

SENATE BILL No. 289

AM028904 has been incorporated into introduced printing.

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 **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) **For a political subdivision that is not a county**, if there is no
14 principal office or branch of a financial institution located in the county
15 **in which the political subdivision is located** or **in the** political

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1 subdivision, or if no financial institution with a principal office or
 2 branch in the county **in which the political subdivision is located** or
 3 **in the** political subdivision will accept public funds under this chapter,
 4 the board of finance of the county and the boards of finance of the
 5 political subdivisions in the county shall designate one (1) or more
 6 financial institutions with a principal office or branch outside of the
 7 county or political subdivision, and in the state, as a depository or
 8 depositories. **For a county, if there is no principal office or branch**
 9 **of a financial institution located in the county or in a county**
 10 **contiguous to the county that is located in Indiana, or if no**
 11 **financial institution with a principal office or branch in the county**
 12 **or in a county contiguous to the county that is located in Indiana**
 13 **will accept public funds under this chapter, the board of finance of**
 14 **the county shall designate one (1) or more financial institutions in**
 15 **Indiana with a principal office or branch outside of the county or**
 16 **outside a county contiguous to the county that is located in Indiana**
 17 **as a depository or depositories.**

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

23 (e) **This subsection applies to a political subdivision that is not**
 24 **a county.** If two (2) or fewer financial institutions that have a branch
 25 or principal office in **a the county or in which the political**
 26 **subdivision is located or in the** political subdivision are willing to
 27 accept public funds, the board of finance for the **county or** political
 28 subdivision may:

29 (1) treat the financial institutions that are located within the
 30 county or political subdivision as if the financial institutions
 31 were not located within the county or political subdivision; and
 32 (2) designate one (1) or more financial institutions to receive
 33 public funds under the requirements of subsection (c).

34 (f) The investing officer shall maintain the deposits as follows:
 35 (1) In one (1) or more depositories designated for the political
 36 subdivision, if the sum of the monthly average balances of all the
 37 transaction accounts for the political subdivision does not exceed
 38 one hundred thousand dollars (\$100,000).

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

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

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

8 (1) city;
9 (2) town; or
10 (3) hospital described in subsection (d);

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

17 (h) **This subsection applies to a county. If two (2) or fewer**
18 **financial institutions that have a branch or principal office in a**
19 **county or in a county contiguous to the county that is located in**
20 **Indiana are willing to accept public funds, the board of finance for**
21 **the county may:**

22 (1) **treat the financial institutions that are located within the**
23 **county or a county contiguous to the county that is located in**
24 **Indiana as if the financial institutions were not located within**
25 **the county or a county contiguous to the county; and**
26 (2) **designate one (1) or more financial institutions to receive**
27 **public funds under the requirements of subsection (c).**

