

SENATE BILL No. 289

DIGEST OF INTRODUCED BILL

Citations Affected: IC 5-13.

Synopsis: Public depositories. Provides an exception to the existing law requiring that all public funds of all political subdivisions be deposited in public depositories within the territorial limits of the political subdivision to authorize a county to invest the public funds of the county in a depository that is located in any other county in Indiana. Amends existing law authorizing a county or political subdivision to adopt an ordinance or resolution authorizing the investment of public funds in certificates of deposit of depositories that: (1) have not been designated as a depository by the local board of finance; but (2) have been designated as a depository for state funds by the state board of finance; so as to eliminate, for purposes of investments made under such an ordinance or resolution, the applicability of the current statutory requirement that all public funds of all political subdivisions must be deposited in designated depositories located in the territorial limits of the political subdivision.

Effective: July 1, 2026.

Walker K, Baldwin

January 12, 2026, read first time and referred to Committee on Insurance and Financial Institutions.



Introduced

Second Regular Session of the 124th General Assembly (2026)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2025 Regular Session of the General Assembly.

SENATE BILL No. 289

A BILL FOR AN ACT to amend the Indiana Code concerning state and local administration.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 5-13-8-9, AS AMENDED BY P.L.230-2025,
2 SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 JULY 1, 2026]: Sec. 9. (a) All public funds of all political subdivisions
4 **other than counties** shall be deposited in the designated depositories
5 located in the respective territorial limits of the political subdivisions,
6 except as provided in this section.

7 (b) Each board of finance of a political subdivision:

8 (1) that is not a city or town; and
9 (2) whose jurisdiction crosses one (1) or more county lines;
10 may limit its boundaries for the purpose of this section to that portion
11 of the political subdivision within the county where its principal office
12 is located.

13 (c) If there is no principal office or branch of a financial institution
14 located in the county or **the** political subdivision, or if no financial
15 institution with a principal office or branch in the county or political
16 subdivision will accept public funds under this chapter, **the board of**
17 **finance of the county and** the boards of finance of the political



1 subdivisions in the county shall designate one (1) or more financial
 2 institutions with a principal office or branch outside of the county or
 3 political subdivision, and in the state, as a depository or depositories.

4 (d) The board of trustees for a hospital organized or operated under
 5 IC 16-22-1 through IC 16-22-5 or IC 16-23-1 may invest any money in
 6 the hospital fund anywhere in the state with any financial institution
 7 designated by the state board of finance as depositories for state
 8 deposits.

9 (e) If two (2) or fewer financial institutions that have a branch or
 10 principal office in ~~a~~ the county or political subdivision are willing to
 11 accept public funds, the board of finance for the ~~county~~ or political
 12 subdivision may:

13 (1) treat the financial institutions that are located within the
 14 county or political subdivision as if the financial institutions were
 15 not located within the county or political subdivision; and
 16 (2) designate one (1) or more financial institutions to receive
 17 public funds under the requirements of subsection (c).

18 (f) The investing officer shall maintain the deposits as follows:

19 (1) In one (1) or more depositories designated for the political
 20 subdivision, if the sum of the monthly average balances of all the
 21 transaction accounts for the political subdivision does not exceed
 22 one hundred thousand dollars (\$100,000).

23 (2) In each depository designated for the political subdivision, if
 24 subdivision (1) does not apply and fewer than three (3) financial
 25 institutions are designated by the local board of finance as a
 26 depository.

27 (3) In at least two (2) depositories designated for the political
 28 subdivision, if subdivision (1) does not apply and at least three (3)
 29 financial institutions are designated by the local board of finance
 30 as a depository.

31 (g) Subject to subsections (c) and (e), a board of finance of a
 32 political subdivision that is not a:

33 (1) city;
 34 (2) town; or
 35 (3) hospital described in subsection (d);

36 shall invest the public funds of the political subdivision in a designated
 37 depository located anywhere in the county in which the political
 38 subdivision is located. For purposes of this section, the territorial limits
 39 of a political subdivision that is not a city, town, or local hospital
 40 authority or corporation are the territorial limits of the county in which
 41 the principal office of the board of finance is located.

42 (h) **A county may invest the public funds of the county in a**



1 **depository that is located in any other county in Indiana.**

2 SECTION 2. IC 5-13-9-5, AS AMENDED BY P.L.230-2025,
3 SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
4 JULY 1, 2026]: Sec. 5. (a) The board of county commissioners of each
5 county, and the fiscal body of each political subdivision other than a
6 county, may ~~subject to the restrictions provided in IC 5-13-8-9~~, by
7 ordinance or resolution authorize the investing officer of each,
8 respectively, to invest in certificates of deposit of depositories that have
9 not been designated by the local board of finance of either but have
10 been designated by the state board of finance as a depository for state
11 deposits under IC 5-13-9.5. An ordinance or a resolution adopted under
12 this subsection must provide that the authority granted in the ordinance
13 or resolution expires on a date that is not later than one (1) year after
14 the date the ordinance or resolution is adopted.

15 (b) With respect to any money to be invested in a deposit account
16 under subsection (a), the investing officer shall solicit quotes for the
17 certificates of deposit from at least three (3) depositories. If only one
18 (1) depository has been designated for the political subdivision by its
19 local board of finance, a quote must be solicited from that depository.
20 If two (2) or more depositories have been designated for the political
21 subdivision by its local board of finance, at least two (2) quotes must
22 be solicited from the depositories thus designated. The quotes may be
23 solicited and taken by telephone. A memorandum of all quotes solicited
24 and taken shall be retained by the investing officer as a public record
25 of the political subdivision under IC 5-14-3.

26 (c) If a deposit is not placed in the designated depository quoting the
27 highest rate of interest, the investing officer shall follow the procedures
28 and priority for placing deposits that are set forth in section 4 of this
29 chapter and note the reason for placing the deposit on the memorandum
30 of quotes.

