

1 AN ACT concerning the State Treasurer.

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

4 Section 1. Short title. This Act may be cited as the
5 Technology Development Act.

6 Section 5. Policy. The Illinois General Assembly finds
7 that it is important for the State to encourage technology
8 development in the State. The purpose of this Act is to
9 attract, assist, and retain quality technology businesses in
10 Illinois. The creation of the Technology Development Account
11 will allow the State to bring together, and add to, Illinois'
12 rich science, technology, and business communities.

13 Section 10. Technology Development Account.

14 (a) The State Treasurer may segregate a portion of the
15 Treasurer's investment portfolio, that at no time shall be
16 greater than 1% of the portfolio, in the Technology
17 Development Account, an account that shall be maintained
18 separately and apart from other moneys invested by the
19 Treasurer. The Treasurer may make investments from the
20 Account that help attract, assist, and retain quality
21 technology businesses in Illinois. The earnings on the
22 Account shall be accounted for separately from other
23 investments made by the Treasurer.

24 (b) Moneys in the Account may be invested by the State
25 Treasurer to provide venture capital to technology businesses
26 seeking to locate, expand, or remain in Illinois by placing
27 money with Illinois venture capital firms for investment by
28 the venture capital firms in technology businesses. "Venture
29 capital", as used in this Act, means equity financing that is
30 provided for starting up, expanding, or relocating a company,

1 or related purposes such as financing for seed capital,
2 research and development, introduction of a product or
3 process into the marketplace, or similar needs requiring risk
4 capital. "Technology business", as used in this Act, means a
5 company that has as its principal function the providing of
6 services including computer, information transfer,
7 communication, distribution, processing, administrative,
8 laboratory, experimental, developmental, technical, testing
9 services, manufacture of goods or materials, the processing
10 of goods or materials by physical or chemical change,
11 computer related activities, robotics, biological or
12 pharmaceutical industrial activity, or technology oriented or
13 emerging industrial activity. "Illinois venture capital
14 firms", as used in this Act, means an entity that has a
15 majority of its employees in Illinois or that has at least
16 one managing partner domiciled in Illinois that has made
17 significant capital investments in Illinois companies and
18 that provides equity financing for starting up or expanding a
19 company, or related purposes such as financing for seed
20 capital, research and development, introduction of a product
21 or process into the marketplace, or similar needs requiring
22 risk capital.

23 (c) Any fund created by an Illinois venture capital firm
24 in which the State Treasurer places money pursuant to this
25 Act shall be required by the State Treasurer to seek
26 investments in technology businesses seeking to locate,
27 expand, or remain in Illinois.

28 (d) The investment of the State Treasurer in any fund
29 created by an Illinois venture capital firm in which the
30 State Treasurer places money pursuant to this Act shall not
31 exceed 10% of the total investments in the fund.

32 (e) The State Treasurer shall not invest more than
33 one-third of the Technology Development Account in any given
34 calendar year.

1 Section 15. Rules. The State Treasurer may promulgate
2 rules to implement this Act.

3 Section 90. The Deposit of State Moneys Act is amended
4 by changing Section 22.5 as follows:

5 (15 ILCS 520/22.5) (from Ch. 130, par. 41a)

6 Sec. 22.5. The State Treasurer may, with the approval of
7 the Governor, invest and reinvest any State money in the
8 treasury which is not needed for current expenditures due or
9 about to become due, in obligations of the United States
10 government or its agencies or of National Mortgage
11 Associations established by or under the National Housing
12 Act, 1201 U.S.C. 1701 et seq., or in mortgage participation
13 certificates representing undivided interests in specified,
14 first-lien conventional residential Illinois mortgages that
15 are underwritten, insured, guaranteed, or purchased by the
16 Federal Home Loan Mortgage Corporation or in Affordable
17 Housing Program Trust Fund Bonds or Notes as defined in and
18 issued pursuant to the Illinois Housing Development Act. All
19 such obligations shall be considered as cash and may be
20 delivered over as cash by a State Treasurer to his successor.

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

27 The State Treasurer may, with the approval of the
28 Governor, invest or reinvest any State money in the treasury
29 that is not needed for current expenditure due or about to
30 become due, or any money in the State Treasury that has been
31 set aside and held for the payment of the principal of and
32 the interest on any State bonds, in shares, withdrawable

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

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

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

25 The State Treasurer may, with the approval of the
 26 Governor, invest or reinvest, at a price not to exceed par,
 27 any State money in the treasury that is not needed for
 28 current expenditures due or about to become due, or any money
 29 in the State Treasury that has been set aside and held for
 30 the payment of the principal of and interest on any State
 31 bonds, in bonds issued by counties or municipal corporations
 32 of the State of Illinois.

33 The State Treasurer may, with the approval of the
 34 Governor, invest or reinvest any State money in the Treasury

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

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

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

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

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

32 (4) Interest-bearing accounts, certificates of
33 deposit, or any other investments constituting direct
34 obligations of any savings and loan associations

1 incorporated under the laws of this State or any other
2 state or under the laws of the United States.

3 (5) Dividend-bearing share accounts, share
4 certificate accounts, or class of share accounts of a
5 credit union chartered under the laws of this State or
6 the laws of the United States; provided, however, the
7 principal office of the credit union must be located
8 within the State of Illinois.

9 (6) Bankers' acceptances of banks whose senior
10 obligations are rated in the top 2 rating categories by 2
11 national rating agencies and maintain that rating during
12 the term of the investment.

13 (7) Short-term obligations of corporations
14 organized in the United States with assets exceeding
15 \$500,000,000 if (i) the obligations are rated at the time
16 of purchase at one of the 3 highest classifications
17 established by at least 2 standard rating services and
18 mature not later than 180 days from the date of purchase,
19 (ii) the purchases do not exceed 10% of the corporation's
20 outstanding obligations, and (iii) no more than one-third
21 of the public agency's funds are invested in short-term
22 obligations of corporations.

23 (8) Money market mutual funds registered under the
24 Investment Company Act of 1940, provided that the
25 portfolio of the money market mutual fund is limited to
26 obligations described in this Section and to agreements
27 to repurchase such obligations.

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

31 (10) Repurchase agreements of government securities
32 having the meaning set out in the Government Securities
33 Act of 1986 subject to the provisions of that Act and the
34 regulations issued thereunder.

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

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

5 (i) the federal land banks, federal intermediate
6 credit banks, banks for cooperatives, federal farm credit
7 banks, or any other entity authorized to issue debt
8 obligations under the Farm Credit Act of 1971 (12 U.S.C.
9 2001 et seq.) and Acts amendatory thereto;

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

12 (iii) the Commodity Credit Corporation; and

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

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

23 (Source: P.A. 90-655, eff. 7-30-98.)

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