

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.



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



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

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

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

(1) treat the financial institutions that are located within the county or political subdivision as if the financial institutions were not located within the county or political subdivision; and

(2) designate one (1) or more financial institutions to receive public funds under the requirements of subsection (c).

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

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

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

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

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

(1) city;

(2) town; or

(3) hospital described in subsection (d);

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

(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.

