

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS
FISCAL IMPACT STATEMENT**

LS 6607
BILL NUMBER: SB 289

NOTE PREPARED: Dec 15, 2025
BILL AMENDED:

SUBJECT: Public Depositories.

FIRST AUTHOR: Sen. Walker K
FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: X **GENERAL**
DEDICATED
FEDERAL

IMPACT: State & Local

Summary of Legislation: This bill 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.

The bill 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 Date: July 1, 2026.

Explanation of State Expenditures: The State Treasurer or State Board of Finance may see their administrative workload increase slightly to administer the bill's provisions. This workload increase should be done within current resources.

Additional Information - The State Board of Finance approves financial institutions wishing to hold state public funds. As of September 2025, there were 141 financial institutions with approval to hold state public funds.

Explanation of State Revenues:

Explanation of Local Expenditures: *Certificates of Deposit:* This provision would allow political subdivisions to have assets held in certificates of deposits (CDs) with a financial institution outside the territorial limits of the political subdivision starting July 1, 2026, if that institution is approved for holding of public funds by the State Board of Finance. For any subdivisions that currently hold CDs in such a

financial institution, the provision would reduce the workload the local unit would expend to have the CD canceled and the proceeds transferred to another financial institution acceptable under current law. Canceling a CD could lead to financial penalties incurred by the political subdivision including interest payments to the financial institution based on the time left to maturity of the CDs.

County Depositories: The provision would allow for a county to deposit funds in a depository within the county in which the entity is located or any other county. The provision may allow for flexibility of depository institutions with which these entities deposit public funds.

Explanation of Local Revenues: *Home County Depositories:* It is possible that a greater amount of depository options could give the above listed entities better chances to maximize their interest income if there are varying rates available.

State Agencies Affected: Office of the State Treasurer; State Board of Finance.

Local Agencies Affected: Political subdivisions.

Information Sources: <https://www.in.gov/comptroller/files/4-16-2024-MINUTES-signed.pdf>;
<https://www.in.gov/comptroller/files/8-15-2023-MINUTES-SIGNED.pdf>;
Approved List of Depositories for Public Funds:
<https://www.in.gov/tos/deposit/files/List-of-Approved-Depositories-09.09.2025.pdf>.

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