

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 changing Sections 18 and 22.5 as follows:

6 (15 ILCS 520/18) (from Ch. 130, par. 37)

7 Sec. 18. The State Treasurer shall make a monthly report to  
8 the Governor giving a detailed statement of the balances on  
9 deposit in the several banks or savings and loan associations,  
10 and the amount paid by each such bank or savings and loan  
11 association as interest on moneys so deposited. Such statement  
12 shall contain the name of each bank or savings and loan  
13 association, and the amount in such bank or savings and loan  
14 association subject to draft at the close of business on the  
15 last day of the month for which the report is made, and on the  
16 last day of the month next preceding. A copy of such report  
17 shall be retained by the Treasurer and shall be made available  
18 for inspection by the public at any reasonable time. The  
19 Treasurer may satisfy the requirements of this Section by  
20 posting the monthly report on the Treasurer's official Internet  
21 website.

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

1 (15 ILCS 520/22.5) (from Ch. 130, par. 41a)

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

4 Sec. 22.5. Permitted investments. The State Treasurer may,  
5 with the approval of the Governor, invest and reinvest any  
6 State money in the treasury which is not needed for current  
7 expenditures due or about to become due, in obligations of the  
8 United States government or its agencies or of National  
9 Mortgage Associations established by or under the National  
10 Housing Act, 1201 U.S.C. 1701 et seq., or in mortgage  
11 participation certificates representing undivided interests in  
12 specified, first-lien conventional residential Illinois  
13 mortgages that are underwritten, insured, guaranteed, or  
14 purchased by the Federal Home Loan Mortgage Corporation or in  
15 Affordable Housing Program Trust Fund Bonds or Notes as defined  
16 in and issued pursuant to the Illinois Housing Development Act.  
17 All such obligations shall be considered as cash and may be  
18 delivered over as cash by a State Treasurer to his successor.

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

25 The State Treasurer may, with the approval of the Governor,  
26 invest or reinvest any State money in the treasury that is not

1 needed for current expenditure due or about to become due, or  
2 any money in the State Treasury that has been set aside and  
3 held for the payment of the principal of and the interest on  
4 any State bonds, in shares, withdrawable accounts, and  
5 investment certificates of savings and building and loan  
6 associations, incorporated under the laws of this State or any  
7 other state or under the laws of the United States; provided,  
8 however, that investments may be made only in those savings and  
9 loan or building and loan associations the shares and  
10 withdrawable accounts or other forms of investment securities  
11 of which are insured by the Federal Deposit Insurance  
12 Corporation.

13 The State Treasurer may not invest State money in any  
14 savings and loan or building and loan association unless a  
15 commitment by the savings and loan (or building and loan)  
16 association, executed by the president or chief executive  
17 officer of that association, is submitted in the following  
18 form:

19 The ..... Savings and Loan (or Building  
20 and Loan) Association pledges not to reject arbitrarily  
21 mortgage loans for residential properties within any  
22 specific part of the community served by the savings and  
23 loan (or building and loan) association because of the  
24 location of the property. The savings and loan (or building  
25 and loan) association also pledges to make loans available  
26 on low and moderate income residential property throughout

1 the community within the limits of its legal restrictions  
2 and prudent financial practices.

3 The State Treasurer may, with the approval of the Governor,  
4 invest or reinvest, ~~at a price not to exceed par,~~ any State  
5 money in the treasury that is not needed for current  
6 expenditures due or about to become due, or any money in the  
7 State Treasury that has been set aside and held for the payment  
8 of the principal of and interest on any State bonds, in bonds  
9 issued by counties or municipal corporations of the State of  
10 Illinois.

11 The State Treasurer may, with the approval of the Governor,  
12 invest or reinvest any State money in the Treasury which is not  
13 needed for current expenditure, due or about to become due, or  
14 any money in the State Treasury which has been set aside and  
15 held for the payment of the principal of and the interest on  
16 any State bonds, in participations in loans, the principal of  
17 which participation is fully guaranteed by an agency or  
18 instrumentality of the United States government; provided,  
19 however, that such loan participations are represented by  
20 certificates issued only by banks which are incorporated under  
21 the laws of this State or any other state or under the laws of  
22 the United States, and such banks, but not the loan  
23 participation certificates, are insured by the Federal Deposit  
24 Insurance Corporation.

25 The State Treasurer may, with the approval of the Governor,  
26 invest or reinvest any State money in the Treasury that is not

1 needed for current expenditure, due or about to become due, or  
2 any money in the State Treasury that has been set aside and  
3 held for the payment of the principal of and the interest on  
4 any State bonds, in any of the following:

5 (1) Bonds, notes, certificates of indebtedness,  
6 Treasury bills, or other securities now or hereafter issued  
7 that are guaranteed by the full faith and credit of the  
8 United States of America as to principal and interest.

9 (2) Bonds, notes, debentures, or other similar  
10 obligations of the United States of America, its agencies,  
11 and instrumentalities.

12 (2.5) Bonds, notes, debentures, or other similar  
13 obligations of a foreign government, other than the  
14 Republic of the Sudan, that are guaranteed by the full  
15 faith and credit of that government as to principal and  
16 interest, but only if the foreign government has not  
17 defaulted and has met its payment obligations in a timely  
18 manner on all similar obligations for a period of at least  
19 25 years immediately before the time of acquiring those  
20 obligations.

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

26 (4) Interest-bearing accounts, certificates of

1 deposit, or any other investments constituting direct  
2 obligations of any savings and loan associations  
3 incorporated under the laws of this State or any other  
4 state or under the laws of the United States.

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

11 (6) Bankers' acceptances of banks whose senior  
12 obligations are rated in the top 2 rating categories by 2  
13 national rating agencies and maintain that rating during  
14 the term of the investment.

15 (7) Obligations ~~Short-term obligations~~ of either  
16 corporations or limited liability companies organized in  
17 the United States, that have a significant presence in this  
18 State, with assets exceeding \$500,000,000 if (i) the  
19 obligations are rated at the time of purchase at one of the  
20 3 highest classifications established by at least 2  
21 standard rating services and mature not later than 5 years  
22 ~~270 days~~ from the date of purchase, (ii) the purchases do  
23 not exceed 10% of the corporation's or the limited  
24 liability company's outstanding obligations, (iii) no more  
25 than one-third of the public agency's funds are invested in  
26 short-term obligations of either corporations or limited

1 liability companies, and (iv) the corporation or the  
2 limited liability company has not been identified as a  
3 forbidden entity, as that term is defined in Section  
4 1-110.6 of the Illinois Pension Code, by an independent  
5 researching firm that specializes in global security risk  
6 that has been engaged by the State Treasurer.

7 (8) Money market mutual funds registered under the  
8 Investment Company Act of 1940, provided that the portfolio  
9 of the money market mutual fund is limited to obligations  
10 described in this Section and to agreements to repurchase  
11 such obligations.

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

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

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

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

24 (i) the federal land banks, federal intermediate  
25 credit banks, banks for cooperatives, federal farm credit  
26 banks, or any other entity authorized to issue debt

1 obligations under the Farm Credit Act of 1971 (12 U.S.C.  
2 2001 et seq.) and Acts amendatory thereto;

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

5 (iii) the Commodity Credit Corporation; and

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

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

15 (Source: P.A. 96-469, eff. 8-14-09; 96-795, eff. 7-1-10 (see  
16 Section 5 of P.A. 96-793 for the effective date of changes made  
17 by P.A. 96-795); 96-870, eff. 1-21-10; 97-277, eff. 8-8-11.)

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