

**SB0670**



**94TH GENERAL ASSEMBLY**  
**State of Illinois**  
**2005 and 2006**  
**SB0670**

Introduced 2/18/2005, by Sen. Ira I. Silverstein - Emil Jones, Jr.

**SYNOPSIS AS INTRODUCED:**

30 ILCS 230/2c

from Ch. 127, par. 173a

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

LRB094 04392 RCE 34421 b

**A BILL FOR**

1 AN ACT concerning finance.

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

4 Section 5. The State Officers and Employees Money  
5 Disposition Act is amended by changing Section 2c as follows:

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

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

22 Whenever funds deposited with a bank or savings and loan  
23 association exceed the amount of federal deposit insurance  
24 coverage, a bond, pledged securities, or other eligible  
25 collateral shall be obtained. Only the types of securities or  
26 other eligible collateral which the State Treasurer may, in his  
27 or her discretion, accept for amounts not insured by the  
28 Federal Deposit Insurance Corporation or the Federal Savings  
29 and Loan Insurance Corporation under Section 11 of "An Act in  
30 relation to State moneys", approved June 28, 1919, as amended,  
31 may be accepted as pledged securities. The market value of the  
32 bond or pledged securities shall at all times be equal to or

1 greater than the uninsured portion of the deposit unless the  
2 funds deposited are collateralized pursuant to a system  
3 established by the State Treasurer to aggregate permissible  
4 securities received as collateral from financial institutions  
5 in a collateral pool to secure State deposits of the  
6 institution that have pledged securities to the pool.

7 All securities deposited by a bank or savings and loan  
8 association under the provisions of this Section shall remain  
9 the property of the depository and may be stamped by the  
10 depository so as to indicate that such securities are deposited  
11 as collateral. Should the bank or savings and loan association  
12 fail or refuse to pay over the moneys, or any part thereof,  
13 deposited with it, the officer, board, commission,  
14 commissioner, department, institution, arm or agency may sell  
15 such securities upon giving 5 days notice to the depository of  
16 his intention to so sell such securities. Such sale shall  
17 transfer absolute ownership of the securities so sold to the  
18 vendee thereof. The surplus, if any, over the amount due to the  
19 State and the expenses of the sale shall be paid to the bank or  
20 savings and loan association. Actions may be brought in the  
21 name of the People of the State of Illinois to enforce the  
22 claims of the State with respect to any securities deposited by  
23 a bank or savings and loan association.

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

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