Rep. Kevin John Olickal

Filed: 5/15/2026

AMENDMENT TO SENATE BILL 3086

AMENDMENT NO. ______. Amend Senate Bill 3086 by replacing everything after the enacting clause with the following:

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

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

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

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

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

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

The State Treasurer may invest or reinvest up to 5% of the College Savings Pool Administrative Trust Fund, the Illinois Public Treasurer Investment Pool (IPTIP) Administrative Trust Fund, and the State Treasurer's Administrative Fund that is not needed for current expenditures due or about to become due, in common or preferred stocks of publicly traded corporations, partnerships, or limited liability companies, organized in the United States, with assets exceeding $500,000,000 if: (i) the purchases do not exceed 1% of the corporation's or the limited liability company's outstanding common and preferred stock; (ii) no more than 10% of the total funds are invested in any one publicly traded corporation, partnership, or limited liability company; and (iii) the corporation or the limited liability company has not been placed on the list of restricted companies by the Illinois Investment Policy Board under Section 1-110.16 of the Illinois Pension Code.

Whenever the total amount of vouchers presented to the Comptroller under Section 9 of the State Comptroller Act exceeds the funds available in the General Revenue Fund by $500,000,000 or more, then the State Treasurer may invest any State money in the State Treasury, other than money in the General Revenue Fund, Health Insurance Reserve Fund, Attorney General Court Ordered and Voluntary Compliance Payment Projects Fund, Attorney General Whistleblower Reward and Protection Fund, and Attorney General's State Projects and Court Ordered Distribution Fund, which is not needed for current expenditures, due or about to become due, or any money in the State Treasury which has been set aside and held for the payment of the principal of and the interest on any State bonds with the Office of the Comptroller in order to enable the Comptroller to pay outstanding vouchers. At any time, and from time to time outstanding, such investment shall not be greater than $2,000,000,000. Such investment shall be deposited into the General Revenue Fund or Health Insurance Reserve Fund as determined by the Comptroller. On or after July 1, 2025, and through June 30, 2026, at the request of the Governor and with the approval of the Treasurer, the Comptroller may make deposits into other funds in the State Treasury to pay outstanding vouchers or in anticipation of vouchers that may be submitted to the Comptroller for payment. Such investment shall be repaid by the Comptroller with an interest rate tied to the Secured Overnight Financing Rate (SOFR) or the Federal Funds Rate or an equivalent market established variable rate, but in no case shall such interest rate exceed the lesser of the penalty rate established under the State Prompt Payment Act or the timely pay interest rate under Section 368a of the Illinois Insurance Code. The State Treasurer and the Comptroller shall enter into an intergovernmental agreement to establish procedures for such investments, which market established variable rate to which the interest rate for the investments should be tied, and other terms which the State Treasurer and Comptroller reasonably believe to be mutually beneficial concerning these investments by the State Treasurer. The State Treasurer and Comptroller shall also enter into a written agreement for each such investment that specifies the period of the investment, the payment interval, the interest rate to be paid, the funds in the State Treasury from which the State Treasurer will draw the investment, and other terms upon which the State Treasurer and Comptroller mutually agree. Such investment agreements shall be public records and the State Treasurer shall post the terms of all such investment agreements on the State Treasurer's official website. In compliance with the intergovernmental agreement, the Comptroller shall order and the State Treasurer shall transfer amounts sufficient for the payment of principal and interest invested by the State Treasurer with the Office of the Comptroller under this paragraph from the General Revenue Fund or the Health Insurance Reserve Fund or, from July 1, 2025 through June 30, 2026, the fund identified by the Governor, to the respective funds in the State Treasury from which the State Treasurer drew the investment. Public Act 100-1107 shall constitute an irrevocable and continuing authority for all amounts necessary for the payment of principal and interest on the investments made with the Office of the Comptroller by the State Treasurer under this paragraph, and the irrevocable and continuing authority for and direction to the Comptroller and State Treasurer to make the necessary transfers.

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

(1) Bonds, notes, certificates of indebtedness,

Treasury bills, or other securities now or hereafter issued that are guaranteed by the full faith and credit of the United States of America as to principal and interest.

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

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

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

(4) Interest-bearing accounts, certificates of deposit, or any other investments constituting direct obligations of any savings and loan associations

incorporated under the laws of this State or any other state or under the laws of the United States.

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

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

(7) Short-term obligations of either corporations or limited liability companies organized in the United States with assets exceeding $500,000,000 if (i) the obligations are rated at the time of purchase at one of the 3 highest classifications established by at least 2 standard rating services and mature not later than 270 days from the date of purchase, (ii) the purchases do not exceed 10% of the corporation's or the limited liability company's outstanding obligations, (iii) no more than one-third of the public agency's funds are invested in short-term obligations of either corporations or limited liability

companies, and (iv) the corporation or the limited liability company has not been placed on the list of restricted companies by the Illinois Investment Policy Board under Section 1-110.16 of the Illinois Pension Code.

(7.5) Obligations of either corporations or limited liability companies organized in the United States, that have a significant presence in this State, with assets exceeding $500,000,000 if: (i) the obligations are rated at the time of purchase at one of the 3 highest classifications established by at least 2 standard rating services and mature more than 270 days, but less than 10 years, from the date of purchase; (ii) the purchases do not exceed 10% of the corporation's or the limited liability company's outstanding obligations; (iii) no more than one-third of the public agency's funds are invested in such obligations of corporations or limited liability companies; and (iv) the corporation or the limited liability company has not been placed on the list of restricted companies by the Illinois Investment Policy Board under Section 1-110.16 of the Illinois Pension Code.

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

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

<u>(9.5) Pooled investment trusts that are registered as</u>

an open-end investment company with the Securities and Exchange Commission and with voting trustees that are officers or employees of a national labor federation, or any member unions thereof, with assets exceeding $1,000,000,000 if: (i) the purchases do not exceed 5% of the issuers' total assets and (ii) no more than 1% of the public agency's funds are invested in the pooled investment trust.

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

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

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

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

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

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

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

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

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

(iii) the Commodity Credit Corporation; and

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

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

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

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