds Rate or an equivalent market established variable rate,
5 but in no case shall such interest rate exceed the lesser of
6 the penalty rate established under the State Prompt Payment
7 Act or the timely pay interest rate under Section 368a of the
8 Illinois Insurance Code. The State Treasurer and the
9 Comptroller shall enter into an intergovernmental agreement to
10 establish procedures for such investments, which market
11 established variable rate to which the interest rate for the
12 investments should be tied, and other terms which the State
13 Treasurer and Comptroller reasonably believe to be mutually
14 beneficial concerning these investments by the State
15 Treasurer. The State Treasurer and Comptroller shall also
16 enter into a written agreement for each such investment that
17 specifies the period of the investment, the payment interval,
18 the interest rate to be paid, the funds in the State Treasury
19 from which the State Treasurer will draw the investment, and
20 other terms upon which the State Treasurer and Comptroller
21 mutually agree. Such investment agreements shall be public
22 records and the State Treasurer shall post the terms of all
23 such investment agreements on the State Treasurer's official
24 website. In compliance with the intergovernmental agreement,
25 the Comptroller shall order and the State Treasurer shall
26 transfer amounts sufficient for the payment of principal and

1 interest invested by the State Treasurer with the Office of
2 the Comptroller under this paragraph from the General Revenue
3 Fund or the Health Insurance Reserve Fund or, from July 1, 2025
4 through June 30, 2026, the fund identified by the Governor, to
5 the respective funds in the State Treasury from which the
6 State Treasurer drew the investment. Public Act 100-1107 shall
7 constitute an irrevocable and continuing authority for all
8 amounts necessary for the payment of principal and interest on
9 the investments made with the Office of the Comptroller by the
10 State Treasurer under this paragraph, and the irrevocable and
11 continuing authority for and direction to the Comptroller and
12 State Treasurer to make the necessary transfers.

13 The State Treasurer may invest or reinvest any State money
14 in the State Treasury that is not needed for current
15 expenditure, due or about to become due, or any money in the
16 State Treasury that has been set aside and held for the payment
17 of the principal of and the interest on any State bonds, in any
18 of the following:

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

23 (2) Bonds, notes, debentures, or other similar
24 obligations of the United States of America, its agencies,
25 and instrumentalities, or other obligations that are
26 issued or guaranteed by supranational entities; provided,

1 that at the time of investment, the entity has the United
2 States government as a shareholder.

3 (2.5) Bonds, notes, debentures, or other similar
4 obligations of a foreign government, other than the
5 Republic of the Sudan, that are guaranteed by the full
6 faith and credit of that government as to principal and
7 interest, but only if the foreign government has not
8 defaulted and has met its payment obligations in a timely
9 manner on all similar obligations for a period of at least
10 25 years immediately before the time of acquiring those
11 obligations.

12 (3) Interest-bearing savings accounts,
13 interest-bearing certificates of deposit,
14 interest-bearing time deposits, or any other investments
15 constituting direct obligations of any bank as defined by
16 the Illinois Banking Act.

17 (4) Interest-bearing accounts, certificates of
18 deposit, or any other investments constituting direct
19 obligations of any savings and loan associations
20 incorporated under the laws of this State or any other
21 state or under the laws of the United States.

22 (5) Dividend-bearing share accounts, share certificate
23 accounts, or class of share accounts of a credit union
24 chartered under the laws of this State or the laws of the
25 United States; provided, however, the principal office of
26 the credit union must be located within the State of

1 Illinois.

2 (6) Bankers' acceptances of banks whose senior
3 obligations are rated in the top 2 rating categories by 2
4 national rating agencies and maintain that rating during
5 the term of the investment and the bank has not been placed
6 on the list of restricted companies by the Illinois
7 Investment Policy Board under Section 1-110.16 of the
8 Illinois Pension Code.

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

24 (7.5) Obligations of either corporations or limited
25 liability companies organized in the United States, that
26 have a significant presence in this State, with assets

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

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

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

19 (9.5) Pooled investment trusts that are registered as
20 an open-end investment company with the Securities and
21 Exchange Commission and with voting trustees that are
22 officers or employees of a national labor federation, or
23 any member unions thereof, with assets exceeding
24 \$1,000,000,000 if: (i) the purchases do not exceed 5% of
25 the issuers' total assets and (ii) no more than 1% of the
26 public agency's funds are invested in the pooled

1 investment trust.

2 (10) Repurchase agreements of government securities
3 having the meaning set out in the Government Securities
4 Act of 1986, as now or hereafter amended or succeeded,
5 subject to the provisions of that Act and the regulations
6 issued thereunder.

7 (11) Investments made in accordance with the
8 Technology Development Act.

9 (12) Investments made in accordance with the Student
10 Investment Account Act.

11 (13) Investments constituting direct obligations of a
12 community development financial institution, which is
13 certified by the United States Treasury Community
14 Development Financial Institutions Fund and is operating
15 in the State of Illinois.

16 (14) Investments constituting direct obligations of a
17 minority depository institution, as designated by the
18 Federal Deposit Insurance Corporation, that is operating
19 in the State of Illinois.

20 (15) Investments made in accordance with any other law
21 that authorizes the State Treasurer to invest or deposit
22 funds.

23 For purposes of this Section, "agencies" of the United
24 States Government includes:

25 (i) the federal land banks, federal intermediate
26 credit banks, banks for cooperatives, federal farm credit

1 banks, or any other entity authorized to issue debt
2 obligations under the Farm Credit Act of 1971 (12 U.S.C.
3 2001 et seq.) and Acts amendatory thereto;

4 (ii) the federal home loan banks and the federal home
5 loan mortgage corporation;

6 (iii) the Commodity Credit Corporation; and

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

8 The State Treasurer may lend any securities acquired under
9 this Act. However, securities may be lent under this Section
10 only in accordance with Federal Financial Institution
11 Examination Council guidelines and only if the securities are
12 collateralized at a level sufficient to assure the safety of
13 the securities, taking into account market value fluctuation.
14 The securities may be collateralized by cash or collateral
15 acceptable under Sections 11 and 11.1.

16 (Source: P.A. 104-2, eff. 6-16-25.)

17 Section 99. Effective date. This Act takes effect upon
18 becoming law.