

1 AN ACT concerning local government.

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

4 Section 5. The Hospital District Law is amended by adding  
5 Section 21.3 as follows:

6 (70 ILCS 910/21.3 new)

7 Sec. 21.3. Lines of credit.

8 (a) A hospital district may enter into a line of credit  
9 secured by and payable from one or more of these sources:  
10 property taxes, unencumbered accounts receivable, or other  
11 revenues, in an amount not to exceed the greater of the  
12 following amounts if the source is pledged: (i) 85% of the  
13 amount of property taxes most recently levied, (ii) 85% of  
14 unencumbered accounts receivable of the district (in  
15 substantially the manner set forth in Section 21.1 of this  
16 Act), (iii) 85% of other revenues (in substantially the manner  
17 set forth in Section 21.2 of this Act), or (iv) 85% of amounts  
18 unpaid under third-party reimbursement or payment programs  
19 (including but not limited to State or federal Medicare or  
20 Medicaid payments or programs). All moneys so borrowed shall be  
21 repaid within 24 months.

22 (b) Before establishing a line of credit under this  
23 Section, the hospital district shall authorize the line of

1 credit by ordinance. The ordinance shall set forth facts  
2 demonstrating the need for the line of credit, state the amount  
3 to be borrowed, establish a maximum interest rate limit not to  
4 exceed the maximum rate authorized by the Bond Authorization  
5 Act, and provide a date by which the borrowed funds shall be  
6 repaid. The ordinance shall authorize and direct the relevant  
7 officials to make arrangements to set apart and hold, as  
8 applicable, the moneys that will be used to repay the  
9 borrowing. In addition, the ordinance may authorize the  
10 relevant officials to make partial repayments on the line of  
11 credit as the moneys become available and may contain any other  
12 terms, restrictions, or limitations desirable or necessary to  
13 give effect to this Section 21.3.

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