

1 AN ACT concerning the investment of public funds.

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

4 Section 5. The Public Funds Investment Act is amended by
5 adding Section 6.5 as follows:

6 (30 ILCS 235/6.5 new)

7 Sec. 6.5. Federally insured deposits at Illinois financial
8 institutions.

9 (a) Notwithstanding any other provision of this Act or any
10 other statute, whenever a public agency invests public funds in
11 an interest-bearing savings account, interest-bearing
12 certificate of deposit, or interest-bearing time deposit under
13 Section 2 of this Act, the provisions of Section 6 of this Act
14 and any other statutory requirements pertaining to the
15 eligibility of a bank to receive or hold public deposits or to
16 the pledging of collateral by a bank to secure public deposits
17 do not apply to any bank receiving or holding all or part of
18 the invested public funds if (i) the public agency initiates
19 the investment at or through a bank located in Illinois and
20 (ii) the invested public funds are at all time fully insured by
21 an agency or instrumentality of the federal government.

22 (b) Nothing in this Section is intended to:

23 (1) prohibit a public agency from requiring the bank at
24 or through which the investment of public funds is
25 initiated to provide the public agency with the information
26 otherwise required by subsections (a), (b), or (c) of
27 Section 6 of this Act as a condition of investing the
28 public funds at or through that bank; or

29 (2) permit a bank to receive or hold public deposits if
30 that bank is prohibited from doing so by any rule,
31 sanction, or order issued by a regulatory agency or by a
32 court.

1 (c) for purposes of this Section, the term "bank" includes
2 any person doing a banking business whether subject to the laws
3 of this or any other jurisdiction.

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