



## 97TH GENERAL ASSEMBLY

### State of Illinois

2011 and 2012

HB2101

Introduced 2/22/2011, by Rep. Emily McAsey

#### 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. Changes numerous Sections to provide that a county may deposit public funds into credit unions (currently, only banks or savings and loan associations). Further provides that county moneys may be invested in dividend-bearing share accounts, share certificate accounts, or class of share accounts of a credit union, provided the accounts of that credit union are insured and the credit union's principal office is located within the State of Illinois. Effective immediately.

LRB097 09042 KMW 49176 b

1 AN ACT concerning local government.

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

1 so deposited.

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

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

9 (55 ILCS 5/3-11002) (from Ch. 34, par. 3-11002)

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

1 so deposited.

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

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

9 (55 ILCS 5/3-11003) (from Ch. 34, par. 3-11003)

10 Sec. 3-11003. Classification of funds. For the purpose of  
11 establishing a control over the withdrawal, in accordance with  
12 the provisions of this Division, of all county moneys deposited  
13 in any bank, ~~or~~ savings and loan association, or credit union,  
14 as hereinafter required, such moneys are hereby classified as  
15 follows:

16 Class A. All taxes and special assessments received by the  
17 county treasurer in his capacity as ex officio county collector  
18 or ex officio town collector, and held by him pending  
19 distribution to the several governments or authorities  
20 entitled to receive the same, shall be known as "Class A"  
21 funds.

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

25 Class C. All moneys belonging to the county in its

1 corporate capacity shall be known as "Class C" funds.

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

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

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

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

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

18 (55 ILCS 5/3-11006) (from Ch. 34, par. 3-11006)

19 Sec. 3-11006. Investment of county moneys; release of  
20 private funds in custody of county treasurer. All county moneys  
21 shall be invested in one or more of the following: (a)  
22 interest-bearing savings accounts, interest-bearing  
23 certificates of deposit or interest-bearing time deposits  
24 constituting direct obligations of any bank as shall have been

1 selected and designated under the terms of this Division and as  
2 shall have complied with the requirements thereof; (b) shares  
3 or other forms of securities legally issuable by savings and  
4 loan associations incorporated under the laws of this State or  
5 any other state or under the laws of the United States,  
6 provided such shares or securities are insured by the Federal  
7 Savings and Loan Insurance Corporation; (c) bonds, notes,  
8 certificates of indebtedness, treasury bills or other  
9 securities now or hereafter issued, which are guaranteed by the  
10 full faith and credit of the United States of America as to  
11 principal and interest; (d) short term discount obligations of  
12 the Federal National Mortgage Association; and (e)  
13 dividend-bearing share accounts, share certificate accounts,  
14 or class of share accounts of a credit union chartered under  
15 the laws of this State or the laws of the United States,  
16 provided the accounts of that credit union are insured by  
17 applicable law and the credit union's principal office is  
18 located within the State of Illinois. The expressed judgment of  
19 the county treasurer as to the time when any county moneys will  
20 be required for expenditure or be redeemable is final and  
21 conclusive. Privately owned funds held in the custody of a  
22 county treasurer must be released to the appropriate party at  
23 the earliest reasonable time, but in no case exceeding 31 days,  
24 after the private party becomes entitled to the receipt of  
25 them.

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

1 (55 ILCS 5/3-11007) (from Ch. 34, par. 3-11007)

2 Sec. 3-11007. Monthly report of investments and deposits.  
3 On the twenty-eighth day of each month the county treasurer  
4 shall publish a report disclosing the investments and deposits  
5 of county moneys as of the first day of that month. The report  
6 shall list, under the name of each bank, ~~or~~ savings and loan  
7 association, or credit union in which the county treasurer  
8 maintains an account or investment, each separate account or  
9 investment maintained in that institution, the amount of each  
10 such account or investment, the rate of interest of each such  
11 account or investment, and the term of maturity of each such  
12 account or investment. The report shall also disclose the total  
13 cost and average rate of interest of all other investments of  
14 county moneys. A copy of the report shall be transmitted to  
15 each member of the county board, and the report shall be a  
16 public record.

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

18 (55 ILCS 5/3-11009) (from Ch. 34, par. 3-11009)

19 Sec. 3-11009. Petty cash fund. For the purpose of enabling  
20 the county treasurer to pay in cash such warrants and other  
21 demands as may be presented to him for payment in cash, he is  
22 hereby authorized to withhold from the daily deposit of funds  
23 required of him under Section 3-11004, or to withdraw from the  
24 one or more banks, ~~or~~ savings and loan associations, or credit

1 unions holding such county moneys on deposit, upon check or  
2 draft payable to his own order as county treasurer, such  
3 amounts as will enable him to maintain a petty cash fund  
4 sufficient to meet the daily demand for the purpose herein  
5 indicated: Provided, however, that the amount of said petty  
6 cash fund shall at no time exceed the sum of \$5,000 in counties  
7 having fewer than 1,000,000 inhabitants or the sum of \$200,000  
8 in counties having 1,000,000 or more inhabitants. The county  
9 treasurer shall keep proper records of such petty cash fund,  
10 showing the amounts so withheld or withdrawn by him daily and  
11 the amounts paid out by him in cash from day to day. Such  
12 records shall be open to the inspection of all persons wishing  
13 to examine the same.

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

15 (55 ILCS 5/3-11010) (from Ch. 34, par. 3-11010)

16 Sec. 3-11010. Equalization and transfer of deposits. For  
17 the purpose of facilitating the equalization or apportionment  
18 of the amount of the balances on deposit with the several  
19 depositories and the speedy transfer of money from one  
20 depository to another in case of necessity, the county  
21 treasurer is hereby authorized to draw checks or drafts against  
22 any deposit made by him under the terms of this Division. Each  
23 draft or check so drawn shall be payable to the order of the  
24 county treasurer, and shall indicate upon its face that it is  
25 drawn only for deposit in a bank, ~~or~~ savings and loan



1 association, or credit union authorized under the provisions of  
2 this Division to receive county moneys.

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

4 (55 ILCS 5/3-11011) (from Ch. 34, par. 3-11011)

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

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

2 (55 ILCS 5/3-11013) (from Ch. 34, par. 3-11013)

3 Sec. 3-11013. Annual report of interest received. The  
4 county treasurer shall make to the county clerk an annual  
5 report, under oath, of all interest received by the county  
6 treasurer or credited to the county treasurer by any bank, ~~or~~  
7 savings and loan association, or credit union, in which is  
8 deposited any county moneys, and at the time of making such  
9 report the county treasurer shall pay into the county treasury  
10 for the benefit of the county the aggregate amount of all  
11 interest so received by or credited to him, as shown by said  
12 report. Such report shall show the name of each bank or  
13 depository where any county moneys are deposited.

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

15 (55 ILCS 5/3-11018) (from Ch. 34, par. 3-11018)

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

1 account of the deposit of such county moneys, except such  
2 interest as shall be paid to such county treasurer for the  
3 benefit of the county.

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

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