



Rep. Michael J. Zalewski

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1 AMENDMENT TO SENATE BILL 2099

2 AMENDMENT NO. _____. Amend Senate Bill 2099 by replacing
3 everything after the enacting clause with the following:

4 "Section 1. Short title. This Act may be cited as the
5 Coronavirus Urgent Remediation Emergency Borrowing Act or the
6 CURE Borrowing Act.

7 Section 5. Findings and purpose. The General Assembly finds
8 that:

9 The State of Illinois is in the midst of both a public
10 health emergency and a resultant fiscal crisis. The sudden
11 worldwide outbreak of the Coronavirus Disease 2019 (COVID-19)
12 and the spread of the disease in Illinois is causing dramatic
13 economic upheaval and severe financial stress for individuals,
14 businesses, health and other service providers, as well as the
15 State and local governments across Illinois. It has resulted in
16 declarations of disaster from both the Governor and the

1 President of the United States. The disaster has caused, and
2 will continue to cause for some time to come, reductions in
3 revenues for the State at the same time expenditures must be
4 incurred to respond to the emergency. The State requires
5 greater flexibility to borrow efficiently and respond
6 effectively to urgent financial needs as they arise.

7 The federal government has responded to the COVID-19
8 pandemic with the passage of legislation that provides
9 emergency funding to state and local governments. One of the
10 new funding programs, found in Section 4003 of the federal
11 Coronavirus Aid, Relief, and Economic Stabilization Act (CARES
12 Act) provides a Municipal Liquidity Facility administered by
13 the Federal Reserve Bank with support from the United States
14 Department of the Treasury, through which funds are being made
15 available so that state and local governments may borrow funds
16 directly from the program. The State of Illinois has the
17 authority to participate in this program and any subsequent
18 federal legislation allocating funds to the State to provide
19 relief from the coronavirus pandemic (collectively "federal
20 coronavirus relief legislation").

21 The purpose of this Act is to revise the laws authorizing
22 the State to borrow money and incur state debt so that the
23 State will have needed flexibility in times of emergency, can
24 borrow with enhanced efficiency in urgent circumstances, and
25 can effectively utilize new borrowing programs and facilities
26 offered by the United States Department of the Treasury and the

1 Federal Reserve Bank, all while maintaining stringent
2 standards for accountability and transparency.

3 Section 10. Borrowing authorized.

4 (a) Borrowing under this Section is authorized under
5 subsection (b) of Section 9 of Article IX of the Illinois
6 Constitution. The Governor, with the approval of the
7 Comptroller and Treasurer, is authorized to borrow funds from
8 the Federal Reserve Bank or its agent in accordance with the
9 Municipal Liquidity Facility program established pursuant to
10 Section 4003 of the federal CARES Act and Section 13(3) of the
11 Federal Reserve Act, or in accordance with any other federal
12 coronavirus relief legislation. The purposes for which
13 borrowing is authorized include:

14 (1) to meet failures of revenue resulting from the
15 COVID-19 outbreak and to support the emergency response
16 thereto;

17 (2) to provide funds for payment or reimbursement of
18 new or increased costs of State government resulting from
19 the COVID-19 outbreak and the emergency response thereto;

20 (3) to provide funds to respond to any other disaster
21 or emergency or failure of revenues or the costs of
22 essential government services;

23 (4) to provide funds for payment or reimbursement of
24 costs of medical services provided under the Illinois
25 Public Aid Code and subject to federal reimbursement; and

1 (5) to provide funds for payment or reimbursement of
2 costs payable from the Health Insurance Reserve Fund.

3 Proceeds of the borrowing may also be used to pay the costs
4 of borrowing and the debts created by the borrowing.

5 (b) The Governor may borrow funds and contract debts from
6 time to time, in principal amounts not to exceed \$5,000,000,000
7 outstanding at any time. Moneys thus borrowed shall be applied
8 to any of the purposes described in this Section in accordance
9 with properly enacted appropriations and transfers, or to pay
10 the debts and associated expenses thus incurred, and to no
11 other purpose. All proceeds from any borrowing under this Act,
12 except those expended on the costs of issuance, shall be
13 deposited into the Coronavirus Urgent Remediation Emergency
14 Borrowing Fund (CURE Borrowing Fund). All moneys so borrowed
15 shall be borrowed for no longer a time than the time limit set
16 forth in federal program rules and guidance, and in no event
17 longer than 10 years, and shall be repaid in equal principal
18 payments or as required by federal program rules and guidance,
19 if such requirements exist.

20 Section 15. Borrowing process.

21 (a) Whenever the borrowing of money under Section 10 is
22 contemplated, the Director of the Governor's Office of
23 Management and Budget, acting at the direction of the Governor,
24 shall prepare for such borrowing in one or more series, in
25 amounts, at prices and at interest rates, and in such manner as

1 directed by the Governor.

2 (b) The Director of the Governor's Office of Management and
3 Budget, acting at the direction of the Governor, may negotiate
4 and borrow directly from the Federal Reserve Bank or its agent
5 in accordance with the Municipal Liquidity Facility program
6 established pursuant to Section 4003 of the federal CARES Act
7 and Section 13(3) of the Federal Reserve Act, or in accordance
8 with any other federal coronavirus relief legislation.

9 (c) The rate of interest on any borrowing pursuant to this
10 Act shall not exceed the maximum rate authorized by the Bond
11 Authorization Act, as amended at the time of the making of the
12 contract. The requirements of the Illinois Procurement Code
13 requiring competitive requests for proposal shall not apply to
14 the selection of a lender in accordance with this Section.

15 Section 20. Bonds, notes, certificates or other
16 facilities; appropriation.

17 (a) There shall be prepared, under the direction of the
18 Governor, the form of bonds, notes, certificates or other
19 facilities that the Governor deems advisable for borrowing
20 pursuant to this Act. The bonds, notes, certificates or other
21 facilities, when issued, shall be signed by the Governor and a
22 record of their issuance shall be kept by the Comptroller. The
23 interest on and principal of the debt shall be paid from the
24 General Obligation Bond Retirement and Interest Fund.

25 (b) There is appropriated on a continuing basis, out of any

1 money in the State treasury, a sum sufficient for the payment
2 of the interest on and principal of any debts contracted under
3 this Act, and the irrevocable and continuing authority for and
4 direction to the State Treasurer and the Comptroller to make
5 the necessary transfers, as directed by the Governor.

6 (c) The Governor is authorized to order, pursuant to the
7 proceedings authorizing debts contracted under this Act, the
8 transfer of any moneys on deposit in the State treasury into
9 the General Obligation Bond Retirement and Interest Fund at
10 times and in amounts the Governor deems necessary to provide
11 for the payment of that interest and principal.

12 (d) The Comptroller is authorized and directed to draw
13 warrants on the State Treasurer for the amount of all payments
14 of principal and interest on the bonds, notes, certificates or
15 other facilities issued under this Act.

16 Section 50. The State Finance Act is amended by adding
17 Sections 5.934 and 6z-123 as follows:

18 (30 ILCS 105/5.934 new)

19 Sec. 5.934. The Coronavirus Urgent Remediation Emergency
20 Borrowing Fund (CURE Borrowing Fund).

21 (30 ILCS 105/6z-123 new)

22 Sec. 6z-123. Coronavirus Urgent Remediation Emergency
23 Borrowing Fund. The Coronavirus Urgent Remediation Emergency

1 Borrowing Fund (CURE Borrowing Fund) is created as a special
2 fund in the State treasury for the purpose of receiving
3 proceeds from borrowings transacted pursuant to the
4 Coronavirus Urgent Remediation Emergency Borrowing Act (CURE
5 Borrowing Act) and for transferring and expending such moneys
6 for the purposes authorized by that Act.

7 Section 55. The Short Term Borrowing Act is amended by
8 changing Sections 1, 1.1, 2, and 3 as follows:

9 (30 ILCS 340/1) (from Ch. 120, par. 406)

10 Sec. 1. Cash flow borrowing. Whenever significant timing
11 variations occur between disbursement and receipt of budgeted
12 funds within a fiscal year, making it necessary to borrow in
13 anticipation of revenues to be collected in a fiscal year, in
14 order to meet the same, the Governor, Comptroller and Treasurer
15 may contract debts, in an amount not exceeding 5% of the
16 State's appropriations for that fiscal year, and moneys thus
17 borrowed shall be applied to the purpose for which they were
18 obtained, or to pay the costs of borrowing and the debts thus
19 created, and to no other purpose. All moneys so borrowed shall
20 be repaid by the close of the fiscal year in which borrowed.

21 (Source: P.A. 88-669, eff. 11-29-94; 93-1046, eff. 10-15-04.)

22 (30 ILCS 340/1.1)

23 Sec. 1.1. Borrowing upon emergencies or failures in

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

19 (Source: P.A. 88-669, eff. 11-29-94; 93-1046, eff. 10-15-04.)

20 (30 ILCS 340/2) (from Ch. 120, par. 407)

21 Sec. 2. Sale of certificates. For borrowing authorized
22 under Sections 1 and 1.1 of this Act, certificates may be
23 issued and sold from time to time, in one or more series, in
24 amounts, at prices and at interest rates, all as directed by
25 the Governor, Comptroller, and Treasurer. Bidders shall submit

1 sealed bids to the Director of the Governor's Office of
2 Management and Budget upon such terms as shall be approved by
3 the Governor, Comptroller, and Treasurer after such notice as
4 shall be determined to be reasonable by the Director of the
5 Governor's Office of Management and Budget. The loan shall be
6 awarded to the bidder offering the lowest effective rate of
7 interest not exceeding the maximum rate authorized by the Bond
8 Authorization Act as amended at the time of the making of the
9 contract.

10 However, for borrowing authorized under Sections 1 and 1.1
11 of this Act during fiscal years 2020 and 2021 only,
12 certificates may be issued and sold on a negotiated basis
13 rather than by sealed bid from time to time, in one or more
14 series, in amounts, at prices and at interest rates, and in
15 such manner, all as directed by the Governor, Comptroller, and
16 Treasurer. The rate of interest must not exceed the maximum
17 rate authorized by the Bond Authorization Act as amended at the
18 time of the making of the contract. The requirements of the
19 Illinois Procurement Code shall not apply to the selection of
20 the purchaser of any certificates sold in accordance with the
21 provisions of this paragraph.

22 With respect to instruments for the payment of money issued
23 under this Section either before, on, or after the effective
24 date of this amendatory Act of 1989, it is and always has been
25 the intention of the General Assembly (i) that the Omnibus Bond
26 Acts are and always have been supplementary grants of power to

1 issue instruments in accordance with the Omnibus Bond Acts,
2 regardless of any provision of this Act that may appear to be
3 or to have been more restrictive than those Acts, (ii) that the
4 provisions of this Section are not a limitation on the
5 supplementary authority granted by the Omnibus Bond Acts, and
6 (iii) that instruments issued under this Section within the
7 supplementary authority granted by the Omnibus Bond Acts are
8 not invalid because of any provision of this Act that may
9 appear to be or to have been more restrictive than those Acts.
10 (Source: P.A. 88-669, eff. 11-29-94; 93-1046, eff. 10-15-04.)

11 (30 ILCS 340/3) (from Ch. 120, par. 408)

12 Sec. 3. There shall be prepared under the direction of the
13 officers named in this Act such form of ~~bonds or~~ certificates
14 as they shall deem advisable, which, when issued, shall be
15 signed by the Governor, Comptroller and Treasurer, and shall be
16 recorded by the Comptroller in a book to be kept by him or her
17 for that purpose. The interest and principal of such
18 certificates ~~loan~~ shall be paid by the Treasurer ~~treasurer~~ out
19 of the General Obligation Bond Retirement and Interest Fund.

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

23 The Governor, Comptroller, and Treasurer are authorized to
24 order pursuant to the proceedings authorizing those debts the
25 transfer of any moneys on deposit in the treasury into the

1 General Obligation Bond Retirement and Interest Fund at times
2 and in amounts they deem necessary to provide for the payment
3 of that interest and principal.

4 The Comptroller is hereby authorized and directed to draw
5 his warrant on the State Treasurer for the amount of all such
6 payments.

7 The directive authorizing borrowing under Section 1 or 1.1
8 of this Act shall set forth a pro forma cash flow statement
9 that identifies estimated monthly receipts and expenditures
10 with identification of sources for repaying the borrowed funds.
11 (Source: P.A. 101-275, eff. 8-9-19.)

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