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SENATE BILL No. 289

Proposed Changes to introduced printing by AM028904

DIGEST OF PROPOSED AMENDMENT

Counties. 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. Makes conforming changes.

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
14 is no principal office or branch of a financial institution located in the
15 county in which the political subdivision is located or in the
16 political subdivision, or if no financial institution with a principal

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

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

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

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

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

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

42 (3) In at least two (2) depositories designated for the political



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

4 (g) Subject to [subsections (c) and (e),] subsections (c), (e), and
 5 (~~and~~ [h],) a board of finance of a political subdivision that is not a:

6 (1) city;
 7 (2) town; or
 8 (3) hospital described in subsection (d);

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

15 (h) ~~A county may invest the public funds of the county in a~~
 16 ~~depository>[This subsection applies to a county. If two (2) or fewer~~
 17 ~~financial institutions that have a branch or principal office in a~~
 18 ~~county or in a county contiguous to the county]~~ that is located in
 19 ~~any other county in Indiana.~~

20 ~~SECTION 2. IC 5-13-9-5, AS AMENDED BY P.L.230-2025,~~
 21 ~~SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE~~
 22 ~~JULY 1, 2026]. See. 5. (a) The board of county commissioners of~~
 23 ~~each county, and the fiscal body of each political subdivision other~~
 24 ~~than a county, may subject to the restrictions provided in~~
 25 ~~IC 5-13-8-9, by ordinance or resolution authorize the investing~~
 26 ~~officer of each, respectively, to invest in certificates of deposit of~~
 27 ~~depositories that have not been designated by the local board of~~
 28 ~~finance of either but have been designated by the state>[Indiana~~
 29 ~~are willing to accept public funds, the]~~ board of finance ~~as a~~
 30 ~~depository for state deposits under IC 5-13-9.5. An ordinance or a~~
 31 ~~resolution adopted under this subsection must provide that the~~
 32 ~~authority granted in the ordinance or resolution expires on a date~~
 33 ~~that is not later than one (1) year after the date the ordinance or~~
 34 ~~resolution is adopted.~~

35 ~~(b) With respect to any money to be invested in a deposit~~
 36 ~~account under subsection (a), the investing officer shall solicit~~
 37 ~~quotes for the certificates of deposit from at least three (3)~~
 38 ~~depositories. If only one (1) depository has been designated for the~~
 39 ~~political subdivision by its local board of finance, a quote must be~~
 40 ~~solicited from that depository. If two (2) or more depositories have~~
 41 ~~been designated for the political subdivision by its local board of~~
 42 ~~finance, at least two (2) quotes must be solicited from the~~



1 ~~depositaries thus designated. The quotes may be solicited and taken~~
2 ~~by telephone. A memorandum of all quotes solicited and taken~~
3 ~~shall be retained by the investing officer as a public record of the~~
4 ~~political subdivision under IC 5-14-3.~~

5 ~~(c) If a deposit is not placed in the designated depository~~
6 ~~quoting the highest rate of interest, the investing officer shall~~
7 ~~follow the procedures and priority for placing deposits that are set~~
8 ~~forth in section 4 of this chapter and note the reason for placing the~~
9 ~~deposit on the memorandum of quotes.>[for the county may:~~

10 (1) treat the financial institutions that are located within the
11 county or a county contiguous to the county that is located in
12 Indiana as if the financial institutions were not located within
13 the county or a county contiguous to the county; and
14 (2) designate one (1) or more financial institutions to receive
15 public funds under the requirements of subsection (c).

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