

AN ACT concerning State government.

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

Section 5. The State Treasurer Act is amended by changing Section 30 as follows:

(15 ILCS 505/30)

Sec. 30. Preferences for veterans, minorities, women, and persons with disabilities.

(a) As used in this Section:

(1) the terms "minority person", "woman", "person with a disability", "minority-owned business", "women-owned business", "business owned by a person with a disability", and "control" have the meanings provided in Section 2 ~~4~~ of the Business Enterprise for Minorities, Women, and Persons with Disabilities Act; and

(2) the terms "veteran", "qualified veteran-owned small business", "qualified service-disabled veteran-owned small business", "qualified service-disabled veteran", and "armed forces of the United States" have the meanings provided in Article 45 ~~4~~ of the Illinois Procurement Code.

(b) It is hereby declared to be the policy of the State Treasurer to promote and encourage the use of businesses owned

by or under the control of qualified veterans of the armed forces of the United States, qualified service-disabled veterans, minority persons, women, or persons with a disability in the area of goods and services. Furthermore, the State Treasurer shall utilize such businesses to the greatest extent feasible within the bounds of financial and fiduciary prudence, and take affirmative steps to remove any barriers to the full participation of such firms in the procurement and contracting opportunities afforded.

(c) It shall be an aspirational goal of the State Treasurer to use businesses owned by or under the control of qualified veterans of the armed forces of the United States, qualified service-disabled veterans, minority persons, women, or persons with a disability for not less than 25% of the total dollar amount of funds under management, purchases of investment securities, and other contracts, including, but not limited to, the use of broker-dealers. The State Treasurer is authorized to establish additional aspirational goals.

(d) When the State Treasurer procures goods and services, whether through a request for proposal or otherwise, he or she is authorized to incorporate preferences in the scoring process for: (1) a minority-owned business, a women-owned business, a business owned by a person with a disability, a qualified veteran-owned small business, or a qualified service-disabled veteran-owned small business; and (2) businesses having a record of support for increasing diversity

and inclusion in board membership, management, employment, philanthropy, and supplier diversity, including investment professionals and investment sourcing.

When the State Treasurer utilizes a financial institution or determines the eligibility of a financial institution to participate in a banking contract, investment contract, investment activity, or other financial program of the State Treasurer, he or she shall review the financial institution's Community Reinvestment Act rating, record, and current level of financial commitment to the community prior to making a decision to utilize or determine the eligibility of such financial institution.

(e) Beginning with fiscal year 2019, and at least annually thereafter, the State Treasurer shall report on his or her utilization of minority-owned businesses, women-owned businesses, businesses owned by a person with a disability, qualified veteran-owned small businesses, or qualified service-disabled veteran-owned small businesses. The report shall be published on the State Treasurer's official website.

(f) The provisions of this Section take precedence over any goals established under the Business Enterprise for Minorities, Women, and Persons with Disabilities Act.

(Source: P.A. 100-969, eff. 8-19-18.)

Section 10. The Deposit of State Moneys Act is amended by changing Sections 1, 1.1, 2, 7, 8, 9, 10, 11, 12, 14, 15, 17,

18, 19, 20, 22, 22.5, 22.8, and 23 as follows:

(15 ILCS 520/1) (from Ch. 130, par. 20)

Sec. 1. The State Treasurer shall deposit all moneys received by him or her on account of the State within five days after receiving the same in such financial institutions ~~banks, savings and loan associations or credit unions~~ of the State as may be authorized to receive such deposits under the terms of this Act. The money so deposited shall be placed to the account of the State Treasurer.

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

For purposes of this Act, the term "financial institution" ~~"bank" or "savings and loan association"~~ shall be deemed to include a bank, a savings and loan association, a savings bank, a credit union, a minority depository institution as designated by the Federal Deposit Insurance Corporation, or a community development financial institution certified by the United States Treasury Community Development Financial Institutions Fund, which is operating in the State of Illinois ~~a credit union, and, unless otherwise specifically set forth~~

~~in this Act, credit unions shall be subject to all rights, privileges, remedies, duties, and obligations granted or imposed by this Act upon banks and savings and loan associations.~~

The State Treasurer may require financial institutions to submit sworn statements of resources and liabilities that are required to be furnished to any regulatory or licensing entity, and reports of any examination prepared by or submitted to any regulatory or licensing entity. All records submitted by a financial institution pursuant to this Section shall remain confidential in accordance with applicable laws.

The State Treasurer may accept as security for public funds deposited in a financial institution any securities or other eligible collateral authorized by this Act. The State Treasurer is authorized to enter into an agreement with any financial institution, or trust company, or with any agency of the U.S. government relating to the deposit of such assets or securities. The State Treasurer shall be discharged from responsibility for any funds for which assets or securities are so deposited with him or her, and the funds for which securities are so deposited shall not be subject to any otherwise applicable limitation as to amount.

This Act shall govern the deposit of State moneys for all public funds under the custody or control of the State Treasurer.

(Source: P.A. 85-803.)

(15 ILCS 520/1.1) (from Ch. 130, par. 20.1)

Sec. 1.1. When investing or depositing public funds, each custodian shall, to the extent permitted by this Act and by the lawful and reasonable performance of his custodial duties, invest or deposit such funds with or in minority-owned financial institutions within this State. For the purposes of this Section, "minority-owned financial institutions" means a financial institution with 51% or more of the stock or equity of the business owned by women, minority persons, military veterans, qualified service-disabled veteran-owned, or persons with disabilities as defined in Section 2 of the Business Enterprise for Minorities, Women, and Persons with Disabilities Act and Section 45-57 of the Illinois Procurement Code.

(Source: P.A. 84-754.)

(15 ILCS 520/2) (from Ch. 130, par. 21)

Sec. 2. All financial institutions ~~banks or savings and loan associations~~ in which any such money is deposited shall be required to pay interest ~~on time deposit accounts if members of the Federal Reserve system are permitted to pay interest on the particular class of deposit.~~ All interest received or paid on account of money in the State Treasury ~~treasury~~ belonging to or for the use of the State so deposited in financial institutions ~~banks or savings and loan~~

~~associations,~~ shall be the property of the State of Illinois. If any moneys held by the State Treasurer shall be deposited in financial institutions ~~banks or savings and loan associations~~ pursuant to the provisions of this Act, the interest received thereon shall be credited as provided in Section 4.1 of the State Finance Act ~~"An Act in relation to State finance"~~.

(Source: P.A. 84-1378.)

(15 ILCS 520/7) (from Ch. 130, par. 26)

Sec. 7. (a) State depositories. The State Treasurer may, in his or her discretion, allow a financial institution to become a State depository. To become an approved State depository, a financial institution shall submit an application or proposal, along with all required forms and documentation, in a manner prescribed by the Treasurer. ~~Proposals made may either be approved or rejected by the State Treasurer. A bank or savings and loan association whose proposal is approved shall be eligible to become a State depository for the class or classes of funds covered by its proposal. A bank or savings and loan association whose proposal is rejected shall not be so eligible. The State Treasurer shall seek to have at all times a total of not less than 20 banks or savings and loan associations which are approved as State depositories for time deposits.~~

In order to receive funds under this Section, a financial institution must become a State depository. Prior to allowing

a financial institution to become a State depository, the State Treasurer shall consider the financial institution's financial condition and community and economic development efforts.

All applications submitted pursuant to this Section will be reviewed in accordance with the terms defined by the program documents and in the respective application and related documents.

(b) Linked deposits. The State Treasurer may, in his or her discretion, accept a proposal or application from a financial ~~an eligible~~ institution which provides for a reduced rate of interest provided that the financial ~~such~~ institution uses the ~~documents the use of~~ deposited funds for the purpose of economic and community development in the State of Illinois, which may include, but not be limited to loans for the following: agriculture, business, individuals, and community development. Financial institutions, and, in some cases borrowers, that utilize linked deposit funds shall provide documentation regarding the use of such funds in a manner prescribed by the Treasurer ~~projects.~~

(b-5) (Blank). ~~The State Treasurer may, in his or her discretion, accept a proposal from an eligible institution that provides for a reduced rate of interest, provided that such institution agrees to expend an amount of money equal to the amount of the reduction for the preservation of Cahokia Mounds.~~

(b-10) (Blank). ~~The State Treasurer may, in his or her discretion, accept a proposal from an eligible institution that provides for a reduced rate of interest, provided that the institution agrees to expend an amount of money equal to the amount of the reduction for senior centers.~~

(b-15) Access to capital. The State Treasurer may, in his or her discretion, accept a proposal or application from a financial institution for access to capital at market rate to provide added liquidity or administer lending activities in the State of Illinois.

(c) Home loans. The State Treasurer may, in his or her discretion, accept a proposal or application from a financial ~~an eligible~~ institution that provides for interest earnings on deposits of State moneys to be held by the financial institution in a separate account that the State Treasurer may use to secure up to 10% of any (i) home loans to Illinois citizens purchasing or refinancing a home in Illinois in situations where the participating financial institution would not offer the borrower a home loan under the financial institution's prevailing credit standards without the incentive of the 10% guarantee for the first 5 years of the loan ~~a reduced rate of interest on deposits of State moneys,~~ (ii) existing home loans of Illinois citizens who have failed to make payments on a home loan as a result of a financial hardship due to circumstances beyond the control of the borrower where there is a reasonable prospect that the

borrower will be able to resume full mortgage payments, and (iii) loans in amounts that do not exceed the amount of arrearage on a mortgage and that are extended to enable a borrower to become current on his or her mortgage obligation.

The following factors shall be considered by the participating financial institution to determine whether the financial hardship is due to circumstances beyond the control of the borrower: (i) loss, reduction, or delay in the receipt of income because of the death or disability of a person who contributed to the household income, (ii) expenses actually incurred related to the uninsured damage or costly repairs to the mortgaged premises affecting its habitability, (iii) expenses related to the death or illness in the borrower's household or of family members living outside the household that reduce the amount of household income, (iv) loss of income or a substantial increase in total housing expenses because of divorce, abandonment, separation from a spouse, or failure to support a spouse or child, (v) unemployment or underemployment, (vi) loss, reduction, or delay in the receipt of federal, State, or other government benefits, and (vii) participation by the homeowner in a recognized labor action such as a strike. In determining whether there is a reasonable prospect that the borrower will be able to resume full mortgage payments, the participating financial institution shall consider factors including, but not necessarily limited to the following: (i) a favorable work and credit history,

(ii) the borrower's ability to and history of paying the mortgage when employed, (iii) the lack of an impediment or disability that prevents reemployment, (iv) new education and training opportunities, (v) non-cash benefits that may reduce household expenses, and (vi) other debts.

For the purposes of this Section, "home loan" means a loan, other than an open-end credit plan or a reverse mortgage transaction, for which (i) the principal amount of the loan does not exceed the conforming loan size limit as established from time to time by the Federal National Mortgage Association, (ii) the borrower is a natural person, (iii) the debt is incurred by the borrower primarily for personal, family, or household purposes, and (iv) the loan is secured by a mortgage or deed of trust on real estate upon which there is located or there is to be located a structure designed principally for the occupancy of no more than 4 families and that is or will be occupied by the borrower as the borrower's principal dwelling.

(d) If there is an agreement between the State Treasurer and an eligible institution that details the use of deposited funds, the agreement may not require the gift of money, goods, or services to a third party; this provision does not restrict the eligible institution from contracting with third parties in order to carry out the intent of the agreement or restrict the State Treasurer from placing requirements upon third-party contracts entered into by the eligible institution.

(Source: P.A. 95-834, eff. 8-15-08.)

(15 ILCS 520/8) (from Ch. 130, par. 27)

Sec. 8. All proposals and applications shall be retained ~~by be filed in the office of~~ the State Treasurer in accordance with the State Treasurer's approved record retention policy, and shall be open at all reasonable hours to public inspection. The State Treasurer shall maintain a current list of the financial institutions ~~banks or savings and loan associations~~ serving as State depositories ~~depositories~~ of public moneys, with a statement of the rate of interest paid by each and the maturity date of such deposits, which list shall likewise be open to public inspection and shall be updated and posted on the State Treasurer's official website. ~~A copy of each revision of the current list shall be supplied to the Governor.~~

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

(15 ILCS 520/9) (from Ch. 130, par. 28)

Sec. 9. The approval of any proposal or application shall confer no right upon any financial institution ~~bank or savings and loan association~~ to receive deposits of public money.

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

(15 ILCS 520/10) (from Ch. 130, par. 29)

Sec. 10. The State Treasurer may enter into an agreement

in conformity with this Act with any financial institution ~~bank or savings and loan association~~ relating to the deposit of securities. Such agreement may authorize the holding by such financial institution ~~bank or savings and loan association~~ of such securities in custody and safekeeping solely under the instructions of the State Treasurer either (a) in the office of such financial institution ~~bank or savings and loan association~~, or under the custody and safekeeping of another financial institution ~~bank or savings and loan association~~ in this State for the depository financial institution ~~bank or savings and loan association~~, or (b) in a bank or a depository trust company in the United States if the securities to be deposited are held in custody and safekeeping for such financial institution ~~bank or savings and loan association~~.

(Source: P.A. 101-206, eff. 8-2-19; revised 9-12-19.)

(15 ILCS 520/11) (from Ch. 130, par. 30)

Sec. 11. Protection of public deposits; eligible collateral.

(a) For deposits not insured by an agency of the federal government, or above the applicable insured limits, the State Treasurer, in his or her discretion, may accept as collateral any of the following assets or ~~classes of~~ securities, provided there has been no default in the payment of principal or interest thereon:

(1) Bonds, notes, or other securities constituting direct and general obligations of the United States, the bonds, notes, or other securities constituting the direct and general obligation of any agency or instrumentality of the United States, the interest and principal of which is unconditionally guaranteed by the United States, and bonds, notes, or other securities or evidence of indebtedness constituting the obligation of a U.S. agency or instrumentality.

(2) Direct and general obligation bonds of the State of Illinois or of any other state of the United States.

(3) Revenue bonds of this State or any authority, board, commission, or similar agency thereof.

(4) Direct and general obligation bonds of any city, town, county, school district, or other taxing body of any state, the debt service of which is payable from general ad valorem taxes.

(5) Revenue bonds of any city, town, county, or school district of the State of Illinois.

(6) Obligations issued, assumed, or guaranteed by the International Finance Corporation, the principal of which is not amortized during the life of the obligation, but no such obligation shall be accepted at more than 90% of its market value.

(7) Illinois Affordable Housing Program Trust Fund Bonds or Notes as defined in and issued pursuant to the

Illinois Housing Development Act.

(8) In an amount equal to at least market value of that amount of funds deposited exceeding the insurance limitation provided by the Federal Deposit Insurance Corporation or the National Credit Union Administration or other approved share insurer: (i) securities, (ii) mortgages, (iii) letters of credit issued by a Federal Home Loan Bank, or (iv) loans covered by a State Guarantee under the Illinois Farm Development Act, if that guarantee has been assumed by the Illinois Finance Authority under Section 845-75 of the Illinois Finance Authority Act, and loans covered by a State Guarantee under Article 830 of the Illinois Finance Authority Act.

(9) Obligations of either corporations or limited liability companies organized in the United States with assets exceeding \$500,000,000 if: (i) the obligations are rated at the time of purchase at one of the 3 highest classifications established by at least 2 standard rating services and mature more than 270 days, but less than 5 years, from the date of purchase; and (ii) the corporation or the limited liability company has not been placed on the list of restricted companies by the Illinois Investment Policy Board under Section 1-110.16 of the Illinois Pension Code.

(10) Share certificates issued to the depository institution pledging them as security.

(b) The State Treasurer may establish a system to aggregate permissible assets or securities received as collateral from financial institutions in a collateral pool to secure State deposits of the institutions that have pledged assets or securities to the pool.

(c) The State Treasurer may at any time declare any particular asset or security ineligible to qualify as collateral when, in the Treasurer's judgment, it is deemed desirable to do so.

(d) Notwithstanding any other provision of this Section, as security the State Treasurer may, in his discretion, accept a bond, executed by a company authorized to transact the kinds of business described in clause (g) of Section 4 of the Illinois Insurance Code, in an amount not less than the amount of the deposits required by this Section to be secured, payable to the State Treasurer for the benefit of the People of the State of Illinois, in a form that is acceptable to the State Treasurer.

(Source: P.A. 101-206, eff. 8-2-19.)

(15 ILCS 520/12) (from Ch. 130, par. 31)

Sec. 12. All assets or securities deposited by financial institutions ~~approved banks or savings and loan associations~~ under the provisions of this Act shall remain the property of the financial institutions ~~banks or savings and loan associations~~ depositing such securities. Should the depository

~~depository~~ refuse or fail to pay over the moneys, or any part thereof, deposited with it when due and payable, the State Treasurer may sell such securities in accordance with the terms of any agreement between the State Treasurer and the depository financial institution ~~depository bank or savings and loan association~~ or, if applicable, institute suit on the bond. If a depository ~~depository~~ fails or suspends active operations, the deposit in such depository ~~depository~~ shall become due and payable immediately, any agreement or contract to the contrary notwithstanding. Such sale shall transfer absolute ownership of the securities so sold to the vendee thereof. The surplus, if any, over the amount due to the State and the expenses of the sale shall be paid to the depository ~~depository~~. Actions may be brought in the name of the People of the State of Illinois to enforce the claims of the State with respect to any assets or securities deposited by an approved financial institution ~~bank or savings and loan association~~.

(Source: P.A. 85-233.)

(15 ILCS 520/14) (from Ch. 130, par. 33)

Sec. 14. Interest. The State Treasurer shall enter into deposit agreements with financial institutions specifying the manner of interest calculation and compounding and the frequency of interest collection regarding moneys deposited under this Act.

(Source: P.A. 89-153, eff. 7-14-95.)

(15 ILCS 520/15) (from Ch. 130, par. 34)

Sec. 15. (a) A financial institution ~~bank or savings and loan association~~ approved as a State depository ~~depository~~ shall cease to be an approved depository financial institution ~~bank or savings and loan association~~, and shall be disqualified by the State Treasurer:

(1) Upon its failure to post a suitable bond or deposit assets or securities with the State Treasurer;

(2) Upon its failure or refusal to pay over public moneys or any part thereof;

(3) Upon its becoming insolvent or bankrupt, or being placed in the hands of a receiver; or

(4) Upon a showing of unsatisfactory financial condition through a report made to, or an examination made by any regulatory or licensing body, ~~the Comptroller of the Currency, the Commissioner of Banks and Real Estate, or the Federal Home Loan Bank or its successors.~~

(b) No approved depository ~~depository~~ shall be disqualified by the State Treasurer solely by reason of its acquisition by another institution, unless the acquiring institution does not meet the criteria established by the State Treasurer.

(c) An approved depository may be disqualified by the State Treasurer, in his or her sole discretion, for violating the terms of the deposit agreement or any contract or

agreement with the State Treasurer.

(Source: P.A. 89-508, eff. 7-3-96.)

(15 ILCS 520/17) (from Ch. 130, par. 36)

Sec. 17. The State Treasurer shall keep in his or her office a record showing his or her account with each financial institution ~~bank or savings and loan association~~, with entries therein showing the dates and amounts of each deposit, rate of interest, withdrawals and date of each, and balance on deposit. Each account shall show the date and amount of interest received during each interest paying period. Such record shall at all times be open to public inspection.

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

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

Sec. 18. The State Treasurer shall make a monthly report ~~to the Governor~~ giving a detailed statement of the balances on deposit in the financial institutions ~~several banks or savings and loan associations~~, and the amount paid by each such financial institution ~~bank or savings and loan association~~ as interest on moneys so deposited. Such statement shall contain the name of each financial institution ~~bank or savings and loan association~~, and the amount in such financial institution ~~bank or savings and loan association~~ subject to draft at the close of business on the last day of the month for which the report is made, and on the last day of the month next

preceding. A copy of such report shall be retained by the State Treasurer and shall be made available for inspection by the public at any reasonable time. The State Treasurer may satisfy the requirements of this Section by posting the monthly report on the State Treasurer's official ~~Internet~~ website.

(Source: P.A. 99-856, eff. 8-19-16.)

(15 ILCS 520/19) (from Ch. 130, par. 38)

Sec. 19. Nothing in this Act contained shall be held to prevent the State Treasurer from withdrawing any, or all, of the moneys so deposited, for the purpose of paying the appropriations and obligations of the State, nor to prevent his or her transferring moneys from one financial institution ~~bank or savings and loan association~~ to another, and nothing herein contained shall in any way affect the duty of the State Treasurer to keep a correct and accurate account of all moneys received and to pay out same only on authority of law; but the State Treasurer shall, as heretofore, be personally responsible for the faithful accounting of all moneys paid to him or her as State Treasurer.

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

(15 ILCS 520/20) (from Ch. 130, par. 39)

Sec. 20. No financial institution ~~bank or savings and loan association~~ holding moneys deposited therewith by the State Treasurer, in accordance with the provisions of this Act, or

otherwise, and no officer of any such financial institution ~~bank or savings and loan association~~, or other person, shall pay to, withhold for the benefit of, or contract in any manner for the payment to such State Treasurer, or to any other person for him or her, of any interest, or other fee, perquisite, or emolument, on account of the deposit of such moneys, except such interest as shall be paid to such State Treasurer for the benefit of the State.

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

(15 ILCS 520/22) (from Ch. 130, par. 41)

Sec. 22. No securities~~7~~ deposited with the State Treasurer~~7~~ shall be removed from the State Treasury ~~treasury~~ except under the terms of this Act. The misappropriation or use of such securities, otherwise than as prescribed in this Act, shall be deemed a Class 3 felony. The State Treasurer shall be liable upon his official bond for any loss or misappropriation of securities so deposited.

(Source: P.A. 77-2610.)

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

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

Sec. 22.5. Permitted investments. The State Treasurer may~~7~~ ~~with the approval of the Governor,~~ invest and reinvest any State money in the State Treasury ~~treasury~~ which is not needed

for current expenditures due or about to become due, in obligations of the United States government or its agencies or of National Mortgage Associations established by or under the National Housing Act, 12 U.S.C. 1701 et seq., or in mortgage participation certificates representing undivided interests in specified, first-lien conventional residential Illinois mortgages that are underwritten, insured, guaranteed, or purchased by the Federal Home Loan Mortgage Corporation or in Affordable Housing Program Trust Fund Bonds or Notes as defined in and issued pursuant to the Illinois Housing Development Act. All such obligations shall be considered as cash and may be delivered over as cash by a State Treasurer to his successor.

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

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

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

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

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

The State Treasurer may, ~~with the approval of the Governor,~~ invest or reinvest any State money in the State Treasury ~~treasury~~ that is not needed for current expenditures

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

The State Treasurer may invest or reinvest up to 5% of the College Savings Pool Administrative Trust Fund, the Illinois Public Treasurer Investment Pool (IPTIP) Administrative Trust Fund, and the State Treasurer's Administrative Fund that is not needed for current expenditures due or about to become due, in common or preferred stocks of publicly traded corporations, partnerships, or limited liability companies, organized in the United States, with assets exceeding \$500,000,000 if: (i) the purchases do not exceed 1% of the corporation's or the limited liability company's outstanding common and preferred stock; (ii) no more than 10% of the total funds are invested in any one publicly traded corporation, partnership, or limited liability company; and (iii) the corporation or the limited liability company has not been placed on the list of restricted companies by the Illinois Investment Policy Board under Section 1-110.16 of the Illinois Pension Code.

~~The State Treasurer may, with the approval of the Governor, invest or reinvest any State money in the Treasury which is not needed for current expenditure, due or about to become due, or any money in the State Treasury which has been~~

~~set aside and held for the payment of the principal of and the interest on any State bonds, in participations in loans, the principal of which participation is fully guaranteed by an agency or instrumentality of the United States government; provided, however, that such loan participations are represented by certificates issued only by banks which are incorporated under the laws of this State or any other state or under the laws of the United States, and such banks, but not the loan participation certificates, are insured by the Federal Deposit Insurance Corporation.~~

Whenever the total amount of vouchers presented to the Comptroller under Section 9 of the State Comptroller Act exceeds the funds available in the General Revenue Fund by \$1,000,000,000 or more, then the State Treasurer may invest any State money in the State Treasury, other than money in the General Revenue Fund, Health Insurance Reserve Fund, Attorney General Court Ordered and Voluntary Compliance Payment Projects Fund, Attorney General Whistleblower Reward and Protection Fund, and Attorney General's State Projects and Court Ordered Distribution Fund, which is not needed for current expenditures, due or about to become due, or any money in the State Treasury which has been set aside and held for the payment of the principal of and the interest on any State bonds with the Office of the Comptroller in order to enable the Comptroller to pay outstanding vouchers. At any time, and from time to time outstanding, such investment shall not be greater

than \$2,000,000,000. Such investment shall be deposited into the General Revenue Fund or Health Insurance Reserve Fund as determined by the Comptroller. Such investment shall be repaid by the Comptroller with an interest rate tied to the London Interbank Offered Rate (LIBOR) or the Federal Funds Rate or an equivalent market established variable rate, but in no case shall such interest rate exceed the lesser of the penalty rate established under the State Prompt Payment Act or the timely pay interest rate under Section 368a of the Illinois Insurance Code. The State Treasurer and the Comptroller shall enter into an intergovernmental agreement to establish procedures for such investments, which market established variable rate to which the interest rate for the investments should be tied, and other terms which the State Treasurer and Comptroller reasonably believe to be mutually beneficial concerning these investments by the State Treasurer. The State Treasurer and Comptroller shall also enter into a written agreement for each such investment that specifies the period of the investment, the payment interval, the interest rate to be paid, the funds in the State Treasury from which the State Treasurer will draw the investment, and other terms upon which the State Treasurer and Comptroller mutually agree. Such investment agreements shall be public records and the State Treasurer shall post the terms of all such investment agreements on the State Treasurer's official website. In compliance with the intergovernmental agreement, the Comptroller shall order and

the State Treasurer shall transfer amounts sufficient for the payment of principal and interest invested by the State Treasurer with the Office of the Comptroller under this paragraph from the General Revenue Fund or the Health Insurance Reserve Fund to the respective funds in the State Treasury from which the State Treasurer drew the investment. Public Act 100-1107 shall constitute an irrevocable and continuing authority for all amounts necessary for the payment of principal and interest on the investments made with the Office of the Comptroller by the State Treasurer under this paragraph, and the irrevocable and continuing authority for and direction to the Comptroller and State Treasurer to make the necessary transfers.

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

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

(2) Bonds, notes, debentures, or other similar obligations of the United States of America, its agencies, and instrumentalities, or other obligations that are

issued or guaranteed by supranational entities; provided, that at the time of investment, the entity has the United States government as a shareholder.

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

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

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

(5) Dividend-bearing share accounts, share certificate accounts, or class of share accounts of a credit union chartered under the laws of this State or the laws of the United States; provided, however, the principal office of

the credit union must be located within the State of Illinois.

(6) Bankers' acceptances of banks whose senior obligations are rated in the top 2 rating categories by 2 national rating agencies and maintain that rating during the term of the investment and the bank has not been placed on the list of restricted companies by the Illinois Investment Policy Board under Section 1-110.16 of the Illinois Pension Code.

(7) Short-term obligations of either corporations or limited liability companies organized in the United States with assets exceeding \$500,000,000 if (i) the obligations are rated at the time of purchase at one of the 3 highest classifications established by at least 2 standard rating services and mature not later than 270 days from the date of purchase, (ii) the purchases do not exceed 10% of the corporation's or the limited liability company's outstanding obligations, (iii) no more than one-third of the public agency's funds are invested in short-term obligations of either corporations or limited liability companies, and (iv) the corporation or the limited liability company has not been placed on the list of restricted companies by the Illinois Investment Policy Board under Section 1-110.16 of the Illinois Pension Code.

(7.5) Obligations of either corporations or limited liability companies organized in the United States, that

have a significant presence in this State, with assets exceeding \$500,000,000 if: (i) the obligations are rated at the time of purchase at one of the 3 highest classifications established by at least 2 standard rating services and mature more than 270 days, but less than 10 years, from the date of purchase; (ii) the purchases do not exceed 10% of the corporation's or the limited liability company's outstanding obligations; (iii) no more than one-third of the public agency's funds are invested in such obligations of corporations or limited liability companies; and (iv) the corporation or the limited liability company has not been placed on the list of restricted companies by the Illinois Investment Policy Board under Section 1-110.16 of the Illinois Pension Code.

(8) Money market mutual funds registered under the Investment Company Act of 1940.

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

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

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

(12) Investments made in accordance with the Student Investment Account Act.

(13) Investments made in accordance with any other law that authorizes the State Treasurer to invest or deposit funds.

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

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

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

(iii) the Commodity Credit Corporation; and

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

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

(Source: P.A. 100-1107, eff. 8-27-18; 101-81, eff. 7-12-19;

101-206, eff. 8-2-19; 101-586, eff. 8-26-19; revised 9-25-19.)

(15 ILCS 520/22.8)

Sec. 22.8. The State Treasurer shall develop, publish, and implement an investment policy covering the management of all State funds under his or her control. The investment policy shall be published each year in the State Treasurers' annual report as prescribed in Section 15 of the State Treasurer Act (15 ILCS 505/15). The policy shall also be published at least once each year in at least one newspaper of general circulation in both Springfield and Chicago and published on the State Treasurer's official website. Any such investment policy adopted by the State Treasurer shall be reviewed, and updated if necessary, within 90 days following the installation of a new State Treasurer.

The investment policy shall include material, relevant, and decision-useful sustainability factors to be considered by the State Treasurer in evaluating investment decisions, including, but not limited to: (1) corporate governance and leadership factors; (2) environmental factors; (3) social capital factors; (4) human capital factors; and (5) business model and innovation factors, as provided under the Illinois Sustainable Investing.

(Source: P.A. 101-473, eff. 1-1-20.)

(15 ILCS 520/23) (from Ch. 130, par. 42)

Sec. 23. Any State official or other person who willfully ~~wilfully~~ violates any provision of this Act, for which a penalty is not otherwise prescribed, or who willfully ~~wilfully~~ neglects or refuses to perform any duty imposed upon such person by the terms of this Act, shall be guilty of a Class 4 felony.

(Source: P.A. 77-2830.)

(15 ILCS 520/1.2 rep.)

(15 ILCS 520/3 rep.)

(15 ILCS 520/4 rep.)

(15 ILCS 520/5 rep.)

(15 ILCS 520/6 rep.)

(15 ILCS 520/13 rep.)

(15 ILCS 520/16 rep.)

Section 15. The Deposit of State Moneys Act is amended by repealing Sections 1.2, 3, 4, 5, 6, 13, and 16.

Section 20. The Public Funds Deposit Act is amended by changing Sections 1 and 2 as follows:

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

Sec. 1. Deposits. Any treasurer or other custodian of public funds may deposit such funds in a savings and loan association, savings bank, or State or national bank in this State, or deposit those funds into demand deposit accounts in

accordance with Section 6.5 of the Public Funds Investment Act. When such deposits become collected funds and are not needed for immediate disbursement, they shall be invested within 2 working days at prevailing rates or better. The treasurer or other custodian of public funds may require such bank, savings bank, or savings and loan association to deposit with him or her securities guaranteed by agencies and instrumentalities of the federal government equal in market value to the amount by which the funds deposited exceed the federally insured amount. Any treasurer or other custodian of public funds may accept as security for public funds deposited in such bank, savings bank, or savings and loan association any securities or other eligible collateral authorized by Sections 11 and 11.1 of the Deposit of State Moneys Act ~~(15 ILCS 520/11 and 11.1)~~ or Section 6 of the Public Funds Investment Act ~~(30 ILCS 235/6)~~. Such treasurer or other custodian is authorized to enter into an agreement with any such bank, savings bank, or savings and loan association, with any federally insured financial institution or trust company, or with any agency of the U.S. government relating to the deposit of such securities. Any such treasurer or other custodian shall be discharged from responsibility for any funds for which securities are so deposited with him or her, and the funds for which securities are so deposited shall not be subject to any otherwise applicable limitation as to amount.

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

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

(30 ILCS 225/2) (from Ch. 102, par. 35)

Sec. 2. Nothing in this Act shall be construed to preclude the deposit of public funds in accordance with any other Act applicable thereto or to subject any treasurer or other custodian to any liability to which he would not be subject in the absence of this Act. This Act does not apply to the Illinois State Treasurer. Deposit of State money by the Illinois State Treasurer shall be governed by the Deposit of State Moneys Act.

(Source: Laws 1963, p. 1797.)

Section 25. The Public Funds Investment Act is amended by changing Section 1 as follows:

(30 ILCS 235/1) (from Ch. 85, par. 901)

Sec. 1. The words "public funds", as used in this Act, mean current operating funds, special funds, interest and sinking funds, and funds of any kind or character belonging to or in

the custody of any public agency.

The words "public agency", as used in this Act, mean the State of Illinois, the various counties, townships, cities, towns, villages, school districts, educational service regions, special road districts, public water supply districts, fire protection districts, drainage districts, levee districts, sewer districts, housing authorities, the Illinois Bank Examiners' Education Foundation, the Chicago Park District, and all other political corporations or subdivisions of the State of Illinois, now or hereafter created, whether herein specifically mentioned or not. This Act does not apply to the Illinois Prepaid Tuition Trust Fund, private funds collected by the Illinois Conservation Foundation, or pension funds or retirement systems established under the Illinois Pension Code, except as otherwise provided in that Code. This Act does not apply to the Illinois State Treasurer, whose investment of State funds shall be governed by the Deposit of State Moneys Act.

The words "governmental unit", as used in this Act, have the same meaning as in the Local Government Debt Reform Act.

(Source: P.A. 98-297, eff. 1-1-14.)

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

INDEX

Statutes amended in order of appearance

15 ILCS 505/30	
15 ILCS 520/1	from Ch. 130, par. 20
15 ILCS 520/1.1	from Ch. 130, par. 20.1
15 ILCS 520/2	from Ch. 130, par. 21
15 ILCS 520/7	from Ch. 130, par. 26
15 ILCS 520/8	from Ch. 130, par. 27
15 ILCS 520/9	from Ch. 130, par. 28
15 ILCS 520/10	from Ch. 130, par. 29
15 ILCS 520/11	from Ch. 130, par. 30
15 ILCS 520/12	from Ch. 130, par. 31
15 ILCS 520/14	from Ch. 130, par. 33
15 ILCS 520/15	from Ch. 130, par. 34
15 ILCS 520/17	from Ch. 130, par. 36
15 ILCS 520/18	from Ch. 130, par. 37
15 ILCS 520/19	from Ch. 130, par. 38
15 ILCS 520/20	from Ch. 130, par. 39
15 ILCS 520/22	from Ch. 130, par. 41
15 ILCS 520/22.5	from Ch. 130, par. 41a
15 ILCS 520/22.8	
15 ILCS 520/23	from Ch. 130, par. 42
15 ILCS 520/1.2 rep.	
15 ILCS 520/3 rep.	
15 ILCS 520/4 rep.	

Public Act 102-0297

SB0653 Enrolled

LRB102 13364 RJF 18708 b

15 ILCS 520/5 rep.

15 ILCS 520/6 rep.

15 ILCS 520/11.1 rep.

15 ILCS 520/13 rep.

15 ILCS 520/16 rep.

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

30 ILCS 225/2 from Ch. 102, par. 35

30 ILCS 235/1 from Ch. 85, par. 901