



## 95TH GENERAL ASSEMBLY

### State of Illinois

2007 and 2008

HB4122

Introduced 7/18/2007, by Rep. William B. Black

#### SYNOPSIS AS INTRODUCED:

15 ILCS 520/14.1 new

Amends the Deposit of State Moneys Act. Provides that the Treasurer may not create a linked deposit program unless he or she provides notice to the General Assembly, the Governor, and the Comptroller and prohibits the Treasurer from entering into any agreement with a financial institution concerning a linked deposit program if, within 30 days after the General Assembly next convenes after receiving the notice, either house of the General Assembly disapproves the program by the record vote of a majority of the members elected. Requires the Treasurer to provide notice to the General Assembly, the Governor, and the Comptroller of each linked deposit program that exists on the effective date of this amendatory Act and provides that, if, within 30 days after the General Assembly next convenes after receiving the notice, either house of the General Assembly disapproves the program by the record vote of a majority of the members elected, then the Treasurer must conclude the linked deposit program as soon as possible upon the expiration of any existing agreements concerning the program. Effective immediately.

LRB095 12755 BDD 38116 b

FISCAL NOTE ACT  
MAY APPLY

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 adding Section 14.1 as follows:

6 (15 ILCS 520/14.1 new)

7 Sec. 14.1. Linked deposit programs.

8 (a) For the purpose of this Section, "linked deposit  
9 program" means a program under which the Treasurer agrees to  
10 deposit moneys with a financial institution at less than  
11 current market rates if the institution agrees to provide  
12 financial incentives to a specified class of customers in order  
13 to further social policies determined by the Treasurer. The  
14 financial incentives of the financial institution may include,  
15 without limitation, low-interest loans, investments with  
16 above-market-rate returns, rebates or refunds, or any other  
17 financial incentive.

18 (b) Beginning on the effective date of this amendatory Act  
19 of the 95th General Assembly, the Treasurer may not create a  
20 linked deposit program unless he or she provides notice to the  
21 General Assembly, the Governor, and the Comptroller. The notice  
22 required under this subsection must set forth:

23 (1) a description of the linked deposit program;

1           (2) the amount or rate of interest that would be  
2           collected from deposits at the current market rate in the  
3           absence of the linked deposit program;

4           (3) the amount or rate of interest to be collected from  
5           deposits under the program;

6           (4) an estimate of the total amount of State moneys  
7           intended to be invested under the program;

8           (5) the proposed duration of the program; and

9           (6) a description of the financial institutions  
10          intended to be included within the program.

11          The Treasurer may not enter into any agreement with a  
12          financial institution concerning a linked deposit program if,  
13          within 30 days after the General Assembly next convenes after  
14          receiving the notice under this subsection, either house of the  
15          General Assembly disapproves the program by the record vote of  
16          a majority of the members elected.

17          (d) Within 30 days after the effective date of this  
18          amendatory Act of the 95th General Assembly, the Treasurer must  
19          provide notice to the General Assembly, the Governor, and the  
20          Comptroller of each linked deposit program that exists on the  
21          effective date of this amendatory Act of the 95th General  
22          Assembly. For each linked deposit program, the notice required  
23          under this subsection must set forth:

24               (1) a description of the linked deposit program;

25               (2) the amount or rate of interest that would have been  
26               collected from deposits at the market rate in the absence

- 1       of the linked deposit program;  
2       (3) the amount or rate of interest collected from  
3       deposits under the program;  
4       (4) an estimate of the total amount of State moneys  
5       intended to be invested under the program;  
6       (5) the proposed duration of the program; and  
7       (6) a description of the financial institutions  
8       intended to be included within the program.

9       If, within 30 days after the General Assembly next convenes  
10      after receiving the notice under this subsection, either house  
11      of the General Assembly disapproves the program by the record  
12      vote of a majority of the members elected, then the Treasurer  
13      must conclude the linked deposit program as soon as possible  
14      upon the expiration of any existing agreements concerning the  
15      program.

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