



94TH GENERAL ASSEMBLY

State of Illinois

2005 and 2006

HB0512

Introduced 1/27/2005, by Rep. Patrick J Verschoore

SYNOPSIS AS INTRODUCED:

55 ILCS 5/3-10009	from Ch. 34, par. 3-10009
55 ILCS 5/3-11002	from Ch. 34, par. 3-11002
55 ILCS 5/3-11003	from Ch. 34, par. 3-11003
55 ILCS 5/3-11004	from Ch. 34, par. 3-11004
55 ILCS 5/3-11006	from Ch. 34, par. 3-11006
55 ILCS 5/3-11007	from Ch. 34, par. 3-11007
55 ILCS 5/3-11009	from Ch. 34, par. 3-11009
55 ILCS 5/3-11010	from Ch. 34, par. 3-11010
55 ILCS 5/3-11011	from Ch. 34, par. 3-11011
55 ILCS 5/3-11013	from Ch. 34, par. 3-11013
55 ILCS 5/3-11018	from Ch. 34, par. 3-11018

Amends the Counties Code to provide that a county may deposit public moneys in a credit union, provided that the credit union complies with the Public Funds Investment Act; applies to counties having a population under 150,000 and counties having a population over 150,000. Substitutes Public Funds Investment Act reference for an outdated reference. Makes related changes. Effective immediately.

LRB094 05081 AJ0 35117 b

FISCAL NOTE ACT
MAY APPLY

1 AN ACT concerning counties.

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

4 Section 5. The Counties Code is amended by changing
5 Sections 3-10009, 3-11002, 3-11003, 3-11004, 3-11006, 3-11007,
6 3-11009, 3-11010, 3-11011, 3-11013, and 3-11018 as follows:

7 (55 ILCS 5/3-10009) (from Ch. 34, par. 3-10009)

8 Sec. 3-10009. Deposit of public funds. In counties having a
9 population of less than 150,000 the county board, when
10 requested by the county treasurer, shall designate one or more
11 banks, ~~or~~ savings and loan associations, or credit unions in
12 which the funds and other public moneys in the custody of the
13 county treasurer may be kept and when a bank, ~~or~~ savings and
14 loan association, or credit union has been designated as a
15 depository it shall continue as such until 10 days have elapsed
16 after a new depository is designated and has qualified by
17 furnishing the statements of resources and liabilities as is
18 required by this Section. When a new depository is designated,
19 the county board shall notify the sureties of the county
20 treasurer of that fact, in writing, at least 5 days before the
21 transfer of funds. The county treasurer shall be discharged
22 from responsibility for all funds and moneys which he deposits
23 in a depository so designated while such funds and moneys are
24 so deposited.

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

31 (Source: P.A. 86-962.)

1 (55 ILCS 5/3-11002) (from Ch. 34, par. 3-11002)

2 Sec. 3-11002. Designation of depositories. In counties
3 having a population of more than 150,000 the county board, when
4 requested by the County Treasurer, shall designate one or more
5 banks, ~~or~~ savings and loan associations, or credit unions in
6 which the funds and other public moneys in the custody of the
7 County Treasurer may be kept and when a bank, ~~or~~ savings and
8 loan association, or credit union has been designated as a
9 depository it shall continue as such until 10 days have elapsed
10 after a new depository is designated and has qualified by
11 furnishing the statements of resources and liabilities as is
12 required by this Section. When a new depository is designated,
13 the county board shall notify the sureties of the County
14 Treasurer of that fact, in writing, at least 5 days before the
15 transfer of funds. The County Treasurer shall be discharged
16 from responsibility for all funds and moneys which he deposits
17 in a depository so designated while such funds and moneys are
18 so deposited.

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

25 (Source: P.A. 86-962.)

26 (55 ILCS 5/3-11003) (from Ch. 34, par. 3-11003)

27 Sec. 3-11003. Classification of funds. For the purpose of
28 establishing a control over the withdrawal, in accordance with
29 the provisions of this Division, of all county moneys deposited
30 in any bank, ~~or~~ savings and loan association, or credit union,
31 as hereinafter required, such moneys are hereby classified as
32 follows:

33 Class A. All taxes and special assessments received by the
34 county treasurer in his capacity as ex officio county collector
35 or ex officio town collector, and held by him pending

1 distribution to the several governments or authorities
2 entitled to receive the same, shall be known as "Class A"
3 funds.

4 Class B. All other moneys belonging to the State of
5 Illinois or to any political or corporate subdivision thereof,
6 except the county, shall be known as "Class B" funds.

7 Class C. All moneys belonging to the county in its
8 corporate capacity shall be known as "Class C" funds.

9 Class D. All other county moneys as defined in Section
10 3-11001 shall be known as "Class D" funds.

11 (Source: P.A. 86-962.)

12 (55 ILCS 5/3-11004) (from Ch. 34, par. 3-11004)

13 Sec. 3-11004. Deposits by county treasurer. It shall be the
14 duty of the county treasurer of such county to deposit daily,
15 in separate accounts in accordance with the classification set
16 forth in Section 3-11003, to the credit of the county treasurer
17 of such county, in one or more banks, ~~or~~ savings and loan
18 associations, or credit unions as shall have been selected and
19 designated under the terms of this Division and as shall have
20 complied with the requirements thereof, all county moneys as
21 defined in Section 3-11001, received by him during banking
22 hours, and also all such county moneys as he may have received
23 on the day previous after banking hours.

24 (Source: P.A. 86-962.)

25 (55 ILCS 5/3-11006) (from Ch. 34, par. 3-11006)

26 Sec. 3-11006. Investment of county moneys; release of
27 private funds in custody of county treasurer. All county moneys
28 shall be invested in one or more of the following: (a)
29 interest-bearing savings accounts, interest-bearing
30 certificates of deposit or interest-bearing time deposits
31 constituting direct obligations of any bank as shall have been
32 selected and designated under the terms of this Division and as
33 shall have complied with the requirements thereof; (b) shares
34 or other forms of securities legally issuable by savings and

1 loan associations incorporated under the laws of this State or
2 any other state or under the laws of the United States,
3 provided such shares or securities are insured by the Federal
4 Savings and Loan Insurance Corporation; (c) shares or other
5 forms of securities legally issuable by credit unions
6 incorporated under the laws of this State or any other state or
7 under the laws of the United States, provided such shares or
8 securities are insured by the National Credit Union
9 Administration; (d) bonds, notes, certificates of
10 indebtedness, treasury bills or other securities now or
11 hereafter issued, which are guaranteed by the full faith and
12 credit of the United States of America as to principal and
13 interest; (e) ~~(d)~~ short term discount obligations of the
14 Federal National Mortgage Association. The expressed judgment
15 of the county treasurer as to the time when any county moneys
16 will be required for expenditure or be redeemable is final and
17 conclusive. Privately owned funds held in the custody of a
18 county treasurer must be released to the appropriate party at
19 the earliest reasonable time, but in no case exceeding 31 days,
20 after the private party becomes entitled to the receipt of
21 them.

22 (Source: P.A. 86-962.)

23 (55 ILCS 5/3-11007) (from Ch. 34, par. 3-11007)

24 Sec. 3-11007. Monthly report of investments and deposits.
25 On the twenty-eighth day of each month the county treasurer
26 shall publish a report disclosing the investments and deposits
27 of county moneys as of the first day of that month. The report
28 shall list, under the name of each bank, ~~or~~ savings and loan
29 association, or credit union in which the county treasurer
30 maintains an account or investment, each separate account or
31 investment maintained in that institution, the amount of each
32 such account or investment, the rate of interest of each such
33 account or investment, and the term of maturity of each such
34 account or investment. The report shall also disclose the total
35 cost and average rate of interest of all other investments of

1 county moneys. A copy of the report shall be transmitted to
2 each member of the county board, and the report shall be a
3 public record.

4 (Source: P.A. 86-962.)

5 (55 ILCS 5/3-11009) (from Ch. 34, par. 3-11009)

6 Sec. 3-11009. Petty cash fund. For the purpose of enabling
7 the county treasurer to pay in cash such warrants and other
8 demands as may be presented to him for payment in cash, he is
9 hereby authorized to withhold from the daily deposit of funds
10 required of him under Section 3-11004, or to withdraw from the
11 one or more banks, ~~or~~ savings and loan associations, or credit
12 unions holding such county moneys on deposit, upon check or
13 draft payable to his own order as county treasurer, such
14 amounts as will enable him to maintain a petty cash fund
15 sufficient to meet the daily demand for the purpose herein
16 indicated: Provided, however, that the amount of said petty
17 cash fund shall at no time exceed the sum of \$5,000 in counties
18 having fewer than 1,000,000 inhabitants or the sum of \$200,000
19 in counties having 1,000,000 or more inhabitants. The county
20 treasurer shall keep proper records of such petty cash fund,
21 showing the amounts so withheld or withdrawn by him daily and
22 the amounts paid out by him in cash from day to day. Such
23 records shall be open to the inspection of all persons wishing
24 to examine the same.

25 (Source: P.A. 86-962.)

26 (55 ILCS 5/3-11010) (from Ch. 34, par. 3-11010)

27 Sec. 3-11010. Equalization and transfer of deposits. For
28 the purpose of facilitating the equalization or apportionment
29 of the amount of the balances on deposit with the several
30 depositories and the speedy transfer of money from one
31 depository to another in case of necessity, the county
32 treasurer is hereby authorized to draw checks or drafts against
33 any deposit made by him under the terms of this Division. Each
34 draft or check so drawn shall be payable to the order of the

1 county treasurer, and shall indicate upon its face that it is
2 drawn only for deposit in a bank, ~~or~~ savings and loan
3 association, or credit union authorized under the provisions of
4 this Division to receive county moneys.

5 (Source: P.A. 86-962.)

6 (55 ILCS 5/3-11011) (from Ch. 34, par. 3-11011)

7 Sec. 3-11011. Designation of active depository. Of the
8 banks, ~~or~~ savings and loan associations, or credit unions which
9 may have been so designated as depositories, one shall be
10 designated from time to time by the county treasurer as the
11 active bank, depository, ~~or~~ savings and loan association, or
12 credit union for a period of not more than one month at a time.
13 The county board shall have power, if it sees fit, to require
14 that no bank, ~~or~~ savings and loan association, or credit union
15 whose aggregate capital stock and surplus is less than a
16 certain specified amount shall be named as the active bank, ~~or~~
17 savings and loan association, or credit union. During such
18 period the county treasurer shall draw all of his checks to pay
19 warrants and other demands drawn upon him upon such active
20 bank, ~~or~~ savings and loan association, or credit union:
21 Provided, however, that the county treasurer shall have power
22 to withdraw county moneys from any depository for the purposes
23 stated in Section 3-11010: And, provided, further, that during
24 such period drafts and checks against deposit of funds
25 designated by Section 3-11003 hereof as "Class A" funds and
26 "Class B" funds may be drawn upon other than the active bank, ~~or~~
27 ~~or~~ savings and loan association, or credit union.

28 (Source: P.A. 86-962.)

29 (55 ILCS 5/3-11013) (from Ch. 34, par. 3-11013)

30 Sec. 3-11013. Annual report of interest received. The
31 county treasurer shall make to the county clerk an annual
32 report, under oath, of all interest received by the county
33 treasurer or credited to the county treasurer by any bank, ~~or~~
34 savings and loan association, or credit union, in which is

1 deposited any county moneys, and at the time of making such
2 report the county treasurer shall pay into the county treasury
3 for the benefit of the county the aggregate amount of all
4 interest so received by or credited to him, as shown by said
5 report. Such report shall show the name of each bank, ~~or~~
6 depository, savings and loan association, or credit union where
7 any county moneys are deposited.

8 (Source: P.A. 86-962.)

9 (55 ILCS 5/3-11018) (from Ch. 34, par. 3-11018)

10 Sec. 3-11018. Payment of interest or fees on deposits. No
11 bank, ~~or~~ savings and loan association, or credit union holding
12 county moneys deposited therewith by the county treasurer in
13 accordance with the provisions in this Division, or otherwise,
14 and no officer of any such bank, ~~or~~ savings and loan
15 association, or credit union, or other person, shall pay to,
16 withhold for the benefit of, or contract in any manner for the
17 payment to such county treasurer, or to any other person for
18 him, of any interest or other fee, perquisite or emolument, on
19 account of the deposit of such county moneys, except such
20 interest as shall be paid to such county treasurer for the
21 benefit of the county.

22 (Source: P.A. 86-962.)

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