



Rep. Al Riley

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1 AMENDMENT TO SENATE BILL 2864

2 AMENDMENT NO. _____. Amend Senate Bill 2864 by replacing
3 everything after the enacting clause with the following:

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

1 holding and investing those funds.

2 The Treasurer may invest the public funds constituting the
3 Public Treasurers' Investment Pool in the same manner, in the
4 same types of investments and subject to the same limitations
5 provided for the investment of funds in the State Treasury. The
6 Treasurer shall develop, publish, and implement an investment
7 policy covering the management of funds in the Public
8 Treasurers' Investment Pool. The policy shall be published each
9 year as part of the audit of the Public Treasurers' Investment
10 Pool by the Auditor General, which shall be distributed to all
11 participants. The Treasurer shall notify all Public
12 Treasurers' Investment Pool participants in writing, and the
13 Treasurer shall publish in at least one newspaper of general
14 circulation in both Springfield and Chicago any changes to a
15 previously published investment policy at least 30 calendar
16 days before implementing the policy. Any such investment policy
17 adopted by the Treasurer shall be reviewed, and updated if
18 necessary, within 90 days following the installation of a new
19 Treasurer.

20 The Treasurer shall promulgate such rules and regulations
21 as he deems necessary for the efficient administration of the
22 Public Treasurers' Investment Pool and the E-Pay program,
23 including specification of minimum amounts which may be
24 deposited in the Pool and minimum periods of time for which
25 deposits shall be retained in the Pool. The rules shall provide
26 for the administration expenses of the Pool to be paid from its

1 earnings and for the interest earnings in excess of such
2 expenses to be credited or paid monthly to the several
3 custodians of public funds participating in the Pool in a
4 manner which equitably reflects the differing amounts of their
5 respective investments in the Pool and the differing periods of
6 time for which such amounts were in the custody of the Pool.

7 Upon creating a Public Treasurers' Investment Pool the
8 State Treasurer shall give bond with 2 or more sufficient
9 sureties, payable to custodians of public funds who participate
10 in the Pool for the benefit of the public agencies whose funds
11 are paid into the Pool for investment, in the penal sum of
12 \$150,000, conditioned for the faithful discharge of his duties
13 in relation to the Public Treasurers' Investment Pool.

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

18 This amendatory Act of 1975 is not a limit on any home rule
19 unit.

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

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

25 Section 10. The Deposit of State Moneys Act is amended by

1 changing Sections 18 and 22.5 as follows:

2 (15 ILCS 520/18) (from Ch. 130, par. 37)

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

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

19 (15 ILCS 520/22.5) (from Ch. 130, par. 41a)

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

22 Sec. 22.5. Permitted investments. The State Treasurer may,
23 with the approval of the Governor, invest and reinvest any
24 State money in the treasury which is not needed for current

1 expenditures due or about to become due, in obligations of the
2 United States government or its agencies or of National
3 Mortgage Associations established by or under the National
4 Housing Act, 1201 U.S.C. 1701 et seq., or in mortgage
5 participation certificates representing undivided interests in
6 specified, first-lien conventional residential Illinois
7 mortgages that are underwritten, insured, guaranteed, or
8 purchased by the Federal Home Loan Mortgage Corporation or in
9 Affordable Housing Program Trust Fund Bonds or Notes as defined
10 in and issued pursuant to the Illinois Housing Development Act.
11 All such obligations shall be considered as cash and may be
12 delivered over as cash by a State Treasurer to his successor.

13 The State Treasurer may, with the approval of the Governor,
14 purchase any state bonds with any money in the State Treasury
15 that has been set aside and held for the payment of the
16 principal of and interest on the bonds. The bonds shall be
17 considered as cash and may be delivered over as cash by the
18 State Treasurer to his successor.

19 The State Treasurer may, with the approval of the Governor,
20 invest or reinvest any State money in the treasury that is not
21 needed for current expenditure due or about to become due, or
22 any money in the State Treasury that has been set aside and
23 held for the payment of the principal of and the interest on
24 any State bonds, in shares, withdrawable accounts, and
25 investment certificates of savings and building and loan
26 associations, incorporated under the laws of this State or any

1 other state or under the laws of the United States; provided,
2 however, that investments may be made only in those savings and
3 loan or building and loan associations the shares and
4 withdrawable accounts or other forms of investment securities
5 of which are insured by the Federal Deposit Insurance
6 Corporation.

7 The State Treasurer may not invest State money in any
8 savings and loan or building and loan association unless a
9 commitment by the savings and loan (or building and loan)
10 association, executed by the president or chief executive
11 officer of that association, is submitted in the following
12 form:

13 The Savings and Loan (or Building
14 and Loan) Association pledges not to reject arbitrarily
15 mortgage loans for residential properties within any
16 specific part of the community served by the savings and
17 loan (or building and loan) association because of the
18 location of the property. The savings and loan (or building
19 and loan) association also pledges to make loans available
20 on low and moderate income residential property throughout
21 the community within the limits of its legal restrictions
22 and prudent financial practices.

23 The State Treasurer may, with the approval of the Governor,
24 invest or reinvest, at a price not to exceed par, any State
25 money in the treasury that is not needed for current
26 expenditures due or about to become due, or any money in the

1 State Treasury that has been set aside and held for the payment
2 of the principal of and interest on any State bonds, in bonds
3 issued by counties or municipal corporations of the State of
4 Illinois.

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

19 The State Treasurer may, with the approval of the Governor,
20 invest or reinvest any State money in the Treasury that is not
21 needed for current expenditure, due or about to become due, or
22 any money in the State Treasury that has been set aside and
23 held for the payment of the principal of and the interest on
24 any State bonds, in any of the following:

25 (1) Bonds, notes, certificates of indebtedness,
26 Treasury bills, or other securities now or hereafter issued

1 that are guaranteed by the full faith and credit of the
2 United States of America as to principal and interest.

3 (2) Bonds, notes, debentures, or other similar
4 obligations of the United States of America, its agencies,
5 and instrumentalities.

6 (2.5) Bonds, notes, debentures, or other similar
7 obligations of a foreign government, other than the
8 Republic of the Sudan, that are guaranteed by the full
9 faith and credit of that government as to principal and
10 interest, but only if the foreign government has not
11 defaulted and has met its payment obligations in a timely
12 manner on all similar obligations for a period of at least
13 25 years immediately before the time of acquiring those
14 obligations.

15 (3) Interest-bearing savings accounts,
16 interest-bearing certificates of deposit, interest-bearing
17 time deposits, or any other investments constituting
18 direct obligations of any bank as defined by the Illinois
19 Banking Act.

20 (4) Interest-bearing accounts, certificates of
21 deposit, or any other investments constituting direct
22 obligations of any savings and loan associations
23 incorporated under the laws of this State or any other
24 state or under the laws of the United States.

25 (5) Dividend-bearing share accounts, share certificate
26 accounts, or class of share accounts of a credit union

1 chartered under the laws of this State or the laws of the
2 United States; provided, however, the principal office of
3 the credit union must be located within the State of
4 Illinois.

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

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

1 ~~engaged by the State Treasurer.~~

2 (7.5) Obligations of either corporations or limited
3 liability companies organized in the United States, that
4 have a significant presence in this State, with assets
5 exceeding \$500,000,000 if: (i) the obligations are rated at
6 the time of purchase at one of the 3 highest
7 classifications established by at least 2 standard rating
8 services and mature more than 270 days, but less than 5
9 years, from the date of purchase; (ii) the purchases do not
10 exceed 10% of the corporation's or the limited liability
11 company's outstanding obligations; (iii) no more than 5% of
12 the public agency's funds are invested in such obligations
13 of corporations or limited liability companies; and (iv)
14 the corporation or the limited liability company has not
15 been placed on the list of restricted companies by the
16 Illinois Investment Policy Board under Section 1-110.16 of
17 the Illinois Pension Code. The authorization of the
18 Treasurer to invest in new obligations under this paragraph
19 shall expire on June 30, 2019.

20 (8) Money market mutual funds registered under the
21 Investment Company Act of 1940, provided that the portfolio
22 of the money market mutual fund is limited to obligations
23 described in this Section and to agreements to repurchase
24 such obligations.

25 (9) The Public Treasurers' Investment Pool created
26 under Section 17 of the State Treasurer Act or in a fund

1 managed, operated, and administered by a bank.

2 (10) Repurchase agreements of government securities
3 having the meaning set out in the Government Securities Act
4 of 1986, as now or hereafter amended or succeeded, subject
5 to the provisions of that Act and the regulations issued
6 thereunder.

7 (11) Investments made in accordance with the
8 Technology Development Act.

9 For purposes of this Section, "agencies" of the United
10 States Government includes:

11 (i) the federal land banks, federal intermediate
12 credit banks, banks for cooperatives, federal farm credit
13 banks, or any other entity authorized to issue debt
14 obligations under the Farm Credit Act of 1971 (12 U.S.C.
15 2001 et seq.) and Acts amendatory thereto;

16 (ii) the federal home loan banks and the federal home
17 loan mortgage corporation;

18 (iii) the Commodity Credit Corporation; and

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

20 The Treasurer may, with the approval of the Governor, lend
21 any securities acquired under this Act. However, securities may
22 be lent under this Section only in accordance with Federal
23 Financial Institution Examination Council guidelines and only
24 if the securities are collateralized at a level sufficient to
25 assure the safety of the securities, taking into account market
26 value fluctuation. The securities may be collateralized by cash

1 or collateral acceptable under Sections 11 and 11.1.
2 (Source: P.A. 96-469, eff. 8-14-09; 96-795, eff. 7-1-10 (see
3 Section 5 of P.A. 96-793 for the effective date of changes made
4 by P.A. 96-795); 96-870, eff. 1-21-10; 97-277, eff. 8-8-11.)

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