



Rep. Al Riley

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1 AMENDMENT TO SENATE BILL 2864

2 AMENDMENT NO. _____. Amend Senate Bill 2864, AS AMENDED,
3 by replacing everything after the enacting clause with the
4 following:

5 "Section 5. The State Treasurer Act is amended by changing
6 Section 17 as follows:

7 (15 ILCS 505/17) (from Ch. 130, par. 17)

8 Sec. 17. The State Treasurer may establish and administer
9 both a Public Treasurers' Investment Pool and an E-Pay program
10 to supplement and enhance both the investment opportunities and
11 the secure electronic payment options otherwise available to
12 other custodians of public funds for public agencies in this
13 State.

14 The Treasurer, in administering the Public Treasurers'
15 Investment Pool, may receive public funds paid into the pool by
16 any other custodian of such funds and may serve as the fiscal

1 agent of that custodian of public funds for the purpose of
2 holding and investing those funds.

3 The Treasurer may invest the public funds constituting the
4 Public Treasurers' Investment Pool in the same manner, in the
5 same types of investments and subject to the same limitations
6 provided for the investment of funds in the State Treasury. The
7 Treasurer shall develop, publish, and implement an investment
8 policy covering the management of funds in the Public
9 Treasurers' Investment Pool. The policy shall be published each
10 year as part of the audit of the Public Treasurers' Investment
11 Pool by the Auditor General, which shall be distributed to all
12 participants. The Treasurer shall notify all Public
13 Treasurers' Investment Pool participants in writing, and the
14 Treasurer shall publish in at least one newspaper of general
15 circulation in both Springfield and Chicago any changes to a
16 previously published investment policy at least 30 calendar
17 days before implementing the policy. Any such investment policy
18 adopted by the Treasurer shall be reviewed, and updated if
19 necessary, within 90 days following the installation of a new
20 Treasurer.

21 The Treasurer shall promulgate such rules and regulations
22 as he deems necessary for the efficient administration of the
23 Public Treasurers' Investment Pool and the E-Pay program,
24 including specification of minimum amounts which may be
25 deposited in the Pool and minimum periods of time for which
26 deposits shall be retained in the Pool. The rules shall provide

1 for the administration expenses of the Pool to be paid from its
2 earnings and for the interest earnings in excess of such
3 expenses to be credited or paid monthly to the several
4 custodians of public funds participating in the Pool in a
5 manner which equitably reflects the differing amounts of their
6 respective investments in the Pool and the differing periods of
7 time for which such amounts were in the custody of the Pool.

8 Upon creating a Public Treasurers' Investment Pool the
9 State Treasurer shall give bond with 2 or more sufficient
10 sureties, payable to custodians of public funds who participate
11 in the Pool for the benefit of the public agencies whose funds
12 are paid into the Pool for investment, in the penal sum of
13 \$150,000, conditioned for the faithful discharge of his duties
14 in relation to the Public Treasurers' Investment Pool.

15 "Public funds" and "public agency", as used in this Section
16 have the meanings ascribed to them in Section 1 of "An Act
17 relating to certain investments of public funds by public
18 agencies", approved July 23, 1943, as amended.

19 This amendatory Act of 1975 is not a limit on any home rule
20 unit.

21 After the effective date of this amendatory Act of the 99th
22 General Assembly, participation in the Public Treasurers'
23 Investment Pool shall not be a prerequisite for participation
24 in the Treasurer's E-Pay program.

25 (Source: P.A. 97-537, eff. 8-23-11.)

1 Section 10. The Deposit of State Moneys Act is amended by
2 changing Sections 18 and 22.5 as follows:

3 (15 ILCS 520/18) (from Ch. 130, par. 37)

4 Sec. 18. The State Treasurer shall make a monthly report to
5 the Governor giving a detailed statement of the balances on
6 deposit in the several banks or savings and loan associations,
7 and the amount paid by each such bank or savings and loan
8 association as interest on moneys so deposited. Such statement
9 shall contain the name of each bank or savings and loan
10 association, and the amount in such bank or savings and loan
11 association subject to draft at the close of business on the
12 last day of the month for which the report is made, and on the
13 last day of the month next preceding. A copy of such report
14 shall be retained by the Treasurer and shall be made available
15 for inspection by the public at any reasonable time. The
16 Treasurer may satisfy the requirements of this Section by
17 posting the monthly report on the Treasurer's official Internet
18 website.

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

20 (15 ILCS 520/22.5) (from Ch. 130, par. 41a)

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

23 Sec. 22.5. Permitted investments. The State Treasurer may,
24 with the approval of the Governor, invest and reinvest any

1 State money in the treasury which is not needed for current
2 expenditures due or about to become due, in obligations of the
3 United States government or its agencies or of National
4 Mortgage Associations established by or under the National
5 Housing Act, 1201 U.S.C. 1701 et seq., or in mortgage
6 participation certificates representing undivided interests in
7 specified, first-lien conventional residential Illinois
8 mortgages that are underwritten, insured, guaranteed, or
9 purchased by the Federal Home Loan Mortgage Corporation or in
10 Affordable Housing Program Trust Fund Bonds or Notes as defined
11 in and issued pursuant to the Illinois Housing Development Act.
12 All such obligations shall be considered as cash and may be
13 delivered over as cash by a State Treasurer to his successor.

14 The State Treasurer may, with the approval of the Governor,
15 purchase any state bonds with any money in the State Treasury
16 that has been set aside and held for the payment of the
17 principal of and interest on the bonds. The bonds shall be
18 considered as cash and may be delivered over as cash by the
19 State Treasurer to his successor.

20 The State Treasurer may, with the approval of the Governor,
21 invest or reinvest any State money in the treasury that is not
22 needed for current expenditure due or about to become due, or
23 any money in the State Treasury that has been set aside and
24 held for the payment of the principal of and the interest on
25 any State bonds, in shares, withdrawable accounts, and
26 investment certificates of savings and building and loan

1 associations, incorporated under the laws of this State or any
2 other state or under the laws of the United States; provided,
3 however, that investments may be made only in those savings and
4 loan or building and loan associations the shares and
5 withdrawable accounts or other forms of investment securities
6 of which are insured by the Federal Deposit Insurance
7 Corporation.

8 The State Treasurer may not invest State money in any
9 savings and loan or building and loan association unless a
10 commitment by the savings and loan (or building and loan)
11 association, executed by the president or chief executive
12 officer of that association, is submitted in the following
13 form:

14 The Savings and Loan (or Building
15 and Loan) Association pledges not to reject arbitrarily
16 mortgage loans for residential properties within any
17 specific part of the community served by the savings and
18 loan (or building and loan) association because of the
19 location of the property. The savings and loan (or building
20 and loan) association also pledges to make loans available
21 on low and moderate income residential property throughout
22 the community within the limits of its legal restrictions
23 and prudent financial practices.

24 The State Treasurer may, with the approval of the Governor,
25 invest or reinvest, at a price not to exceed par, any State
26 money in the treasury that is not needed for current

1 expenditures due or about to become due, or any money in the
2 State Treasury that has been set aside and held for the payment
3 of the principal of and interest on any State bonds, in bonds
4 issued by counties or municipal corporations of the State of
5 Illinois.

6 The State Treasurer may, with the approval of the Governor,
7 invest or reinvest any State money in the Treasury which is not
8 needed for current expenditure, due or about to become due, or
9 any money in the State Treasury which has been set aside and
10 held for the payment of the principal of and the interest on
11 any State bonds, in participations in loans, the principal of
12 which participation is fully guaranteed by an agency or
13 instrumentality of the United States government; provided,
14 however, that such loan participations are represented by
15 certificates issued only by banks which are incorporated under
16 the laws of this State or any other state or under the laws of
17 the United States, and such banks, but not the loan
18 participation certificates, are insured by the Federal Deposit
19 Insurance Corporation.

20 The State Treasurer may, with the approval of the Governor,
21 invest or reinvest any State money in the Treasury that is not
22 needed for current expenditure, due or about to become due, or
23 any money in the State Treasury that has been set aside and
24 held for the payment of the principal of and the interest on
25 any State bonds, in any of the following:

- 26 (1) Bonds, notes, certificates of indebtedness,

1 Treasury bills, or other securities now or hereafter issued
2 that are guaranteed by the full faith and credit of the
3 United States of America as to principal and interest.

4 (2) Bonds, notes, debentures, or other similar
5 obligations of the United States of America, its agencies,
6 and instrumentalities.

7 (2.5) Bonds, notes, debentures, or other similar
8 obligations of a foreign government, other than the
9 Republic of the Sudan, that are guaranteed by the full
10 faith and credit of that government as to principal and
11 interest, but only if the foreign government has not
12 defaulted and has met its payment obligations in a timely
13 manner on all similar obligations for a period of at least
14 25 years immediately before the time of acquiring those
15 obligations.

16 (3) Interest-bearing savings accounts,
17 interest-bearing certificates of deposit, interest-bearing
18 time deposits, or any other investments constituting
19 direct obligations of any bank as defined by the Illinois
20 Banking Act.

21 (4) Interest-bearing accounts, certificates of
22 deposit, or any other investments constituting direct
23 obligations of any savings and loan associations
24 incorporated under the laws of this State or any other
25 state or under the laws of the United States.

26 (5) Dividend-bearing share accounts, share certificate

1 accounts, or class of share accounts of a credit union
2 chartered under the laws of this State or the laws of the
3 United States; provided, however, the principal office of
4 the credit union must be located within the State of
5 Illinois.

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

10 (7) Short-term obligations of either corporations or
11 limited liability companies organized in the United States
12 with assets exceeding \$500,000,000 if (i) the obligations
13 are rated at the time of purchase at one of the 3 highest
14 classifications established by at least 2 standard rating
15 services and mature not later than 270 days from the date
16 of purchase, (ii) the purchases do not exceed 10% of the
17 corporation's or the limited liability company's
18 outstanding obligations, (iii) no more than one-third of
19 the public agency's funds are invested in short-term
20 obligations of either corporations or limited liability
21 companies, and (iv) the corporation or the limited
22 liability company has not been placed on the list of
23 restricted companies by the Illinois Investment Policy
24 Board under Section 1-110.16 ~~identified as a forbidden~~
25 ~~entity, as that term is defined in Section 1-110.6 of the~~
26 ~~Illinois Pension Code, by an independent researching firm~~

1 ~~that specializes in global security risk that has been~~
2 ~~engaged by the State Treasurer.~~

3 (7.5) Obligations of either corporations or limited
4 liability companies organized in the United States, that
5 have a significant presence in this State, with assets
6 exceeding \$500,000,000 if: (i) the obligations are rated at
7 the time of purchase at one of the 3 highest
8 classifications established by at least 2 standard rating
9 services and mature more than 270 days, but less than 5
10 years, from the date of purchase; (ii) the purchases do not
11 exceed 10% of the corporation's or the limited liability
12 company's outstanding obligations; (iii) no more than 5% of
13 the public agency's funds are invested in such obligations
14 of corporations or limited liability companies; and (iv)
15 the corporation or the limited liability company has not
16 been placed on the list of restricted companies by the
17 Illinois Investment Policy Board under Section 1-110.16 of
18 the Illinois Pension Code. The authorization of the
19 Treasurer to invest in new obligations under this paragraph
20 shall expire on June 30, 2019.

21 (8) Money market mutual funds registered under the
22 Investment Company Act of 1940, provided that the portfolio
23 of the money market mutual fund is limited to obligations
24 described in this Section and to agreements to repurchase
25 such obligations.

26 (9) The Public Treasurers' Investment Pool created

1 under Section 17 of the State Treasurer Act or in a fund
2 managed, operated, and administered by a bank.

3 (10) Repurchase agreements of government securities
4 having the meaning set out in the Government Securities Act
5 of 1986, as now or hereafter amended or succeeded, subject
6 to the provisions of that Act and the regulations issued
7 thereunder.

8 (11) Investments made in accordance with the
9 Technology Development Act.

10 For purposes of this Section, "agencies" of the United
11 States Government includes:

12 (i) the federal land banks, federal intermediate
13 credit banks, banks for cooperatives, federal farm credit
14 banks, or any other entity authorized to issue debt
15 obligations under the Farm Credit Act of 1971 (12 U.S.C.
16 2001 et seq.) and Acts amendatory thereto;

17 (ii) the federal home loan banks and the federal home
18 loan mortgage corporation;

19 (iii) the Commodity Credit Corporation; and

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

21 The Treasurer may, with the approval of the Governor, lend
22 any securities acquired under this Act. However, securities may
23 be lent under this Section only in accordance with Federal
24 Financial Institution Examination Council guidelines and only
25 if the securities are collateralized at a level sufficient to
26 assure the safety of the securities, taking into account market

1 value fluctuation. The securities may be collateralized by cash
2 or collateral acceptable under Sections 11 and 11.1.

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

6 Section 99. Effective date. This Act takes effect upon
7 becoming law.".