



Sen. Suzi Schmidt

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1 AMENDMENT TO SENATE BILL 1263

2 AMENDMENT NO. _____. Amend Senate Bill 1263 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 Section 22.5 as follows:

6 (15 ILCS 520/22.5) (from Ch. 130, par. 41a)

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

9 Sec. 22.5. Permitted investments. The State Treasurer may,
10 with the approval of the Governor, invest and reinvest any
11 State money in the treasury which is not needed for current
12 expenditures due or about to become due, in obligations of the
13 United States government or its agencies or of National
14 Mortgage Associations established by or under the National
15 Housing Act, 1201 U.S.C. 1701 et seq., or in mortgage
16 participation certificates representing undivided interests in

1 specified, first-lien conventional residential Illinois
2 mortgages that are underwritten, insured, guaranteed, or
3 purchased by the Federal Home Loan Mortgage Corporation or in
4 Affordable Housing Program Trust Fund Bonds or Notes as defined
5 in and issued pursuant to the Illinois Housing Development Act.
6 All such obligations shall be considered as cash and may be
7 delivered over as cash by a State Treasurer to his successor.

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

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

1 Corporation.

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

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

18 The State Treasurer may, with the approval of the Governor,
19 invest or reinvest, at a price not to exceed par, any State
20 money in the treasury that is not needed for current
21 expenditures due or about to become due, or any money in the
22 State Treasury that has been set aside and held for the payment
23 of the principal of and interest on any State bonds, in bonds
24 issued by counties or municipal corporations of the State of
25 Illinois.

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

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

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

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

24 (2) Bonds, notes, debentures, or other similar
25 obligations of the United States of America, its agencies,
26 and instrumentalities.

1 (2.5) Bonds, notes, debentures, or other similar
2 obligations of a foreign government, other than the
3 Republic of the Sudan, that are guaranteed by the full
4 faith and credit of that government as to principal and
5 interest, but only if the foreign government has not
6 defaulted and has met its payment obligations in a timely
7 manner on all similar obligations for a period of at least
8 25 years immediately before the time of acquiring those
9 obligations.

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

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

20 (5) Dividend-bearing share accounts, share certificate
21 accounts, or class of share accounts of a credit union
22 chartered under the laws of this State or the laws of the
23 United States; provided, however, the principal office of
24 the credit union must be located within the State of
25 Illinois.

26 (6) Bankers' acceptances of banks whose senior

1 obligations are rated in the top 2 rating categories by 2
2 national rating agencies and maintain that rating during
3 the term of the investment.

4 (7) Short-term obligations of either corporations or
5 limited liability companies organized in the United States
6 with assets exceeding \$500,000,000 if (i) the obligations
7 are rated at the time of purchase at one of the 3 highest
8 classifications established by at least 2 standard rating
9 services and mature not later than 270 days from the date
10 of purchase, (ii) the purchases do not exceed 10% of the
11 corporation's or the limited liability company's
12 outstanding obligations, (iii) no more than one-third of
13 the public agency's funds are invested in short-term
14 obligations of either corporations or limited liability
15 companies, and (iv) the corporation or the limited
16 liability company has not been identified as a forbidden
17 entity, as that term is defined in Section 1-110.6 of the
18 Illinois Pension Code, by an independent researching firm
19 that specializes in global security risk that has been
20 engaged by the State Treasurer.

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. 95-521, eff. 8-28-07; 96-469, eff. 8-14-09;
4 96-795, eff. 7-1-10 (see Section 5 of P.A. 96-793 for the
5 effective date of changes made by P.A. 96-795); 96-870, eff.
6 1-21-10.)

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