



101ST GENERAL ASSEMBLY

State of Illinois

2019 and 2020

HB5806

Introduced 11/10/2020, by Rep. Emanuel Chris Welch - Anna Moeller and Marcus C. Evans, Jr.

SYNOPSIS AS INTRODUCED:

30 ILCS 235/7

from Ch. 85, par. 907

30 ILCS 235/7.5 new

Amends the Public Funds Investment Act. Provides that when investing or depositing public funds, each public agency shall invest or deposit such funds with or in financial institutions that have a board of directors consisting of at least 20% persons of color. Provides that a financial institution that does not have a board of directors consisting of at least 20% persons of color may increase or modify its board membership. Provides that any public agency investing or depositing public funds shall divest any previously invested or deposited funds from any financial institution failing to meet specified requirements by January 1, 2021. Defines "persons of color". Makes conforming changes. Effective immediately.

LRB101 21745 RJF 72693 b

FISCAL NOTE ACT
MAY APPLY

1 AN ACT concerning finance.

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

4 Section 5. The Public Funds Investment Act is amended by
5 changing Section 7 and by adding Section 7.5 as follows:

6 (30 ILCS 235/7) (from Ch. 85, par. 907)

7 Sec. 7. Subject to the requirements of Section 7.5, when
8 ~~when~~ investing or depositing public funds, each custodian
9 shall, to the extent permitted by this Act and by the lawful
10 and reasonable performance of his custodial duties, invest or
11 deposit such funds with or in minority-owned financial
12 institutions within this State.

13 (Source: P.A. 84-754.)

14 (30 ILCS 235/7.5 new)

15 Sec. 7.5. Investment in financial institutions consisting
16 of persons of color.

17 (a) Notwithstanding any provision of law to the contrary,
18 when investing or depositing public funds, each public agency
19 shall invest or deposit such funds with or in financial
20 institutions that have a board of directors consisting of at
21 least 20% persons of color. A financial institution that does
22 not have a board of directors consisting of at least 20%

1 persons of color may increase or modify its board membership
2 for the purposes of this Section.

3 (b) Any public agency investing or depositing public funds
4 under this Section shall divest any previously invested or
5 deposited funds from any financial institution failing to meet
6 the requirements of subsection (a) by January 1, 2021.

7 (c) For the purposes of this Section, "persons of color"
8 means:

9 (1) Black or African American. A person having origins
10 in any of the Black racial groups of Africa; and

11 (2) Hispanic or Latino. A person of Cuban, Mexican,
12 Puerto Rican, South or Central American, or other Spanish
13 culture or origin, regardless of race.

14 Section 99. Effective date. This Act takes effect upon
15 becoming law.