



Rep. Gregory Harris

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LRB100 18839 RJF 40526 a

1 AMENDMENT TO SENATE BILL 2858

2 AMENDMENT NO. _____. Amend Senate Bill 2858 by replacing
3 everything after the enacting clause with the following:

4 "Section 5. The Deposit of State Moneys Act is amended by
5 changing Section 22.5 as follows:

6 (15 ILCS 520/22.5) (from Ch. 130, par. 41a)

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

9 Sec. 22.5. Permitted investments. The State Treasurer may,
10 with the approval of the Governor, invest and reinvest any
11 State money in the treasury which is not needed for current
12 expenditures due or about to become due, in obligations of the
13 United States government or its agencies or of National
14 Mortgage Associations established by or under the National
15 Housing Act, 1201 U.S.C. 1701 et seq., or in mortgage
16 participation certificates representing undivided interests in

1 specified, first-lien conventional residential Illinois
2 mortgages that are underwritten, insured, guaranteed, or
3 purchased by the Federal Home Loan Mortgage Corporation or in
4 Affordable Housing Program Trust Fund Bonds or Notes as defined
5 in and issued pursuant to the Illinois Housing Development Act.
6 All such obligations shall be considered as cash and may be
7 delivered over as cash by a State Treasurer to his successor.

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

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

1 Corporation.

2 The State Treasurer may not invest State money in any
3 savings and loan or building and loan association unless a
4 commitment by the savings and loan (or building and loan)
5 association, executed by the president or chief executive
6 officer of that association, is submitted in the following
7 form:

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

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

26 The State Treasurer may, with the approval of the Governor,

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

14 Whenever the total amount of vouchers presented to the
15 Comptroller under Section 9 of the State Comptroller Act
16 exceeds the funds available in the General Revenue Fund by
17 \$1,000,000,000 or more, then the State Treasurer may invest any
18 State money in the Treasury, other than money in the General
19 Revenue Fund, Health Insurance Reserve Fund, Attorney General
20 Court Ordered and Voluntary Compliance Payment Projects Fund,
21 Attorney General Whistleblower Reward and Protection Fund, and
22 Attorney General's State Projects and Court Ordered
23 Distribution Fund, which is not needed for current
24 expenditures, due or about to become due, or any money in the
25 State Treasury which has been set aside and held for the
26 payment of the principal of and the interest on any State bonds

1 with the Office of the Comptroller in order to enable the
2 Comptroller to pay outstanding vouchers. At any time, and from
3 time to time outstanding, such investment shall not be greater
4 than \$2,000,000,000. Such investment shall be deposited into
5 the General Revenue Fund or Health Insurance Reserve Fund as
6 determined by the Comptroller. Such investment shall be repaid
7 by the Comptroller with an interest rate tied to the London
8 Interbank Offered Rate (LIBOR) or the Federal Funds Rate or an
9 equivalent market established variable rate, but in no case
10 shall such interest rate exceed the lesser of the penalty rate
11 established under the State Prompt Payment Act or the timely
12 pay interest rate under Section 368a of the Illinois Insurance
13 Code. The State Treasurer and the Comptroller shall enter into
14 an intergovernmental agreement to establish procedures for
15 such investments, which market established variable rate to
16 which the interest rate for the investments should be tied, and
17 other terms which the State Treasurer and Comptroller
18 reasonably believe to be mutually beneficial concerning these
19 investments by the State Treasurer. The State Treasurer and
20 Comptroller shall also enter into a written agreement for each
21 such investment that specifies the period of the investment,
22 the payment interval, the interest rate to be paid, the funds
23 in the Treasury from which the Treasurer will draw the
24 investment, and other terms upon which the State Treasurer and
25 Comptroller mutually agree. Such investment agreements shall
26 be public records and the State Treasurer shall post the terms

1 of all such investment agreements on the State Treasurer's
2 official website. In compliance with the intergovernmental
3 agreement, the Comptroller shall order and the State Treasurer
4 shall transfer amounts sufficient for the payment of principal
5 and interest invested by the State Treasurer with the Office of
6 the Comptroller under this paragraph from the General Revenue
7 Fund or the Health Insurance Reserve Fund to the respective
8 funds in the Treasury from which the State Treasurer drew the
9 investment. This amendatory Act of the 100th General Assembly
10 shall constitute an irrevocable and continuing authority for
11 all amounts necessary for the payment of principal and interest
12 on the investments made with the Office of the Comptroller by
13 the State Treasurer under this paragraph, and the irrevocable
14 and continuing authority for and direction to the Comptroller
15 and Treasurer to make the necessary transfers.

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

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

26 (2) Bonds, notes, debentures, or other similar

1 obligations of the United States of America, its agencies,
2 and instrumentalities.

3 (2.5) Bonds, notes, debentures, or other similar
4 obligations of a foreign government, other than the
5 Republic of the Sudan, that are guaranteed by the full
6 faith and credit of that government as to principal and
7 interest, but only if the foreign government has not
8 defaulted and has met its payment obligations in a timely
9 manner on all similar obligations for a period of at least
10 25 years immediately before the time of acquiring those
11 obligations.

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

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

22 (5) Dividend-bearing share accounts, share certificate
23 accounts, or class of share accounts of a credit union
24 chartered under the laws of this State or the laws of the
25 United States; provided, however, the principal office of
26 the credit union must be located within the State of

1 Illinois.

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

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

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. 99-856, eff. 8-19-16.)

22 Section 99. Effective date. This Act takes effect upon
23 becoming law."