



Rep. Al Riley

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1 AMENDMENT TO SENATE BILL 2864

2 AMENDMENT NO. \_\_\_\_\_. Amend Senate Bill 2864 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 Sections 18 and 22.5 as follows:

6 (15 ILCS 520/18) (from Ch. 130, par. 37)

7 Sec. 18. The State Treasurer shall make a monthly report to  
8 the Governor giving a detailed statement of the balances on  
9 deposit in the several banks or savings and loan associations,  
10 and the amount paid by each such bank or savings and loan  
11 association as interest on moneys so deposited. Such statement  
12 shall contain the name of each bank or savings and loan  
13 association, and the amount in such bank or savings and loan  
14 association subject to draft at the close of business on the  
15 last day of the month for which the report is made, and on the  
16 last day of the month next preceding. A copy of such report

1 shall be retained by the Treasurer and shall be made available  
2 for inspection by the public at any reasonable time. The  
3 Treasurer may satisfy the requirements of this Section by  
4 posting the monthly report on the Treasurer's official Internet  
5 website.

6 (Source: P.A. 83-541.)

7 (15 ILCS 520/22.5) (from Ch. 130, par. 41a)

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

10 Sec. 22.5. Permitted investments. The State Treasurer may,  
11 with the approval of the Governor, invest and reinvest any  
12 State money in the treasury which is not needed for current  
13 expenditures due or about to become due, in obligations of the  
14 United States government or its agencies or of National  
15 Mortgage Associations established by or under the National  
16 Housing Act, 1201 U.S.C. 1701 et seq., or in mortgage  
17 participation certificates representing undivided interests in  
18 specified, first-lien conventional residential Illinois  
19 mortgages that are underwritten, insured, guaranteed, or  
20 purchased by the Federal Home Loan Mortgage Corporation or in  
21 Affordable Housing Program Trust Fund Bonds or Notes as defined  
22 in and issued pursuant to the Illinois Housing Development Act.  
23 All such obligations shall be considered as cash and may be  
24 delivered over as cash by a State Treasurer to his successor.

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

1 purchase any state bonds with any money in the State Treasury  
2 that has been set aside and held for the payment of the  
3 principal of and interest on the bonds. The bonds shall be  
4 considered as cash and may be delivered over as cash by the  
5 State Treasurer to his successor.

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

20 The State Treasurer may not invest State money in any  
21 savings and loan or building and loan association unless a  
22 commitment by the savings and loan (or building and loan)  
23 association, executed by the president or chief executive  
24 officer of that association, is submitted in the following  
25 form:

26 The ..... Savings and Loan (or Building

1           and Loan) Association pledges not to reject arbitrarily  
2           mortgage loans for residential properties within any  
3           specific part of the community served by the savings and  
4           loan (or building and loan) association because of the  
5           location of the property. The savings and loan (or building  
6           and loan) association also pledges to make loans available  
7           on low and moderate income residential property throughout  
8           the community within the limits of its legal restrictions  
9           and prudent financial practices.

10          The State Treasurer may, with the approval of the Governor,  
11          invest or reinvest, at a price not to exceed par, any State  
12          money in the treasury that is not needed for current  
13          expenditures due or about to become due, or any money in the  
14          State Treasury that has been set aside and held for the payment  
15          of the principal of and interest on any State bonds, in bonds  
16          issued by counties or municipal corporations of the State of  
17          Illinois.

18          The State Treasurer may, with the approval of the Governor,  
19          invest or reinvest any State money in the Treasury which is not  
20          needed for current expenditure, due or about to become due, or  
21          any money in the State Treasury which has been set aside and  
22          held for the payment of the principal of and the interest on  
23          any State bonds, in participations in loans, the principal of  
24          which participation is fully guaranteed by an agency or  
25          instrumentality of the United States government; provided,  
26          however, that such loan participations are represented by

1 certificates issued only by banks which are incorporated under  
2 the laws of this State or any other state or under the laws of  
3 the United States, and such banks, but not the loan  
4 participation certificates, are insured by the Federal Deposit  
5 Insurance Corporation.

6 The State Treasurer may, with the approval of the Governor,  
7 invest or reinvest any State money in the Treasury that is not  
8 needed for current expenditure, due or about to become due, or  
9 any money in the State Treasury that has been set aside and  
10 held for the payment of the principal of and the interest on  
11 any State bonds, in any of the following:

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

16 (2) Bonds, notes, debentures, or other similar  
17 obligations of the United States of America, its agencies,  
18 and instrumentalities.

19 (2.5) Bonds, notes, debentures, or other similar  
20 obligations of a foreign government, other than the  
21 Republic of the Sudan, that are guaranteed by the full  
22 faith and credit of that government as to principal and  
23 interest, but only if the foreign government has not  
24 defaulted and has met its payment obligations in a timely  
25 manner on all similar obligations for a period of at least  
26 25 years immediately before the time of acquiring those

1 obligations.

2 (3) Interest-bearing savings accounts,  
3 interest-bearing certificates of deposit, interest-bearing  
4 time deposits, or any other investments constituting  
5 direct obligations of any bank as defined by the Illinois  
6 Banking Act.

7 (4) Interest-bearing accounts, certificates of  
8 deposit, or any other investments constituting direct  
9 obligations of any savings and loan associations  
10 incorporated under the laws of this State or any other  
11 state or under the laws of the United States.

12 (5) Dividend-bearing share accounts, share certificate  
13 accounts, or class of share accounts of a credit union  
14 chartered under the laws of this State or the laws of the  
15 United States; provided, however, the principal office of  
16 the credit union must be located within the State of  
17 Illinois.

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

22 (7) Short-term obligations of either corporations or  
23 limited liability companies organized in the United States  
24 with assets exceeding \$500,000,000 if (i) the obligations  
25 are rated at the time of purchase at one of the 3 highest  
26 classifications established by at least 2 standard rating

1 services and mature not later than 270 days from the date  
2 of purchase, (ii) the purchases do not exceed 10% of the  
3 corporation's or the limited liability company's  
4 outstanding obligations, (iii) no more than one-third of  
5 the public agency's funds are invested in short-term  
6 obligations of either corporations or limited liability  
7 companies, and (iv) the corporation or the limited  
8 liability company has not been placed on the list of  
9 restricted companies by the Illinois Investment Policy  
10 Board under Section 1-110.16 ~~identified as a forbidden~~  
11 ~~entity, as that term is defined in Section 1-110.6 of the~~  
12 ~~Illinois Pension Code, by an independent researching firm~~  
13 ~~that specializes in global security risk that has been~~  
14 ~~engaged by the State Treasurer.~~

15 (7.5) Obligations of either corporations or limited  
16 liability companies organized in the United States, that  
17 have a significant presence in this State, with assets  
18 exceeding \$500,000,000 if: (i) the obligations are rated at  
19 the time of purchase at one of the 3 highest  
20 classifications established by at least 2 standard rating  
21 services and mature more than 270 days, but less than 5  
22 years, from the date of purchase; (ii) the purchases do not  
23 exceed 10% of the corporation's or the limited liability  
24 company's outstanding obligations; (iii) no more than 5% of  
25 the public agency's funds are invested in such obligations  
26 of corporations or limited liability companies; and (iv)

1       the corporation or the limited liability company has not  
2       been placed on the list of restricted companies by the  
3       Illinois Investment Policy Board under Section 1-110.16 of  
4       the Illinois Pension Code. The authorization of the  
5       Treasurer to invest in new obligations under this paragraph  
6       shall expire on June 30, 2019.

7           (8) Money market mutual funds registered under the  
8       Investment Company Act of 1940, provided that the portfolio  
9       of the money market mutual fund is limited to obligations  
10      described in this Section and to agreements to repurchase  
11      such obligations.

12          (9) The Public Treasurers' Investment Pool created  
13      under Section 17 of the State Treasurer Act or in a fund  
14      managed, operated, and administered by a bank.

15          (10) Repurchase agreements of government securities  
16      having the meaning set out in the Government Securities Act  
17      of 1986, as now or hereafter amended or succeeded, subject  
18      to the provisions of that Act and the regulations issued  
19      thereunder.

20          (11) Investments made in accordance with the  
21      Technology Development Act.

22      For purposes of this Section, "agencies" of the United  
23      States Government includes:

24          (i) the federal land banks, federal intermediate  
25      credit banks, banks for cooperatives, federal farm credit  
26      banks, or any other entity authorized to issue debt



1 obligations under the Farm Credit Act of 1971 (12 U.S.C.  
2 2001 et seq.) and Acts amendatory thereto;

3 (ii) the federal home loan banks and the federal home  
4 loan mortgage corporation;

5 (iii) the Commodity Credit Corporation; and

6 (iv) any other agency created by Act of Congress.

7 The Treasurer may, with the approval of the Governor, lend  
8 any securities acquired under this Act. However, securities may  
9 be lent under this Section only in accordance with Federal  
10 Financial Institution Examination Council guidelines and only  
11 if the securities are collateralized at a level sufficient to  
12 assure the safety of the securities, taking into account market  
13 value fluctuation. The securities may be collateralized by cash  
14 or collateral acceptable under Sections 11 and 11.1.

15 (Source: P.A. 96-469, eff. 8-14-09; 96-795, eff. 7-1-10 (see  
16 Section 5 of P.A. 96-793 for the effective date of changes made  
17 by P.A. 96-795); 96-870, eff. 1-21-10; 97-277, eff. 8-8-11.)

18 Section 99. Effective date. This Act takes effect upon  
19 becoming law."