

HB4221



97TH GENERAL ASSEMBLY

State of Illinois

2011 and 2012

HB4221

Introduced 1/30/2012, by Rep. Michael J. Madigan

SYNOPSIS AS INTRODUCED:

30 ILCS 230/2c

from Ch. 127, par. 173a

Amends the State Officers and Employees Money Disposition Act. Makes a technical change in a Section concerning the deposit of State money.

LRB097 15212 PJG 60312 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 State Officers and Employees Money
5 Disposition Act is amended by changing Section 2c as follows:

6 (30 ILCS 230/2c) (from Ch. 127, par. 173a)

7 Sec. 2c. Every such officer, board, commission,
8 commissioner, department, institution, arm or agency is
9 authorized to demand and ~~and~~ receive a bond and securities in
10 amount and kind satisfactory to him from any bank or savings
11 and loan association in which moneys held by such officer,
12 board, commission, commissioner, department, institution, arm
13 or agency for or on behalf of the State of Illinois, may be on
14 deposit, such securities to be held by the officer, board,
15 commission, commissioner, department, institution, arm or
16 agency for the period that such moneys are so on deposit and
17 then returned together with interest, dividends and other
18 accruals to the bank or savings and loan association. The bond
19 or undertaking and such securities shall be conditioned for the
20 return of the moneys deposited in conformity with the terms of
21 the deposit.

22 Whenever funds deposited with a bank or savings and loan
23 association exceed the amount of federal deposit insurance

1 coverage, a bond, pledged securities, or other eligible
2 collateral shall be obtained. Only the types of securities or
3 other eligible collateral which the State Treasurer may, in his
4 or her discretion, accept for amounts not insured by the
5 Federal Deposit Insurance Corporation or the Federal Savings
6 and Loan Insurance Corporation under Section 11 of "An Act in
7 relation to State moneys", approved June 28, 1919, as amended,
8 may be accepted as pledged securities. The market value of the
9 bond or pledged securities shall at all times be equal to or
10 greater than the uninsured portion of the deposit unless the
11 funds deposited are collateralized pursuant to a system
12 established by the State Treasurer to aggregate permissible
13 securities received as collateral from financial institutions
14 in a collateral pool to secure State deposits of the
15 institution that have pledged securities to the pool.

16 All securities deposited by a bank or savings and loan
17 association under the provisions of this Section shall remain
18 the property of the depository and may be stamped by the
19 depository so as to indicate that such securities are deposited
20 as collateral. Should the bank or savings and loan association
21 fail or refuse to pay over the moneys, or any part thereof,
22 deposited with it, the officer, board, commission,
23 commissioner, department, institution, arm or agency may sell
24 such securities upon giving 5 days notice to the depository of
25 his intention to so sell such securities. Such sale shall
26 transfer absolute ownership of the securities so sold to the

1 vendee thereof. The surplus, if any, over the amount due to the
2 State and the expenses of the sale shall be paid to the bank or
3 savings and loan association. Actions may be brought in the
4 name of the People of the State of Illinois to enforce the
5 claims of the State with respect to any securities deposited by
6 a bank or savings and loan association.

7 No bank or savings and loan association shall receive
8 public funds as permitted by this Section, unless it has
9 complied with the requirements established pursuant to Section
10 6 of "An Act relating to certain investments of public funds by
11 public agencies", approved July 23, 1943, as now or hereafter
12 amended.

13 (Source: P.A. 93-561, eff. 1-1-04.)