



102ND GENERAL ASSEMBLY

State of Illinois

2021 and 2022

HB5194

Introduced 1/31/2022, by Rep. La Shawn K. Ford

SYNOPSIS AS INTRODUCED:

New Act

Creates the Banking Development District Act. Establishes a banking development district program. Provides that the Department of Financial and Professional Regulation shall, in consultation with the State Treasurer, adopt rules that set forth the criteria, including specified factors, for the establishment of banking development districts. Provides that 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. Provides that 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. Provides that the application shall include the legal description of the property to be designated. Provides that the Secretary of Financial and Professional Regulation shall, in consultation with the State Treasurer, issue a determination on an application within 60 days after receiving the application. Provides that 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, and the clerk of the county, the municipal clerk, or the equivalent official in which the property is located. Provides that the Department may adopt rules that define terms, rules that establish fees for applications or other services rendered by the Department, and rules necessary for the enforcement, interpretation, and implementation of the Act. Makes other changes. Effective January 1, 2023.

LRB102 25895 BMS 35253 b

1 AN ACT concerning regulation.

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

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

6 Section 5. Definitions. As used in this Act:

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

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

13 "Improvement" does not include ordinary maintenance and
14 repairs.

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

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

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

21 Section 10. Banking development district program.

22 (a) There is hereby created a banking development district

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

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

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

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

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

18 (4) the existing commercial development within the
19 district;

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

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

25 Section 15. Application.

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

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

20 Section 20. Existing facilities. Notwithstanding any other
21 provision of law, an application may be submitted by a local
22 government in conjunction with a depository institution that
23 has already opened a branch within the area of the proposed
24 district. In considering the criteria authorized under Section
25 10, the Secretary must also take into account the importance

1 and benefits of preserving the banking services offered by the
2 existing branch and the likelihood that the branch will remain
3 open if the application is not approved.

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

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

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

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

22 (2) rules that establish fees for applications or
23 other services rendered by the Department related to this

1 Act; and

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

4 Section 99. Effective date. This Act takes effect January
5 1, 2023.