

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

LS 6607
BILL NUMBER: SB 289

NOTE PREPARED: Jan 22, 2026
BILL AMENDED: Jan 22, 2026

SUBJECT: Public Depositories.

FIRST AUTHOR: Sen. Walker K
FIRST SPONSOR:

BILL STATUS: CR Adopted - 1st House

FUNDS AFFECTED: **GENERAL**
DEDICATED
FEDERAL

IMPACT: State & Local

Summary of Legislation: (Amended) This bill provides that if two or fewer financial institutions that have a branch or principal office in a county or in a county contiguous to the county that is located in Indiana are willing to accept public funds, the board of finance for the county may: (1) treat the financial institutions that are located within the county or a county contiguous to the county that is located in Indiana as if the financial institutions were not located within the county or a county contiguous to the county; and (2) designate certain financial institutions to receive public funds.

The bill also makes conforming changes.

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: (Revised) *Depositories:* The provision would allow for a county or a political subdivision to deposit funds in a depository within the county in which the entity is located or any other county if there are two or fewer financial institutions in the 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>.

Fiscal Analyst: Nate Bodnar, 317-234-9476.