

AN ACT concerning regulation.

**Be it enacted by the People of the State of Illinois,
represented in the General Assembly:**

Section 1. Short title. This Act may be cited as the Banking Development District Act.

Section 5. Definitions. As used in this Act:

"Department" means the Department of Financial and Professional Regulation.

"Depository institution" means a bank, savings bank, savings and loan association, or credit union organized or chartered under the laws of this State or any other state or under the laws of the United States.

"Improvement" does not include ordinary maintenance and repairs.

"Local government" means a municipality, county, township, or other unit of local government.

"Secretary" means the Secretary of Financial and Professional Regulation or the Secretary's designee.

"State Treasurer" means the State Treasurer or the State Treasurer's designee.

Section 10. Banking development district program.

(a) There is hereby created a banking development district

program, the purpose of which is to encourage the establishment of banking branches for banking services in geographic locations where there are the greatest underbanked and unbanked populations. The Department shall, in consultation with the State Treasurer, adopt rules in accordance with the Illinois Administrative Procedure Act that set forth the criteria for the establishment of banking development districts.

(b) The criteria for the establishment of banking development districts shall include, but not be limited to, the following:

(1) the location, number, and proximity of sites where banking services are available within the district;

(2) the identification of unmet consumer needs for banking services within the district;

(3) the economic viability and unmet local credit needs of the community within the district;

(4) the existing commercial development within the district;

(5) the impact that additional banking services would have on potential economic development in the district;
and

(6) any other criteria that the Secretary, in consultation with the State Treasurer, deems appropriate.

Section 15. Application.

(a) The governing board of a local government, in conjunction with a depository institution, may submit an application to the Department for the designation of a banking development district. The boundaries of the proposed banking development district shall include property on which the depository institution plans to make improvements to establish a banking branch. The application shall include the legal description of the property to be designated.

(b) The Secretary, in consultation with the State Treasurer, shall issue a determination on the application within 60 days after receiving the application. If an application is approved, the Department shall transmit notification of the approval and a copy of all application materials to the applicants, the Governor, the State Comptroller, the State Treasurer, the Director of Commerce and Economic Opportunity, the President of the Senate, the Speaker of the House of Representatives, the Minority Leader of the Senate, the Minority Leader of the House of Representatives, and the clerk of the county, the municipal clerk, or the equivalent official in which the property is located.

Section 20. Existing facilities. Notwithstanding any other provision of law, an application may be submitted by a local government in conjunction with a depository institution that has already opened a branch within the area of the proposed district. In considering the criteria authorized under Section

10, the Secretary must also take into account the importance and benefits of preserving the banking services offered by the existing branch and the likelihood that the branch will remain open if the application is not approved.

Section 25. Deposits of public funds. When investing or depositing State funds, the State Treasurer and local governments may give preference to depository institutions that have an approved banking development district application.

Section 30. Limitations. Nothing in this Act shall be construed as authorizing the State Treasurer or local governments to conduct an examination or investigation of a depository institution or to receive information that is not publicly available and the disclosure of which is otherwise prohibited by law.

Section 35. Rulemaking. In addition to such powers as may be prescribed by this Act, the Department, in consultation with the State Treasurer, may adopt rules consistent with the purposes of this Act, including, but not limited to:

(1) rules that define the terms used in this Act and as may be necessary and appropriate to interpret and implement this Act;

(2) rules that establish fees for applications or

Public Act 102-0802

HB5194 Enrolled

LRB102 25895 BMS 35253 b

other services rendered by the Department related to this Act; and

(3) rules as may be necessary for the enforcement of this Act.

Section 99. Effective date. This Act takes effect January 1, 2023.