

HB1256



102ND GENERAL ASSEMBLY

State of Illinois

2021 and 2022

HB1256

Introduced 2/17/2021, by Rep. Emanuel Chris Welch

SYNOPSIS AS INTRODUCED:

30 ILCS 225/1

from Ch. 102, par. 34

Amends the Public Funds Deposit Act. Makes a technical change in a Section concerning deposits.

LRB102 03271 RJF 13284 b

A BILL FOR

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 Deposit Act is amended by
5 changing Section 1 as follows:

6 (30 ILCS 225/1) (from Ch. 102, par. 34)

7 Sec. 1. Deposits. Any treasurer or other custodian of
8 public funds may deposit such funds in a savings and ~~and~~ loan
9 association, savings bank, or State or national bank in this
10 State, or deposit those funds into demand deposit accounts in
11 accordance with Section 6.5 of the Public Funds Investment
12 Act. When such deposits become collected funds and are not
13 needed for immediate disbursement, they shall be invested
14 within 2 working days at prevailing rates or better. The
15 treasurer or other custodian of public funds may require such
16 bank, savings bank, or savings and loan association to deposit
17 with him or her securities guaranteed by agencies and
18 instrumentalities of the federal government equal in market
19 value to the amount by which the funds deposited exceed the
20 federally insured amount. Any treasurer or other custodian of
21 public funds may accept as security for public funds deposited
22 in such bank, savings bank, or savings and loan association
23 any securities or other eligible collateral authorized by

1 Sections 11 and 11.1 of the Deposit of State Moneys Act (15
2 ILCS 520/11 and 11.1) or Section 6 of the Public Funds
3 Investment Act (30 ILCS 235/6). Such treasurer or other
4 custodian is authorized to enter into an agreement with any
5 such bank, savings bank, or savings and loan association, with
6 any federally insured financial institution or trust company,
7 or with any agency of the U.S. government relating to the
8 deposit of such securities. Any such treasurer or other
9 custodian shall be discharged from responsibility for any
10 funds for which securities are so deposited with him or her,
11 and the funds for which securities are so deposited shall not
12 be subject to any otherwise applicable limitation as to
13 amount.

14 No bank, savings bank, or savings and loan association
15 shall receive public funds as permitted by this Section,
16 unless it has complied with the requirements established
17 pursuant to Section 6 of the Public Funds Investment Act or is
18 otherwise exempt from compliance as authorized by Section 6.5
19 of that Act.

20 (Source: P.A. 98-703, eff. 7-7-14.)