

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 17 as follows:

6 (15 ILCS 505/17) (from Ch. 130, par. 17)

7 Sec. 17. The State Treasurer may establish and administer  
8 both a Public Treasurers' Investment Pool and an E-Pay program  
9 to supplement and enhance both the investment opportunities and  
10 the secure electronic payment options otherwise available to  
11 other custodians of public funds for public agencies in this  
12 State.

13 The Treasurer, in administering the Public Treasurers'  
14 Investment Pool, may receive public funds paid into the pool by  
15 any other custodian of such funds and may serve as the fiscal  
16 agent of that custodian of public funds for the purpose of  
17 holding and investing those funds.

18 The Treasurer may invest the public funds constituting the  
19 Public Treasurers' Investment Pool in the same manner, in the  
20 same types of investments and subject to the same limitations  
21 provided for the investment of funds in the State Treasury. The  
22 Treasurer shall develop, publish, and implement an investment  
23 policy covering the management of funds in the Public

1 Treasurers' Investment Pool. The policy shall be published each  
2 year as part of the audit of the Public Treasurers' Investment  
3 Pool by the Auditor General, which shall be distributed to all  
4 participants. The Treasurer shall notify all Public  
5 Treasurers' Investment Pool participants in writing, and the  
6 Treasurer shall publish in at least one newspaper of general  
7 circulation in both Springfield and Chicago any changes to a  
8 previously published investment policy at least 30 calendar  
9 days before implementing the policy. Any such investment policy  
10 adopted by the Treasurer shall be reviewed, and updated if  
11 necessary, within 90 days following the installation of a new  
12 Treasurer.

13 The Treasurer shall promulgate such rules and regulations  
14 as he deems necessary for the efficient administration of the  
15 Public Treasurers' Investment Pool and the E-Pay program,  
16 including specification of minimum amounts which may be  
17 deposited in the Pool and minimum periods of time for which  
18 deposits shall be retained in the Pool. The rules shall provide  
19 for the administration expenses of the Pool to be paid from its  
20 earnings and for the interest earnings in excess of such  
21 expenses to be credited or paid monthly to the several  
22 custodians of public funds participating in the Pool in a  
23 manner which equitably reflects the differing amounts of their  
24 respective investments in the Pool and the differing periods of  
25 time for which such amounts were in the custody of the Pool.

26 Upon creating a Public Treasurers' Investment Pool the

1 State Treasurer shall give bond with 2 or more sufficient  
2 sureties, payable to custodians of public funds who participate  
3 in the Pool for the benefit of the public agencies whose funds  
4 are paid into the Pool for investment, in the penal sum of  
5 \$150,000, conditioned for the faithful discharge of his duties  
6 in relation to the Public Treasurers' Investment Pool.

7 "Public funds" and "public agency", as used in this Section  
8 have the meanings ascribed to them in Section 1 of "An Act  
9 relating to certain investments of public funds by public  
10 agencies", approved July 23, 1943, as amended.

11 This amendatory Act of 1975 is not a limit on any home rule  
12 unit.

13 After the effective date of this amendatory Act of the 99th  
14 General Assembly, participation in the Public Treasurers'  
15 Investment Pool shall not be a prerequisite for participation  
16 in the Treasurer's E-Pay program.

17 (Source: P.A. 97-537, eff. 8-23-11.)

18 Section 10. The Deposit of State Moneys Act is amended by  
19 changing Sections 18 and 22.5 as follows:

20 (15 ILCS 520/18) (from Ch. 130, par. 37)

21 Sec. 18. The State Treasurer shall make a monthly report to  
22 the Governor giving a detailed statement of the balances on  
23 deposit in the several banks or savings and loan associations,  
24 and the amount paid by each such bank or savings and loan

1 association as interest on moneys so deposited. Such statement  
2 shall contain the name of each bank or savings and loan  
3 association, and the amount in such bank or savings and loan  
4 association subject to draft at the close of business on the  
5 last day of the month for which the report is made, and on the  
6 last day of the month next preceding. A copy of such report  
7 shall be retained by the Treasurer and shall be made available  
8 for inspection by the public at any reasonable time. The  
9 Treasurer may satisfy the requirements of this Section by  
10 posting the monthly report on the Treasurer's official Internet  
11 website.

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

13 (15 ILCS 520/22.5) (from Ch. 130, par. 41a)

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

16 Sec. 22.5. Permitted investments. The State Treasurer may,  
17 with the approval of the Governor, invest and reinvest any  
18 State money in the treasury which is not needed for current  
19 expenditures due or about to become due, in obligations of the  
20 United States government or its agencies or of National  
21 Mortgage Associations established by or under the National  
22 Housing Act, 1201 U.S.C. 1701 et seq., or in mortgage  
23 participation certificates representing undivided interests in  
24 specified, first-lien conventional residential Illinois  
25 mortgages that are underwritten, insured, guaranteed, or

1 purchased by the Federal Home Loan Mortgage Corporation or in  
2 Affordable Housing Program Trust Fund Bonds or Notes as defined  
3 in and issued pursuant to the Illinois Housing Development Act.  
4 All such obligations shall be considered as cash and may be  
5 delivered over as cash by a State Treasurer to his successor.

6 The State Treasurer may, with the approval of the Governor,  
7 purchase any state bonds with any money in the State Treasury  
8 that has been set aside and held for the payment of the  
9 principal of and interest on the bonds. The bonds shall be  
10 considered as cash and may be delivered over as cash by the  
11 State Treasurer to his successor.

12 The State Treasurer may, with the approval of the Governor,  
13 invest or reinvest any State money in the treasury that is not  
14 needed for current expenditure due or about to become due, or  
15 any money in the State Treasury that has been set aside and  
16 held for the payment of the principal of and the interest on  
17 any State bonds, in shares, withdrawable accounts, and  
18 investment certificates of savings and building and loan  
19 associations, incorporated under the laws of this State or any  
20 other state or under the laws of the United States; provided,  
21 however, that investments may be made only in those savings and  
22 loan or building and loan associations the shares and  
23 withdrawable accounts or other forms of investment securities  
24 of which are insured by the Federal Deposit Insurance  
25 Corporation.

26 The State Treasurer may not invest State money in any

1 savings and loan or building and loan association unless a  
2 commitment by the savings and loan (or building and loan)  
3 association, executed by the president or chief executive  
4 officer of that association, is submitted in the following  
5 form:

6           The ..... Savings and Loan (or Building  
7 and Loan) Association pledges not to reject arbitrarily  
8 mortgage loans for residential properties within any  
9 specific part of the community served by the savings and  
10 loan (or building and loan) association because of the  
11 location of the property. The savings and loan (or building  
12 and loan) association also pledges to make loans available  
13 on low and moderate income residential property throughout  
14 the community within the limits of its legal restrictions  
15 and prudent financial practices.

16           The State Treasurer may, with the approval of the Governor,  
17 invest or reinvest, at a price not to exceed par, any State  
18 money in the treasury that is not needed for current  
19 expenditures due or about to become due, or any money in the  
20 State Treasury that has been set aside and held for the payment  
21 of the principal of and interest on any State bonds, in bonds  
22 issued by counties or municipal corporations of the State of  
23 Illinois.

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

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

12 The State Treasurer may, with the approval of the Governor,  
13 invest or reinvest any State money in the Treasury that is not  
14 needed for current expenditure, due or about to become due, or  
15 any money in the State Treasury that has been set aside and  
16 held for the payment of the principal of and the interest on  
17 any State bonds, in any of the following:

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

22 (2) Bonds, notes, debentures, or other similar  
23 obligations of the United States of America, its agencies,  
24 and instrumentalities.

25 (2.5) Bonds, notes, debentures, or other similar  
26 obligations of a foreign government, other than the

1 Republic of the Sudan, that are guaranteed by the full  
2 faith and credit of that government as to principal and  
3 interest, but only if the foreign government has not  
4 defaulted and has met its payment obligations in a timely  
5 manner on all similar obligations for a period of at least  
6 25 years immediately before the time of acquiring those  
7 obligations.

8 (3) Interest-bearing savings accounts,  
9 interest-bearing certificates of deposit, interest-bearing  
10 time deposits, or any other investments constituting  
11 direct obligations of any bank as defined by the Illinois  
12 Banking Act.

13 (4) Interest-bearing accounts, certificates of  
14 deposit, or any other investments constituting direct  
15 obligations of any savings and loan associations  
16 incorporated under the laws of this State or any other  
17 state or under the laws of the United States.

18 (5) Dividend-bearing share accounts, share certificate  
19 accounts, or class of share accounts of a credit union  
20 chartered under the laws of this State or the laws of the  
21 United States; provided, however, the principal office of  
22 the credit union must be located within the State of  
23 Illinois.

24 (6) Bankers' acceptances of banks whose senior  
25 obligations are rated in the top 2 rating categories by 2  
26 national rating agencies and maintain that rating during



1 the term of the investment.

2 (7) Short-term obligations of either corporations or  
3 limited liability companies organized in the United States  
4 with assets exceeding \$500,000,000 if (i) the obligations  
5 are rated at the time of purchase at one of the 3 highest  
6 classifications established by at least 2 standard rating  
7 services and mature not later than 270 days from the date  
8 of purchase, (ii) the purchases do not exceed 10% of the  
9 corporation's or the limited liability company's  
10 outstanding obligations, (iii) no more than one-third of  
11 the public agency's funds are invested in short-term  
12 obligations of either corporations or limited liability  
13 companies, and (iv) the corporation or the limited  
14 liability company has not been placed on the list of  
15 restricted companies by the Illinois Investment Policy  
16 Board under Section 1-110.16 ~~identified as a forbidden~~  
17 ~~entity, as that term is defined in Section 1-110.6 of the~~  
18 ~~Illinois Pension Code, by an independent researching firm~~  
19 ~~that specializes in global security risk that has been~~  
20 ~~engaged by the State Treasurer.~~

21 (7.5) Obligations of either corporations or limited  
22 liability companies organized in the United States, that  
23 have a significant presence in this State, with assets  
24 exceeding \$500,000,000 if: (i) the obligations are rated at  
25 the time of purchase at one of the 3 highest  
26 classifications established by at least 2 standard rating

1 services and mature more than 270 days, but less than 5  
2 years, from the date of purchase; (ii) the purchases do not  
3 exceed 10% of the corporation's or the limited liability  
4 company's outstanding obligations; (iii) no more than 5% of  
5 the public agency's funds are invested in such obligations  
6 of corporations or limited liability companies; and (iv)  
7 the corporation or the limited liability company has not  
8 been placed on the list of restricted companies by the  
9 Illinois Investment Policy Board under Section 1-110.16 of  
10 the Illinois Pension Code. The authorization of the  
11 Treasurer to invest in new obligations under this paragraph  
12 shall expire on June 30, 2019.

13 (8) Money market mutual funds registered under the  
14 Investment Company Act of 1940, provided that the portfolio  
15 of the money market mutual fund is limited to obligations  
16 described in this Section and to agreements to repurchase  
17 such obligations.

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

21 (10) Repurchase agreements of government securities  
22 having the meaning set out in the Government Securities Act  
23 of 1986, as now or hereafter amended or succeeded, subject  
24 to the provisions of that Act and the regulations issued  
25 thereunder.

26 (11) Investments made in accordance with the

1 Technology Development Act.

2 For purposes of this Section, "agencies" of the United  
3 States Government includes:

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

9 (ii) the federal home loan banks and the federal home  
10 loan mortgage corporation;

11 (iii) the Commodity Credit Corporation; and

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

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

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

24 Section 99. Effective date. This Act takes effect upon  
25 becoming law.