

## SENATE BILL No. 289

AM028903 has been incorporated into introduced printing.

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**Synopsis:** Public depositories.

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2026

IN 289—LS 6607/DI 101



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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 shall be deposited in the designated depositories located in the  
5 respective territorial limits of the political subdivisions, except as  
6 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 political subdivision, or if no financial  
15 institution with a principal office or branch in the county or political

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1 subdivision will accept public funds under this chapter, the board of  
 2 finance of the county and the boards of finance of the political  
 3 subdivisions in the county shall designate one (1) or more financial  
 4 institutions with a principal office or branch outside of the county or  
 5 political subdivision, and in the state, as a depository or depositories.

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

11 (e) **Subject to subsection (h),** if two (2) or fewer financial  
 12 institutions that have a branch or principal office in ~~a~~ the county or  
 13 political subdivision are willing to accept public funds, the board of  
 14 finance for the county or political subdivision may:

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

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

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

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

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

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

35 (1) city;  
 36 (2) town; or

37 (3) hospital described in subsection (d);

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



1 authority or corporation are the territorial limits of the county in which  
2 the principal office of the board of finance is located.

3 **(h) If a financial institution that has a branch or principal**  
4 **office in the county or political subdivision is willing to accept**  
5 **public funds, but the rate of interest offered to the county or**  
6 **political subdivision by the financial institution is lower, by more**  
7 **than one-half (0.5) percentage point, than the one (1) month**  
8 **constant maturity rate as reported by the Federal Reserve at the**  
9 **time the board of finance for the county or political subdivision**  
10 **obtains an interest rate quote from the financial institution, the**  
11 **board of finance for the county or political subdivision may treat**  
12 **the financial institution as if the financial institution was not**  
13 **located within the county or political subdivision.**

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