



Rep. Ron Sandack

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09800HB5507ham001

LRB098 17309 EFG 57348 a

1 AMENDMENT TO HOUSE BILL 5507

2 AMENDMENT NO. \_\_\_\_\_. Amend House Bill 5507 by replacing  
3 everything after the enacting clause with the following:

4 "Section 5. The Illinois Pension Code is amended by  
5 changing Sections 7-195.1, 7-210, and 7-214 as follows:

6 (40 ILCS 5/7-195.1) (from Ch. 108 1/2, par. 7-195.1)

7 Sec. 7-195.1. To establish and maintain a revolving  
8 account. To establish and maintain a revolving account in a  
9 bank or savings and loan association, approved by the State  
10 Treasurer as a State depository and having capital funds,  
11 represented by capital, surplus, and undivided profits, of at  
12 least 5 million dollars, for the purpose of making payments of  
13 annuities, benefits, and administrative expenses and payments  
14 to the State Agency provided in Section 7-170. All funds  
15 deposited in such account shall be placed in the name of the  
16 Fund ~~fund~~ and shall be withdrawn only by a check or draft upon

1 the bank or savings and loan association signed by the  
2 president of the board or the executive director, as the board  
3 may direct. In case the president or executive director, whose  
4 signature appears upon any check or draft, after attaching his  
5 signature ceases to hold office before the delivery thereof to  
6 the payee, his signature nevertheless shall be valid and  
7 sufficient for all purposes with the same effect as if he had  
8 remained in office until delivery thereof. The revolving  
9 account shall be created by resolution of the board. ~~The State~~  
10 ~~Comptroller, upon receipt of a copy of such resolution and a~~  
11 ~~voucher designating the payment of \$300,000 into the revolving~~  
12 ~~account, shall draw his warrant on the State Treasurer for~~  
13 ~~payment of same to the Fund for deposit in the revolving~~  
14 ~~account.~~ The monies in the revolving account shall be held and  
15 expenditures shall be made by the Fund for the purposes herein  
16 set forth. The Fund shall reimburse the revolving account for  
17 expenditures for such purposes ~~and the Comptroller, upon~~  
18 ~~receipt of vouchers signed as provided in Section 7-210 and~~  
19 ~~including a statement of expenditures made from the revolving~~  
20 ~~account, shall draw his warrant on the State Treasurer for the~~  
21 ~~payment of the amount of such expenditures to the Fund for~~  
22 ~~deposit in the revolving account.~~

23 No bank or savings and loan association shall receive  
24 investment funds as permitted by this Section, unless it has  
25 complied with the requirements established pursuant to Section  
26 6 of the Public Funds Investment Act ~~"An Act relating to~~

1 ~~ertain investments of public funds by public agencies",~~  
2 ~~approved July 23, 1943,~~ as now or hereafter amended. The  
3 limitations set forth in such Section 6 shall be applicable  
4 only at the time of investment and shall not require the  
5 liquidation of any investment at any time.

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

7 (40 ILCS 5/7-210) (from Ch. 108 1/2, par. 7-210)

8 Sec. 7-210. Funds.

9 (a) All money received by the board shall immediately be  
10 deposited with the custodian ~~State Treasurer~~ for the account of  
11 the Fund ~~fund~~, or in the case of funds received under Section  
12 7-199.1, in a separate account maintained for that purpose. All  
13 payments from the accounts of the Fund shall be made by the  
14 custodian only, and only by a check or draft signed by the  
15 president of the board or the executive director, as the board  
16 may direct. Such checks and drafts ~~All disbursements of funds~~  
17 ~~held by the State Treasurer shall be made only upon warrants of~~  
18 ~~the State Comptroller drawn upon the Treasurer as custodian of~~  
19 ~~this fund upon vouchers signed by the person or persons~~  
20 ~~designated for such purpose by resolution of the board. The~~  
21 ~~Comptroller is authorized to draw such warrants upon vouchers~~  
22 ~~so signed, including warrants payable to the Fund for deposit~~  
23 ~~in a revolving account authorized by Section 7-195.1. The~~  
24 ~~Treasurer shall accept all warrants so signed and shall be~~  
25 ~~released from liability for all payments made thereon. Vouchers~~

1 shall be drawn only upon proper authorization by the board as  
2 properly recorded in the official minute books of the meetings  
3 of the board.

4 (b) (Blank). ~~All securities of the fund when received shall~~  
5 ~~be deposited with the State Treasurer who shall provide~~  
6 ~~adequate safe deposit facilities for their preservation and~~  
7 ~~have custody of them.~~

8 (c) The assets of the Fund ~~fund~~ shall be invested as one  
9 fund, and no particular person, municipality, or  
10 instrumentality thereof or participating instrumentality shall  
11 have any right in any specific security or in any item of cash  
12 other than an undivided interest in the whole.

13 (d) Whenever any employees of a municipality or  
14 participating instrumentality have been or shall be excluded  
15 from participation in this Fund ~~fund~~ by virtue of the  
16 application of paragraph b of Section 7-109 (2), the board  
17 shall issue a check or draft ~~voucher~~ ~~authorizing the~~  
18 ~~Comptroller to draw his warrant upon the Treasurer as custodian~~  
19 ~~of this fund~~ in an amount equal to the accumulated  
20 contributions of such employees. Such check or draft ~~warrant~~  
21 shall be drawn in favor of ~~the appropriate fund of the~~ pension  
22 or retirement fund in which such employees have or shall become  
23 participants. Such transfer shall terminate any further rights  
24 of such employees under this Fund ~~fund~~.

25 (e) If a participating instrumentality terminates  
26 participation because it fails to meet the requirements of

1 Section 7-108, it shall pay to the Fund ~~fund~~ the amount equal  
2 to any net debit balance in its municipality reserve account  
3 and account receivable. Its successors, and assigns and  
4 transferees of its assets shall be obligated to make this  
5 payment to the extent of the value of assets transferred to  
6 them. The Fund ~~fund~~ shall pay an amount equal to any net credit  
7 balance to the participating instrumentality, its successors  
8 or assigns. Any remaining net debit or credit balance not  
9 collectible or payable shall be transferred to the terminated  
10 municipality reserve account. The Fund ~~fund~~ shall pay to each  
11 employee of the participating instrumentality an amount equal  
12 to his credits in the employee reserves. The employees shall  
13 have no further rights to any benefits from the Fund ~~fund~~,  
14 except that annuities awarded prior to the date of termination  
15 shall continue to be paid.

16 (Source: P.A. 84-812.)

17 (40 ILCS 5/7-214) (from Ch. 108 1/2, par. 7-214)

18 Sec. 7-214. Custodian ~~State treasurer~~. The Board shall  
19 appoint one or more custodians to receive and hold the assets  
20 of the Fund on such terms as the Board may agree. ~~The State~~  
21 ~~Treasurer shall be the treasurer of the fund and shall be~~  
22 ~~responsible for the proper handling of all the assets of the~~  
23 ~~fund in accordance with this Article. He shall furnish a~~  
24 ~~corporate surety bond of such amount as the board designates,~~  
25 ~~which bond shall indemnify the board against any loss which may~~

1 ~~result from any action or failure to act by the treasurer or~~  
2 ~~any of his agents. All charges incidental to the procuring and~~  
3 ~~giving of such bond shall be paid by the board.~~

4 (Source: Laws 1963, p. 161.)

5 Section 99. Effective date. This Act takes effect July 1,  
6 2014.".