

1 AN ACT concerning finance.

2 **Be it enacted by the People of the State of Illinois,**
3 **represented in the General Assembly:**

4 Section 1. Findings; purpose; validation.

5 (a) The General Assembly finds and declares that:

6 (1) Public Act 88-669, effective November 29, 1994,
7 contained provisions amending the Casual Deficit Act,
8 including changing the name of that Act to the Short Term
9 Borrowing Act. Public Act 88-669 also contained other
10 provisions. The Short Term Borrowing Act has subsequently
11 been amended by Public Act 93-674.

12 (2) Questions have been raised concerning the validity
13 and content of the Short Term Borrowing Act. The provisions
14 of the Short Term Borrowing Act are of vital concern to the
15 people of this State. Prompt legislative action concerning
16 those provisions is necessary to ensure their continued
17 effect.

18 (b) The purpose of this Act is to re-enact the Short Term
19 Borrowing Act, as amended by Public Acts 88-669 and 93-674, and
20 to make revisory changes. This re-enactment is intended to
21 remove any question as to the validity and content of those
22 provisions and to validate all actions taken in reliance on
23 those provisions; it is not intended to supersede any other
24 Public Act that amends the text of the Short Term Borrowing Act
25 as set forth in this Act. The re-enacted material is shown in
26 this Act as existing text (i.e., without underscoring), and the
27 revisory changes are shown by striking and underscoring.

28 (c) The re-enactment by this amendatory Act of the 93rd
29 General Assembly of the Short Term Borrowing Act is not
30 intended, and shall not be construed, to imply that Public Act
31 88-669 or 93-674 is invalid or to limit or impair any legal
32 argument concerning whether those provisions were
33 substantially re-enacted by other Public Acts.

1 (d) All otherwise lawful actions taken before the effective
2 date of this amendatory Act of the 93rd General Assembly in
3 reliance on or pursuant to the provisions re-enacted by this
4 amendatory Act of the 93rd General Assembly, as set forth in
5 Public Act 88-669, or as subsequently amended, by any officer,
6 employee, or agency of State government or by any other person
7 or entity, are hereby validated. These actions include, but are
8 not limited to: borrowing; bidding, awarding, contracting, and
9 incurring debt; issuance and sale of certificates, bonds, and
10 other instruments for the payment of money; application of
11 moneys; transfer and deposit of moneys; and repayment of
12 principal and interest and other legal costs and expenses.

13 (e) This amendatory Act of the 93rd General Assembly
14 applies, without limitation, to actions pending on or after the
15 effective date of this amendatory Act.

16 Section 5. The Short Term Borrowing Act is amended by
17 re-enacting Sections 0.01, 1, and 1.1 and by re-enacting and
18 changing Sections 2 and 3 as follows:

19 (30 ILCS 340/0.01) (from Ch. 120, par. 405H)

20 Sec. 0.01. Short title. This Act may be cited as the Short
21 Term Borrowing Act.

22 (Source: P.A. 88-669, eff. 11-29-94.)

23 (30 ILCS 340/1) (from Ch. 120, par. 406)

24 Sec. 1. Cash flow borrowing. Whenever significant timing
25 variations occur between disbursement and receipt of budgeted
26 funds within a fiscal year, making it necessary to borrow in
27 anticipation of revenues to be collected in a fiscal year, in
28 order to meet the same, the Governor, Comptroller and Treasurer
29 may contract debts, in an amount not exceeding 5% of the
30 State's appropriations for that fiscal year, and moneys thus
31 borrowed shall be applied to the purpose for which they were
32 obtained, or to pay the debts thus created, and to no other
33 purpose. All moneys so borrowed shall be repaid by the close of

1 the fiscal year in which borrowed.

2 (Source: P.A. 88-669, eff. 11-29-94.)

3 (30 ILCS 340/1.1)

4 Sec. 1.1. Borrowing upon failures in revenue. Whenever
5 failures in revenues of the State occur, in order to meet those
6 failures, the Governor, Comptroller, and Treasurer may
7 contract debts in an amount not exceeding 15% of the State's
8 appropriations for that fiscal year. The moneys thus borrowed
9 shall be applied to the purposes for which they were obtained,
10 or to pay the debts thus created by the borrowing, and to no
11 other purpose. Before incurring debt under this Section, the
12 Governor shall give written notice to the Clerk of the House of
13 Representatives, the Secretary of the Senate, and the Secretary
14 of State setting forth the reasons for the proposed borrowing
15 and the corrective measures recommended to restore the State's
16 fiscal soundness. The notice shall be a public record and open
17 for inspection at the offices of the Secretary of State during
18 normal business hours. No debt may be incurred under this
19 Section until 30 days after the notice is served. All moneys so
20 borrowed shall be borrowed for no longer time than one year.

21 (Source: P.A. 88-669, eff. 11-29-94.)

22 (30 ILCS 340/2) (from Ch. 120, par. 407)

23 Sec. 2. Sale of certificates. For borrowing authorized
24 under Sections 1 and 1.1 of this Act, certificates may be
25 issued and sold from time to time, in one or more series, in
26 amounts, at prices and at interest rates, all as directed by
27 the Governor, Comptroller, and Treasurer. Bidders shall submit
28 sealed bids to the Director of the Governor's Office of
29 Management and Budget ~~Bureau of the Budget~~ upon such terms as
30 shall be approved by the Governor, Comptroller, and Treasurer
31 after such notice as shall be determined to be reasonable by
32 the Director of the Governor's Office of Management and Budget
33 ~~Bureau of the Budget~~. The loan shall be awarded to the bidder
34 offering the lowest effective rate of interest not exceeding

1 the maximum rate authorized by the Bond Authorization Act as
2 amended at the time of the making of the contract.

3 With respect to instruments for the payment of money issued
4 under this Section either before, on, or after the effective
5 date of this amendatory Act of 1989, it is and always has been
6 the intention of the General Assembly (i) that the Omnibus Bond
7 Acts are and always have been supplementary grants of power to
8 issue instruments in accordance with the Omnibus Bond Acts,
9 regardless of any provision of this Act that may appear to be
10 or to have been more restrictive than those Acts, (ii) that the
11 provisions of this Section are not a limitation on the
12 supplementary authority granted by the Omnibus Bond Acts, and
13 (iii) that instruments issued under this Section within the
14 supplementary authority granted by the Omnibus Bond Acts are
15 not invalid because of any provision of this Act that may
16 appear to be or to have been more restrictive than those Acts.
17 (Source: P.A. 88-669, eff. 11-29-94; revised 8-23-03.)

18 (30 ILCS 340/3) (from Ch. 120, par. 408)

19 Sec. 3. There shall be prepared under the direction of the
20 officers named in this Act such form of bonds or certificates
21 as they shall deem advisable, which, when issued, shall be
22 signed by the Governor, Comptroller and Treasurer, and shall be
23 recorded by the Comptroller in a book to be kept by him or her
24 for that purpose. The interest and principal of such loan shall
25 be paid by the treasurer out of the General Obligation Bond
26 Retirement and Interest Fund.

27 There is hereby appropriated out of any money in the
28 Treasury a sum sufficient for the payment of the interest and
29 principal of any debts contracted under this Act.

30 The Governor, Comptroller, and Treasurer are authorized to
31 order pursuant to the proceedings authorizing those debts the
32 transfer of any moneys on deposit in the treasury into the
33 General Obligation Bond Retirement and Interest Fund at times
34 and in amounts they deem necessary to provide for the payment
35 of that interest and principal.

1 The Comptroller is hereby authorized and directed to draw
2 his warrant on the State Treasurer for the amount of all such
3 payments.

4 The directive authorizing borrowing under Section 1 or 1.1
5 of this Act shall set forth a pro forma cash flow statement
6 that identifies estimated monthly receipts and expenditures
7 with identification of sources for repaying the borrowed funds.

8 All proceeds from any borrowing under this Act received by
9 the State on or after June 10, 2004 ~~the effective date of this~~
10 ~~amendatory Act of the 93rd General Assembly~~ and before July 1,
11 2004 shall be deposited into the Medicaid Provider Relief Fund.
12 (Source: P.A. 88-669, eff. 11-29-94; 93-674, eff. 6-10-04.)

13 Section 99. Effective date. This Act takes effect upon
14 becoming law.