

SB0653



102ND GENERAL ASSEMBLY

State of Illinois

2021 and 2022

SB0653

Introduced 2/24/2021, by Sen. Robert Peters

SYNOPSIS AS INTRODUCED:

See Index

Amends the Deposit of State Moneys Act. Provides requirements and makes changes concerning financial institutions and depositories throughout the Act. Provides that the Act shall govern the deposit of State moneys for all public funds under the custody or control of the State Treasurer. Repeals specified provisions. Amends the Public Funds Investment Act and the Public Funds Deposit Act. Provides that those Acts do not apply to the Illinois State Treasurer, whose investment of State funds shall be governed by the Deposit of State Moneys Act. Defines terms. Makes conforming and other changes. Effective immediately.

LRB102 13364 RJF 18708 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 State Treasurer Act is amended by changing
5 Section 30 as follows:

6 (15 ILCS 505/30)

7 Sec. 30. Preferences for veterans, minorities, women, and
8 persons with disabilities.

9 (a) As used in this Section:

10 (1) the terms "minority person", "woman", "person with
11 a disability", "minority-owned business", "women-owned
12 business", "business owned by a person with a disability",
13 and "control" have the meanings provided in Section 2 ~~4~~ of
14 the Business Enterprise for Minorities, Women, and Persons
15 with Disabilities Act; and

16 (2) the terms "veteran", "qualified veteran-owned
17 small business", "qualified service-disabled
18 veteran-owned small business", "qualified
19 service-disabled veteran", and "armed forces of the United
20 States" have the meanings provided in Article 45 ~~4~~ of the
21 Illinois Procurement Code.

22 (b) It is hereby declared to be the policy of the State
23 Treasurer to promote and encourage the use of businesses owned

1 by or under the control of qualified veterans of the armed
2 forces of the United States, qualified service-disabled
3 veterans, minority persons, women, or persons with a
4 disability in the area of goods and services. Furthermore, the
5 State Treasurer shall utilize such businesses to the greatest
6 extent feasible within the bounds of financial and fiduciary
7 prudence, and take affirmative steps to remove any barriers to
8 the full participation of such firms in the procurement and
9 contracting opportunities afforded.

10 (c) It shall be an aspirational goal of the State
11 Treasurer to use businesses owned by or under the control of
12 qualified veterans of the armed forces of the United States,
13 qualified service-disabled veterans, minority persons, women,
14 or persons with a disability for not less than 25% of the total
15 dollar amount of funds under management, purchases of
16 investment securities, and other contracts, including, but not
17 limited to, the use of broker-dealers. The State Treasurer is
18 authorized to establish additional aspirational goals.

19 (d) When the State Treasurer procures goods and services,
20 whether through a request for proposal or otherwise, he or she
21 is authorized to incorporate preferences in the scoring
22 process for: (1) a minority-owned business, a women-owned
23 business, a business owned by a person with a disability, a
24 qualified veteran-owned small business, or a qualified
25 service-disabled veteran-owned small business; and (2)
26 businesses having a record of support for increasing diversity

1 and inclusion in board membership, management, employment,
2 philanthropy, and supplier diversity, including investment
3 professionals and investment sourcing.

4 When the State Treasurer utilizes a financial institution
5 or determines the eligibility of a financial institution to
6 participate in a banking contract, investment contract,
7 investment activity, or other financial program of the State
8 Treasurer, he or she shall review the financial institution's
9 Community Reinvestment Act rating, record, and current level
10 of financial commitment to the community prior to making a
11 decision to utilize or determine the eligibility of such
12 financial institution.

13 (e) Beginning with fiscal year 2019, and at least annually
14 thereafter, the State Treasurer shall report on his or her
15 utilization of minority-owned businesses, women-owned
16 businesses, businesses owned by a person with a disability,
17 qualified veteran-owned small businesses, or qualified
18 service-disabled veteran-owned small businesses. The report
19 shall be published on the State Treasurer's official website.

20 (f) The provisions of this Section take precedence over
21 any goals established under the Business Enterprise for
22 Minorities, Women, and Persons with Disabilities Act.

23 (Source: P.A. 100-969, eff. 8-19-18.)

24 Section 10. The Deposit of State Moneys Act is amended by
25 changing Sections 1, 1.1, 2, 7, 8, 9, 10, 11, 12, 14, 15, 17,

1 18, 19, 20, 22, 22.5, 22.8, and 23 as follows:

2 (15 ILCS 520/1) (from Ch. 130, par. 20)

3 Sec. 1. The State Treasurer shall deposit all moneys
4 received by him or her on account of the State within five days
5 after receiving the same in such financial institutions ~~banks,~~
6 ~~savings and loan associations or credit unions~~ of the State as
7 may be authorized to receive such deposits under the terms of
8 this Act. The money so deposited shall be placed to the account
9 of the State Treasurer.

10 No financial institution ~~bank, savings and loan~~
11 ~~association or credit union~~ shall receive public funds as
12 permitted by this Act ~~Section~~, unless it has complied with the
13 requirements established pursuant to this Act ~~Section 6 of "An~~
14 ~~Act relating to certain investments of public funds by public~~
15 ~~agencies", approved July 23, 1943, as now or hereafter~~
16 ~~amended.~~

17 For purposes of this Act, the term "financial institution"
18 ~~"bank" or "savings and loan association"~~ shall be deemed to
19 include any entity authorized to do business in the State of
20 Illinois engaged in the business of dealing with financial and
21 monetary transactions such as deposits, loans, investments,
22 and exchange of currency, including, but not limited to,
23 banks, savings and loan associations, or credit unions ~~a~~
24 ~~credit union, and, unless otherwise specifically set forth in~~
25 ~~this Act, credit unions shall be subject to all rights,~~

1 ~~privileges, remedies, duties, and obligations granted or~~
2 ~~imposed by this Act upon banks and savings and loan~~
3 ~~associations.~~

4 The State Treasurer may require financial institutions to
5 submit sworn statements of resources and liabilities that are
6 required to be furnished to any regulatory or licensing
7 entity, and reports of any examination prepared by or
8 submitted to any regulatory or licensing entity. All records
9 submitted by a financial institution pursuant to this Section
10 shall remain confidential in accordance with applicable laws.

11 The State Treasurer may accept as security for public
12 funds deposited in a financial institution any securities or
13 other eligible collateral authorized by this Act. The State
14 Treasurer is authorized to enter into an agreement with any
15 financial institution, or trust company, or with any agency of
16 the U.S. government relating to the deposit of such assets or
17 securities. The State Treasurer shall be discharged from
18 responsibility for any funds for which assets or securities
19 are so deposited with him or her, and the funds for which
20 securities are so deposited shall not be subject to any
21 otherwise applicable limitation as to amount.

22 This Act shall govern the deposit of State moneys for all
23 public funds under the custody or control of the State
24 Treasurer.

25 (Source: P.A. 85-803.)

1 (15 ILCS 520/1.1) (from Ch. 130, par. 20.1)

2 Sec. 1.1. When investing or depositing public funds, each
3 custodian shall, to the extent permitted by this Act and by the
4 lawful and reasonable performance of his custodial duties,
5 invest or deposit such funds with or in minority-owned
6 financial institutions within this State. For the purposes of
7 this Section, "minority-owned financial institutions" means a
8 financial institution with 51% or more of the stock or equity
9 of the business owned by women, minority persons, military
10 veterans, qualified service-disabled veteran-owned, or persons
11 with disabilities as defined in Section 2 of the Business
12 Enterprise for Minorities, Women, and Persons with
13 Disabilities Act and Section 45-57 of the Illinois Procurement
14 Code.

15 (Source: P.A. 84-754.)

16 (15 ILCS 520/2) (from Ch. 130, par. 21)

17 Sec. 2. All financial institutions ~~banks or savings and~~
18 ~~loan associations~~ in which any such money is deposited shall
19 be required to pay interest ~~on time deposit accounts if~~
20 ~~members of the Federal Reserve system are permitted to pay~~
21 ~~interest on the particular class of deposit.~~ All interest
22 received or paid on account of money in the State Treasury
23 ~~treasury~~ belonging to or for the use of the State so deposited
24 in financial institutions ~~banks or savings and loan~~
25 ~~associations,~~ shall be the property of the State of Illinois.

1 If any moneys held by the State Treasurer shall be deposited in
2 financial institutions ~~banks or savings and loan associations~~
3 pursuant to the provisions of this Act, the interest received
4 thereon shall be credited as provided in Section 4.1 of the
5 State Finance Act ~~"An Act in relation to State finance"~~.

6 (Source: P.A. 84-1378.)

7 (15 ILCS 520/7) (from Ch. 130, par. 26)

8 Sec. 7. (a) State depositories. The State Treasurer may,
9 in his or her discretion, allow a financial institution to
10 become a State depository. To become an approved State
11 depository, a financial institution shall submit an
12 application or proposal, along with all required forms and
13 documentation, in a manner prescribed by the Treasurer.
14 ~~Proposals made may either be approved or rejected by the State~~
15 ~~Treasurer. A bank or savings and loan association whose~~
16 ~~proposal is approved shall be eligible to become a State~~
17 ~~depository for the class or classes of funds covered by its~~
18 ~~proposal. A bank or savings and loan association whose~~
19 ~~proposal is rejected shall not be so eligible. The State~~
20 ~~Treasurer shall seek to have at all times a total of not less~~
21 ~~than 20 banks or savings and loan associations which are~~
22 ~~approved as State depositories for time deposits.~~

23 In order to receive funds under this Section, a financial
24 institution must become a State depository. Prior to allowing
25 a financial institution to become a State depository, the

1 State Treasurer shall consider the financial institution's
2 financial condition and community and economic development
3 efforts.

4 All applications submitted pursuant to this Section will
5 be reviewed in accordance with the terms defined by the
6 program documents and in the respective application and
7 related documents.

8 (b) Linked deposits. The State Treasurer may, in his or
9 her discretion, accept a proposal or application from a
10 financial ~~an eligible~~ institution which provides for a reduced
11 rate of interest provided that the financial ~~such~~ institution
12 uses the ~~documents the use of~~ deposited funds for the purpose
13 of economic and community development in the State of
14 Illinois, which may include, but not be limited to loans for
15 the following: agriculture, business, individuals, and
16 community development. Financial institutions, and, in some
17 cases borrowers, that utilize linked deposit funds shall
18 provide documentation regarding the use of such funds in a
19 manner prescribed by the Treasurer ~~projects.~~

20 (b-5) (Blank). ~~The State Treasurer may, in his or her~~
21 ~~discretion, accept a proposal from an eligible institution~~
22 ~~that provides for a reduced rate of interest, provided that~~
23 ~~such institution agrees to expend an amount of money equal to~~
24 ~~the amount of the reduction for the preservation of Cahokia~~
25 ~~Mounds.~~

26 (b-10) (Blank). ~~The State Treasurer may, in his or her~~

1 ~~discretion, accept a proposal from an eligible institution~~
2 ~~that provides for a reduced rate of interest, provided that~~
3 ~~the institution agrees to expend an amount of money equal to~~
4 ~~the amount of the reduction for senior centers.~~

5 (b-15) Access to capital. The State Treasurer may, in his
6 or her discretion, accept a proposal or application from a
7 financial institution for access to capital at market rate to
8 provide added liquidity or administer lending activities in
9 the State of Illinois.

10 (c) Home loans. The State Treasurer may, in his or her
11 discretion, accept a proposal or application from a financial
12 ~~an eligible~~ institution that provides for interest earnings on
13 deposits of State moneys to be held by the financial
14 institution in a separate account that the State Treasurer may
15 use to secure up to 10% of any (i) home loans to Illinois
16 citizens purchasing or refinancing a home in Illinois in
17 situations where the participating financial institution would
18 not offer the borrower a home loan under the financial
19 institution's prevailing credit standards without the
20 incentive of the 10% guarantee for the first 5 years of the
21 loan ~~a reduced rate of interest on deposits of State moneys,~~
22 (ii) existing home loans of Illinois citizens who have failed
23 to make payments on a home loan as a result of a financial
24 hardship due to circumstances beyond the control of the
25 borrower where there is a reasonable prospect that the
26 borrower will be able to resume full mortgage payments, and

1 (iii) loans in amounts that do not exceed the amount of
2 arrearage on a mortgage and that are extended to enable a
3 borrower to become current on his or her mortgage obligation.

4 The following factors shall be considered by the
5 participating financial institution to determine whether the
6 financial hardship is due to circumstances beyond the control
7 of the borrower: (i) loss, reduction, or delay in the receipt
8 of income because of the death or disability of a person who
9 contributed to the household income, (ii) expenses actually
10 incurred related to the uninsured damage or costly repairs to
11 the mortgaged premises affecting its habitability, (iii)
12 expenses related to the death or illness in the borrower's
13 household or of family members living outside the household
14 that reduce the amount of household income, (iv) loss of
15 income or a substantial increase in total housing expenses
16 because of divorce, abandonment, separation from a spouse, or
17 failure to support a spouse or child, (v) unemployment or
18 underemployment, (vi) loss, reduction, or delay in the receipt
19 of federal, State, or other government benefits, and (vii)
20 participation by the homeowner in a recognized labor action
21 such as a strike. In determining whether there is a reasonable
22 prospect that the borrower will be able to resume full
23 mortgage payments, the participating financial institution
24 shall consider factors including, but not necessarily limited
25 to the following: (i) a favorable work and credit history,
26 (ii) the borrower's ability to and history of paying the

1 mortgage when employed, (iii) the lack of an impediment or
2 disability that prevents reemployment, (iv) new education and
3 training opportunities, (v) non-cash benefits that may reduce
4 household expenses, and (vi) other debts.

5 For the purposes of this Section, "home loan" means a
6 loan, other than an open-end credit plan or a reverse mortgage
7 transaction, for which (i) the principal amount of the loan
8 does not exceed the conforming loan size limit as established
9 from time to time by the Federal National Mortgage
10 Association, (ii) the borrower is a natural person, (iii) the
11 debt is incurred by the borrower primarily for personal,
12 family, or household purposes, and (iv) the loan is secured by
13 a mortgage or deed of trust on real estate upon which there is
14 located or there is to be located a structure designed
15 principally for the occupancy of no more than 4 families and
16 that is or will be occupied by the borrower as the borrower's
17 principal dwelling.

18 (d) If there is an agreement between the State Treasurer
19 and an eligible institution that details the use of deposited
20 funds, the agreement may not require the gift of money, goods,
21 or services to a third party; this provision does not restrict
22 the eligible institution from contracting with third parties
23 in order to carry out the intent of the agreement or restrict
24 the State Treasurer from placing requirements upon third-party
25 contracts entered into by the eligible institution.

26 (Source: P.A. 95-834, eff. 8-15-08.)

1 (15 ILCS 520/8) (from Ch. 130, par. 27)

2 Sec. 8. All proposals and applications shall be retained
3 ~~by be filed in the office of~~ the State Treasurer in accordance
4 with the State Treasurer's approved record retention policy,
5 and shall be open at all reasonable hours to public
6 inspection. The State Treasurer shall maintain a current list
7 of the financial institutions ~~banks or savings and loan~~
8 ~~associations~~ serving as State depositories ~~depositories~~ of
9 public moneys, with a statement of the rate of interest paid by
10 each and the maturity date of such deposits, which list shall
11 likewise be open to public inspection and shall be updated and
12 posted on the State Treasurer's official website. ~~A copy of~~
13 ~~each revision of the current list shall be supplied to the~~
14 ~~Governor.~~

15 (Source: P.A. 83-541.)

16 (15 ILCS 520/9) (from Ch. 130, par. 28)

17 Sec. 9. The approval of any proposal or application shall
18 confer no right upon any financial institution ~~bank or savings~~
19 ~~and loan association~~ to receive deposits of public money.

20 (Source: P.A. 83-541.)

21 (15 ILCS 520/10) (from Ch. 130, par. 29)

22 Sec. 10. The State Treasurer may enter into an agreement
23 in conformity with this Act with any financial institution

1 ~~bank or savings and loan association~~ relating to the deposit
2 of securities. Such agreement may authorize the holding by
3 such financial institution ~~bank or savings and loan~~
4 ~~association~~ of such securities in custody and safekeeping
5 solely under the instructions of the State Treasurer either
6 (a) in the office of such financial institution ~~bank or~~
7 ~~savings and loan association~~, or under the custody and
8 safekeeping of another financial institution ~~bank or savings~~
9 ~~and loan association~~ in this State for the depository
10 financial institution ~~bank or savings and loan association~~, or
11 (b) in a bank or a depository trust company in the United
12 States if the securities to be deposited are held in custody
13 and safekeeping for such financial institution ~~bank or savings~~
14 ~~and loan association~~.

15 (Source: P.A. 101-206, eff. 8-2-19; revised 9-12-19.)

16 (15 ILCS 520/11) (from Ch. 130, par. 30)

17 Sec. 11. Protection of public deposits; eligible
18 collateral.

19 (a) For deposits not insured by an agency of the federal
20 government, or above the applicable insured limits, the State
21 Treasurer, in his or her discretion, may accept as collateral
22 any of the following assets or ~~classes of~~ securities, provided
23 there has been no default in the payment of principal or
24 interest thereon:

25 (1) Bonds, notes, or other securities constituting

1 direct and general obligations of the United States, the
2 bonds, notes, or other securities constituting the direct
3 and general obligation of any agency or instrumentality of
4 the United States, the interest and principal of which is
5 unconditionally guaranteed by the United States, and
6 bonds, notes, or other securities or evidence of
7 indebtedness constituting the obligation of a U.S. agency
8 or instrumentality.

9 (2) Direct and general obligation bonds of the State
10 of Illinois or of any other state of the United States.

11 (3) Revenue bonds of this State or any authority,
12 board, commission, or similar agency thereof.

13 (4) Direct and general obligation bonds of any city,
14 town, county, school district, or other taxing body of any
15 state, the debt service of which is payable from general
16 ad valorem taxes.

17 (5) Revenue bonds of any city, town, county, or school
18 district of the State of Illinois.

19 (6) Obligations issued, assumed, or guaranteed by the
20 International Finance Corporation, the principal of which
21 is not amortized during the life of the obligation, but no
22 such obligation shall be accepted at more than 90% of its
23 market value.

24 (7) Illinois Affordable Housing Program Trust Fund
25 Bonds or Notes as defined in and issued pursuant to the
26 Illinois Housing Development Act.

1 (8) In an amount equal to at least market value of that
2 amount of funds deposited exceeding the insurance
3 limitation provided by the Federal Deposit Insurance
4 Corporation or the National Credit Union Administration or
5 other approved share insurer: (i) securities, (ii)
6 mortgages, (iii) letters of credit issued by a Federal
7 Home Loan Bank, or (iv) loans covered by a State Guarantee
8 under the Illinois Farm Development Act, if that guarantee
9 has been assumed by the Illinois Finance Authority under
10 Section 845-75 of the Illinois Finance Authority Act, and
11 loans covered by a State Guarantee under Article 830 of
12 the Illinois Finance Authority Act.

13 (9) Obligations of either corporations or limited
14 liability companies organized in the United States with
15 assets exceeding \$500,000,000 if: (i) the obligations are
16 rated at the time of purchase at one of the 3 highest
17 classifications established by at least 2 standard rating
18 services and mature more than 270 days, but less than 5
19 years, from the date of purchase; and (ii) the corporation
20 or the limited liability company has not been placed on
21 the list of restricted companies by the Illinois
22 Investment Policy Board under Section 1-110.16 of the
23 Illinois Pension Code.

24 (10) Share certificates issued to the depository
25 institution pledging them as security.

26 (b) The State Treasurer may establish a system to

1 aggregate permissible assets or securities received as
2 collateral from financial institutions in a collateral pool to
3 secure State deposits of the institutions that have pledged
4 assets or securities to the pool.

5 (c) The State Treasurer may at any time declare any
6 particular asset or security ineligible to qualify as
7 collateral when, in the Treasurer's judgment, it is deemed
8 desirable to do so.

9 (d) Notwithstanding any other provision of this Section,
10 as security the State Treasurer may, in his discretion, accept
11 a bond, executed by a company authorized to transact the kinds
12 of business described in clause (g) of Section 4 of the
13 Illinois Insurance Code, in an amount not less than the amount
14 of the deposits required by this Section to be secured,
15 payable to the State Treasurer for the benefit of the People of
16 the State of Illinois, in a form that is acceptable to the
17 State Treasurer.

18 (Source: P.A. 101-206, eff. 8-2-19.)

19 (15 ILCS 520/12) (from Ch. 130, par. 31)

20 Sec. 12. All assets or securities deposited by financial
21 institutions ~~approved banks or savings and loan associations~~
22 under the provisions of this Act shall remain the property of
23 the financial institutions ~~banks or savings and loan~~
24 ~~associations~~ depositing such securities. Should the depository
25 ~~depository~~ refuse or fail to pay over the moneys, or any part

1 thereof, deposited with it when due and payable, the State
2 Treasurer may sell such securities in accordance with the
3 terms of any agreement between the State Treasurer and the
4 depository financial institution ~~depository bank or savings~~
5 ~~and loan association~~ or, if applicable, institute suit on the
6 bond. If a depository ~~depository~~ fails or suspends active
7 operations, the deposit in such depository ~~depository~~ shall
8 become due and payable immediately, any agreement or contract
9 to the contrary notwithstanding. Such sale shall transfer
10 absolute ownership of the securities so sold to the vendee
11 thereof. The surplus, if any, over the amount due to the State
12 and the expenses of the sale shall be paid to the depository
13 ~~depository~~. Actions may be brought in the name of the People of
14 the State of Illinois to enforce the claims of the State with
15 respect to any assets or securities deposited by an approved
16 financial institution ~~bank or savings and loan association~~.
17 (Source: P.A. 85-233.)

18 (15 ILCS 520/14) (from Ch. 130, par. 33)

19 Sec. 14. Interest. The State Treasurer shall enter into
20 deposit agreements with financial institutions specifying the
21 manner of interest calculation and compounding and the
22 frequency of interest collection regarding moneys deposited
23 under this Act.

24 (Source: P.A. 89-153, eff. 7-14-95.)

1 (15 ILCS 520/15) (from Ch. 130, par. 34)

2 Sec. 15. (a) A financial institution ~~bank or savings and~~
3 ~~loan association~~ approved as a State depository ~~depository~~
4 shall cease to be an approved depository financial institution
5 ~~bank or savings and loan association~~, and shall be
6 disqualified by the State Treasurer:

7 (1) Upon its failure to post a suitable bond or
8 deposit assets or securities with the State Treasurer;

9 (2) Upon its failure or refusal to pay over public
10 moneys or any part thereof;

11 (3) Upon its becoming insolvent or bankrupt, or being
12 placed in the hands of a receiver; or

13 (4) Upon a showing of unsatisfactory financial
14 condition through a report made to, or an examination made
15 by any regulatory or licensing body, ~~the Comptroller of~~
16 ~~the Currency, the Commissioner of Banks and Real Estate,~~
17 ~~or the Federal Home Loan Bank or its successors.~~

18 (b) No approved depository ~~depository~~ shall be
19 disqualified by the State Treasurer solely by reason of its
20 acquisition by another institution, unless the acquiring
21 institution does not meet the criteria established by the
22 State Treasurer.

23 (c) An approved depository may be disqualified by the
24 State Treasurer, in his or her sole discretion, for violating
25 the terms of the deposit agreement or any contract or
26 agreement with the State Treasurer.

1 (Source: P.A. 89-508, eff. 7-3-96.)

2 (15 ILCS 520/17) (from Ch. 130, par. 36)

3 Sec. 17. The State Treasurer shall keep in his or her
4 office a record showing his or her account with each financial
5 institution ~~bank or savings and loan association~~, with entries
6 therein showing the dates and amounts of each deposit, rate of
7 interest, withdrawals and date of each, and balance on
8 deposit. Each account shall show the date and amount of
9 interest received during each interest paying period. Such
10 record shall at all times be open to public inspection.

11 (Source: P.A. 83-541.)

12 (15 ILCS 520/18) (from Ch. 130, par. 37)

13 Sec. 18. The State Treasurer shall make a monthly report
14 ~~to the Governor~~ giving a detailed statement of the balances on
15 deposit in the financial institutions ~~several banks or savings~~
16 ~~and loan associations~~, and the amount paid by each such
17 financial institution ~~bank or savings and loan association~~ as
18 interest on moneys so deposited. Such statement shall contain
19 the name of each financial institution ~~bank or savings and~~
20 ~~loan association~~, and the amount in such financial institution
21 ~~bank or savings and loan association~~ subject to draft at the
22 close of business on the last day of the month for which the
23 report is made, and on the last day of the month next
24 preceding. A copy of such report shall be retained by the State

1 Treasurer and shall be made available for inspection by the
2 public at any reasonable time. The State Treasurer may satisfy
3 the requirements of this Section by posting the monthly report
4 on the State Treasurer's official ~~Internet~~ website.

5 (Source: P.A. 99-856, eff. 8-19-16.)

6 (15 ILCS 520/19) (from Ch. 130, par. 38)

7 Sec. 19. Nothing in this Act contained shall be held to
8 prevent the State Treasurer from withdrawing any, or all, of
9 the moneys so deposited, for the purpose of paying the
10 appropriations and obligations of the State, nor to prevent
11 his or her transferring moneys from one financial institution
12 ~~bank or savings and loan association~~ to another, and nothing
13 herein contained shall in any way affect the duty of the State
14 Treasurer to keep a correct and accurate account of all moneys
15 received and to pay out same only on authority of law; but the
16 State Treasurer shall, as heretofore, be personally
17 responsible for the faithful accounting of all moneys paid to
18 him or her as State Treasurer.

19 (Source: P.A. 83-541.)

20 (15 ILCS 520/20) (from Ch. 130, par. 39)

21 Sec. 20. No financial institution ~~bank or savings and loan~~
22 ~~association~~ holding moneys deposited therewith by the State
23 Treasurer, in accordance with the provisions of this Act, or
24 otherwise, and no officer of any such financial institution

1 ~~bank or savings and loan association~~, or other person, shall
2 pay to, withhold for the benefit of, or contract in any manner
3 for the payment to such State Treasurer, or to any other person
4 for him or her, of any interest, or other fee, perquisite, or
5 emolument, on account of the deposit of such moneys, except
6 such interest as shall be paid to such State Treasurer for the
7 benefit of the State.

8 (Source: P.A. 83-541.)

9 (15 ILCS 520/22) (from Ch. 130, par. 41)

10 Sec. 22. No securities~~7~~ deposited with the State
11 Treasurer~~7~~ shall be removed from the State Treasury ~~treasury~~
12 except under the terms of this Act. The misappropriation or
13 use of such securities, otherwise than as prescribed in this
14 Act, shall be deemed a Class 3 felony. The State Treasurer
15 shall be liable upon his official bond for any loss or
16 misappropriation of securities so deposited.

17 (Source: P.A. 77-2610.)

18 (15 ILCS 520/22.5) (from Ch. 130, par. 41a)

19 (For force and effect of certain provisions, see Section
20 90 of P.A. 94-79)

21 Sec. 22.5. Permitted investments. The State Treasurer may~~7~~
22 ~~with the approval of the Governor~~, invest and reinvest any
23 State money in the State Treasury ~~treasury~~ which is not needed
24 for current expenditures due or about to become due, in

1 obligations of the United States government or its agencies or
2 of National Mortgage Associations established by or under the
3 National Housing Act, 12 U.S.C. 1701 et seq., or in mortgage
4 participation certificates representing undivided interests in
5 specified, first-lien conventional residential Illinois
6 mortgages that are underwritten, insured, guaranteed, or
7 purchased by the Federal Home Loan Mortgage Corporation or in
8 Affordable Housing Program Trust Fund Bonds or Notes as
9 defined in and issued pursuant to the Illinois Housing
10 Development Act. All such obligations shall be considered as
11 cash and may be delivered over as cash by a State Treasurer to
12 his successor.

13 The State Treasurer may, ~~with the approval of the~~
14 ~~Governor,~~ purchase any state bonds with any money in the State
15 Treasury that has been set aside and held for the payment of
16 the principal of and interest on the bonds. The bonds shall be
17 considered as cash and may be delivered over as cash by the
18 State Treasurer to his successor.

19 ~~The State Treasurer may, with the approval of the~~
20 ~~Governor, invest or reinvest any State money in the treasury~~
21 ~~that is not needed for current expenditure due or about to~~
22 ~~become due, or any money in the State Treasury that has been~~
23 ~~set aside and held for the payment of the principal of and the~~
24 ~~interest on any State bonds, in shares, withdrawable accounts,~~
25 ~~and investment certificates of savings and building and loan~~
26 ~~associations, incorporated under the laws of this State or any~~

1 ~~either state or under the laws of the United States; provided,~~
 2 ~~however, that investments may be made only in those savings~~
 3 ~~and loan or building and loan associations the shares and~~
 4 ~~withdrawable accounts or other forms of investment securities~~
 5 ~~of which are insured by the Federal Deposit Insurance~~
 6 ~~Corporation.~~

7 ~~The State Treasurer may not invest State money in any~~
 8 ~~savings and loan or building and loan association unless a~~
 9 ~~commitment by the savings and loan (or building and loan)~~
 10 ~~association, executed by the president or chief executive~~
 11 ~~officer of that association, is submitted in the following~~
 12 ~~form:~~

13 ~~The Savings and Loan (or Building~~
 14 ~~and Loan) Association pledges not to reject arbitrarily~~
 15 ~~mortgage loans for residential properties within any~~
 16 ~~specific part of the community served by the savings and~~
 17 ~~loan (or building and loan) association because of the~~
 18 ~~location of the property. The savings and loan (or~~
 19 ~~building and loan) association also pledges to make loans~~
 20 ~~available on low and moderate income residential property~~
 21 ~~throughout the community within the limits of its legal~~
 22 ~~restrictions and prudent financial practices.~~

23 ~~The State Treasurer may, with the approval of the~~
 24 ~~Governor,~~ invest or reinvest any State money in the State
 25 Treasury ~~treasury~~ that is not needed for current expenditures
 26 due or about to become due, or any money in the State Treasury

1 that has been set aside and held for the payment of the
2 principal of and interest on any State bonds, in bonds issued
3 by counties or municipal corporations of the State of
4 Illinois.

5 The State Treasurer may invest or reinvest up to 5% of the
6 College Savings Pool Administrative Trust Fund, the Illinois
7 Public Treasurer Investment Pool (IPTIP) Administrative Trust
8 Fund, and the State Treasurer's Administrative Fund that is
9 not needed for current expenditures due or about to become
10 due, in common or preferred stocks of publicly traded
11 corporations, partnerships, or limited liability companies,
12 organized in the United States, with assets exceeding
13 \$500,000,000 if: (i) the purchases do not exceed 1% of the
14 corporation's or the limited liability company's outstanding
15 common and preferred stock; (ii) no more than 10% of the total
16 funds are invested in any one publicly traded corporation,
17 partnership, or limited liability company; and (iii) the
18 corporation or the limited liability company has not been
19 placed on the list of restricted companies by the Illinois
20 Investment Policy Board under Section 1-110.16 of the Illinois
21 Pension Code.

22 ~~The State Treasurer may, with the approval of the~~
23 ~~Governor, invest or reinvest any State money in the Treasury~~
24 ~~which is not needed for current expenditure, due or about to~~
25 ~~become due, or any money in the State Treasury which has been~~
26 ~~set aside and held for the payment of the principal of and the~~

1 ~~interest on any State bonds, in participations in loans, the~~
2 ~~principal of which participation is fully guaranteed by an~~
3 ~~agency or instrumentality of the United States government;~~
4 ~~provided, however, that such loan participations are~~
5 ~~represented by certificates issued only by banks which are~~
6 ~~incorporated under the laws of this State or any other state or~~
7 ~~under the laws of the United States, and such banks, but not~~
8 ~~the loan participation certificates, are insured by the~~
9 ~~Federal Deposit Insurance Corporation.~~

10 Whenever the total amount of vouchers presented to the
11 Comptroller under Section 9 of the State Comptroller Act
12 exceeds the funds available in the General Revenue Fund by
13 \$1,000,000,000 or more, then the State Treasurer may invest
14 any State money in the State Treasury, other than money in the
15 General Revenue Fund, Health Insurance Reserve Fund, Attorney
16 General Court Ordered and Voluntary Compliance Payment
17 Projects Fund, Attorney General Whistleblower Reward and
18 Protection Fund, and Attorney General's State Projects and
19 Court Ordered Distribution Fund, which is not needed for
20 current expenditures, due or about to become due, or any money
21 in the State Treasury which has been set aside and held for the
22 payment of the principal of and the interest on any State bonds
23 with the Office of the Comptroller in order to enable the
24 Comptroller to pay outstanding vouchers. At any time, and from
25 time to time outstanding, such investment shall not be greater
26 than \$2,000,000,000. Such investment shall be deposited into

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

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

13 The State Treasurer may, ~~with the approval of the~~
14 ~~Governor,~~ invest or reinvest any State money in the State
15 Treasury that is not needed for current expenditure, due or
16 about to become due, or any money in the State Treasury that
17 has been set aside and held for the payment of the principal of
18 and the interest on any State bonds, in any 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 (10) Repurchase agreements of government securities
20 having the meaning set out in the Government Securities
21 Act of 1986, as now or hereafter amended or succeeded,
22 subject to the provisions of that Act and the regulations
23 issued thereunder.

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

26 (12) Investments made in accordance with the Student

1 Investment Account Act.

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

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

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

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

14 (iii) the Commodity Credit Corporation; and

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

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

25 (Source: P.A. 100-1107, eff. 8-27-18; 101-81, eff. 7-12-19;
26 101-206, eff. 8-2-19; 101-586, eff. 8-26-19; revised 9-25-19.)

1 (15 ILCS 520/22.8)

2 Sec. 22.8. The State Treasurer shall develop, publish, and
3 implement an investment policy covering the management of all
4 State funds under his or her control. The investment policy
5 shall be published each year in the State Treasurers' annual
6 report as prescribed in Section 15 of the State Treasurer Act
7 (15 ILCS 505/15). The policy shall also be published at least
8 once each year in at least one newspaper of general
9 circulation in both Springfield and Chicago and published on
10 the State Treasurer's official website. Any such investment
11 policy adopted by the State Treasurer shall be reviewed, and
12 updated if necessary, within 90 days following the
13 installation of a new State Treasurer.

14 The investment policy shall include material, relevant,
15 and decision-useful sustainability factors to be considered by
16 the State Treasurer in evaluating investment decisions,
17 including, but not limited to: (1) corporate governance and
18 leadership factors; (2) environmental factors; (3) social
19 capital factors; (4) human capital factors; and (5) business
20 model and innovation factors, as provided under the Illinois
21 Sustainable Investing.

22 (Source: P.A. 101-473, eff. 1-1-20.)

23 (15 ILCS 520/23) (from Ch. 130, par. 42)

24 Sec. 23. Any State official or other person who willfully

1 ~~wilfully~~ violates any provision of this Act, for which a
2 penalty is not otherwise prescribed, or who willfully ~~wilfully~~
3 neglects or refuses to perform any duty imposed upon such
4 person by the terms of this Act, shall be guilty of a Class 4
5 felony.

6 (Source: P.A. 77-2830.)

7 (15 ILCS 520/1.2 rep.)

8 (15 ILCS 520/3 rep.)

9 (15 ILCS 520/4 rep.)

10 (15 ILCS 520/5 rep.)

11 (15 ILCS 520/6 rep.)

12 (15 ILCS 520/11.1 rep.)

13 (15 ILCS 520/13 rep.)

14 (15 ILCS 520/16 rep.)

15 Section 15. The Deposit of State Moneys Act is amended by
16 repealing Sections 1.2, 3, 4, 5, 6, 11.1, 13, and 16.

17 Section 20. The Public Funds Deposit Act is amended by
18 changing Sections 1 and 2 as follows:

19 (30 ILCS 225/1) (from Ch. 102, par. 34)

20 Sec. 1. Deposits. Any treasurer or other custodian of
21 public funds may deposit such funds in a savings and loan
22 association, savings bank, or State or national bank in this
23 State, or deposit those funds into demand deposit accounts in

1 accordance with Section 6.5 of the Public Funds Investment
2 Act. When such deposits become collected funds and are not
3 needed for immediate disbursement, they shall be invested
4 within 2 working days at prevailing rates or better. The
5 treasurer or other custodian of public funds may require such
6 bank, savings bank, or savings and loan association to deposit
7 with him or her securities guaranteed by agencies and
8 instrumentalities of the federal government equal in market
9 value to the amount by which the funds deposited exceed the
10 federally insured amount. Any treasurer or other custodian of
11 public funds may accept as security for public funds deposited
12 in such bank, savings bank, or savings and loan association
13 any securities or other eligible collateral authorized by
14 Section ~~Sections 11 and 11.1~~ of the Deposit of State Moneys Act
15 (15 ILCS 520/11 ~~and 11.1~~) or Section 6 of the Public Funds
16 Investment Act (30 ILCS 235/6). Such treasurer or other
17 custodian is authorized to enter into an agreement with any
18 such bank, savings bank, or savings and loan association, with
19 any federally insured financial institution or trust company,
20 or with any agency of the U.S. government relating to the
21 deposit of such securities. Any such treasurer or other
22 custodian shall be discharged from responsibility for any
23 funds for which securities are so deposited with him or her,
24 and the funds for which securities are so deposited shall not
25 be subject to any otherwise applicable limitation as to
26 amount.

1 No bank, savings bank, or savings and loan association
2 shall receive public funds as permitted by this Section,
3 unless it has complied with the requirements established
4 pursuant to Section 6 of the Public Funds Investment Act or is
5 otherwise exempt from compliance as authorized by Section 6.5
6 of that Act.

7 (Source: P.A. 98-703, eff. 7-7-14.)

8 (30 ILCS 225/2) (from Ch. 102, par. 35)

9 Sec. 2. Nothing in this Act shall be construed to preclude
10 the deposit of public funds in accordance with any other Act
11 applicable thereto or to subject any treasurer or other
12 custodian to any liability to which he would not be subject in
13 the absence of this Act. This Act does not apply to the
14 Illinois State Treasurer. Deposit of State money by the
15 Illinois State Treasurer shall be governed by the Deposit of
16 State Moneys Act.

17 (Source: Laws 1963, p. 1797.)

18 Section 25. The Public Funds Investment Act is amended by
19 changing Section 1 as follows:

20 (30 ILCS 235/1) (from Ch. 85, par. 901)

21 Sec. 1. The words "public funds", as used in this Act, mean
22 current operating funds, special funds, interest and sinking
23 funds, and funds of any kind or character belonging to or in

1 the custody of any public agency.

2 The words "public agency", as used in this Act, mean the
3 State of Illinois, the various counties, townships, cities,
4 towns, villages, school districts, educational service
5 regions, special road districts, public water supply
6 districts, fire protection districts, drainage districts,
7 levee districts, sewer districts, housing authorities, the
8 Illinois Bank Examiners' Education Foundation, the Chicago
9 Park District, and all other political corporations or
10 subdivisions of the State of Illinois, now or hereafter
11 created, whether herein specifically mentioned or not. This
12 Act does not apply to the Illinois Prepaid Tuition Trust Fund,
13 private funds collected by the Illinois Conservation
14 Foundation, or pension funds or retirement systems established
15 under the Illinois Pension Code, except as otherwise provided
16 in that Code. This Act does not apply to the Illinois State
17 Treasurer, whose investment of State funds shall be governed
18 by the Deposit of State Moneys Act.

19 The words "governmental unit", as used in this Act, have
20 the same meaning as in the Local Government Debt Reform Act.

21 (Source: P.A. 98-297, eff. 1-1-14.)

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

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3	15 ILCS 505/30	
4	15 ILCS 520/1	from Ch. 130, par. 20
5	15 ILCS 520/1.1	from Ch. 130, par. 20.1
6	15 ILCS 520/2	from Ch. 130, par. 21
7	15 ILCS 520/7	from Ch. 130, par. 26
8	15 ILCS 520/8	from Ch. 130, par. 27
9	15 ILCS 520/9	from Ch. 130, par. 28
10	15 ILCS 520/10	from Ch. 130, par. 29
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15	15 ILCS 520/17	from Ch. 130, par. 36
16	15 ILCS 520/18	from Ch. 130, par. 37
17	15 ILCS 520/19	from Ch. 130, par. 38
18	15 ILCS 520/20	from Ch. 130, par. 39
19	15 ILCS 520/22	from Ch. 130, par. 41
20	15 ILCS 520/22.5	from Ch. 130, par. 41a
21	15 ILCS 520/22.8	
22	15 ILCS 520/23	from Ch. 130, par. 42
23	15 ILCS 520/1.2 rep.	
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- 2 15 ILCS 520/6 rep.
- 3 15 ILCS 520/11.1 rep.
- 4 15 ILCS 520/13 rep.
- 5 15 ILCS 520/16 rep.
- 6 30 ILCS 225/1 from Ch. 102, par. 34
- 7 30 ILCS 225/2 from Ch. 102, par. 35
- 8 30 ILCS 235/1 from Ch. 85, par. 901