

**SB0689**



**95TH GENERAL ASSEMBLY**

**State of Illinois**

**2007 and 2008**

**SB0689**

Introduced 2/8/2007, by Sen. Louis S. Viverito

**SYNOPSIS AS INTRODUCED:**

65 ILCS 5/8-1-3.1  
65 ILCS 5/8-1-7

from Ch. 24, par. 8-1-3.1  
from Ch. 24, par. 8-1-7

Amends the Municipal Code. Provides that the corporate authorities of a municipality may borrow money from any bank or financial institution, provided that the money shall be repaid within 10 years (now, one year) from the time the money is borrowed. Effective immediately.

LRB095 03845 HLH 23876 b

FISCAL NOTE ACT  
MAY APPLY

**A BILL FOR**

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 Illinois Municipal Code is amended by  
5 changing Sections 8-1-3.1 and 8-1-7 as follows:

6 (65 ILCS 5/8-1-3.1) (from Ch. 24, par. 8-1-3.1)

7 Sec. 8-1-3.1. The corporate authorities may borrow money  
8 from one fund for the use of another fund providing such  
9 borrowing shall be repaid within the current fiscal year.

10 The corporate authorities may also borrow money from any  
11 bank or other financial institution provided such money shall  
12 be repaid within 10 years ~~one year~~ from the time the money is  
13 borrowed. "Financial institution" means any bank subject to the  
14 "Illinois Banking Act", any savings and loan association  
15 subject to the "Illinois Savings and Loan Act of 1985", and any  
16 federally chartered commercial bank or savings and loan  
17 association organized and operated in this State pursuant to  
18 the laws of the United States.

19 (Source: P.A. 84-1263.)

20 (65 ILCS 5/8-1-7) (from Ch. 24, par. 8-1-7)

21 Sec. 8-1-7. (a) Except as provided otherwise in this  
22 Section, no contract shall be made by the corporate

1 authorities, or by any committee or member thereof, and no  
2 expense shall be incurred by any of the officers or departments  
3 of any municipality, whether the object of the expenditure has  
4 been ordered by the corporate authorities or not, unless an  
5 appropriation has been previously made concerning that  
6 contract or expense. Any contract made, or any expense  
7 otherwise incurred, in violation of the provisions of this  
8 section shall be null and void as to the municipality, and no  
9 money belonging thereto shall be paid on account thereof.  
10 However, pending the passage of the annual appropriation  
11 ordinance for any fiscal year, the corporate authorities may  
12 authorize heads of departments or other separate agencies of  
13 the municipality to make necessary expenditures for the support  
14 thereof upon the basis of the appropriations of the preceding  
15 fiscal year. However, if it is determined by two-thirds vote of  
16 the corporate authorities then holding office at a regularly  
17 scheduled meeting of the corporate authorities that it is  
18 expedient and in the best public interest to begin proceedings  
19 for the construction of a needed public work, then the  
20 provisions of this section shall not apply to the extent that  
21 the corporate authorities may employ or contract for  
22 professional services necessary for the planning and financing  
23 of such public work.

24 (b) Notwithstanding any provision of this Code to the  
25 contrary, the corporate authorities of any municipality may  
26 make contracts for a term exceeding one year and not exceeding

1 the term of the mayor or president holding office at the time  
2 the contract is executed, relating to: (1) the employment of a  
3 municipal manager, administrator, engineer, health officer,  
4 land planner, finance director, attorney, police chief or other  
5 officer who requires technical training or knowledge; (2) the  
6 employment of outside professional consultants such as  
7 engineers, doctors, land planners, auditors, attorneys or  
8 other professional consultants who require technical training  
9 or knowledge; (3) the provision of data processing equipment  
10 and services; or (4) the provision of services which directly  
11 relate to the prevention, identification or eradication of  
12 disease. In such case the corporate authorities shall include  
13 in the annual appropriation ordinance for each fiscal year, an  
14 appropriation of a sum of money sufficient to pay the amount  
15 which, by the terms of the contract, is to become due and  
16 payable during the current fiscal year.

17 (c) This section shall not apply to municipalities  
18 operating under special charters.

19 (d) In order to promote orderly collective bargaining  
20 relationships, to prevent labor strife and to protect the  
21 interests of the public and the health and safety of the  
22 citizens of Illinois, this Section shall not apply to  
23 multi-year collective bargaining agreements between public  
24 employers and exclusive representatives governed by the  
25 provisions of the Illinois Public Labor Relations Act.

26 Notwithstanding any provision of this Code to the

1 contrary, the corporate authorities of any municipality may  
2 enter into multi-year collective bargaining agreements with  
3 exclusive representatives under the provisions of the Illinois  
4 Public Labor Relations Act.

5 (e) Notwithstanding any provision of this Code to the  
6 contrary, the corporate authorities of any municipality may  
7 enter into any multi-year contract or otherwise associate for  
8 any term under the provisions of Section 10 of Article VII of  
9 the Illinois Constitution or the Intergovernmental Cooperation  
10 Act.

11 (f) Notwithstanding any provisions of this Code to the  
12 contrary, the corporate authorities of any municipality may  
13 make contracts for a term not exceeding 10 years relating to  
14 borrowings made pursuant to Section 8-1-3.1 of this Code.

15 (Source: P.A. 90-517, eff. 8-22-97.)

16 Section 99. Effective date. This Act takes effect upon  
17 becoming law.