



## 96TH GENERAL ASSEMBLY

### State of Illinois

### 2009 and 2010

### HB0978

Introduced 2/10/2009, by Rep. Marlow H. Colvin

#### SYNOPSIS AS INTRODUCED:

30 ILCS 340/1.2 new

30 ILCS 340/2

30 ILCS 340/3

from Ch. 120, par. 407

from Ch. 120, par. 408

Amends the Short Term Borrowing Act. Authorizes the Governor, Comptroller, and Treasurer to borrow principal amounts not to exceed a total of \$1,500,000,000, at any time and from time to time outstanding, to be applied to the purposes of paying hospital access improvement payments under the Public Aid Code and in order to obtain all funds available to the State under federal economic stimulus and recovery programs, together with paying debts and associated expenses incurred in connection with the borrowing. Provides that all moneys so borrowed shall be borrowed for a period not to exceed one year. Effective immediately.

LRB096 08003 RCE 18107 b

FISCAL NOTE ACT  
MAY APPLY

STATE DEBT  
IMPACT NOTE ACT  
MAY APPLY

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 5. The Short Term Borrowing Act is amended by  
5 changing Sections 2 and 3 and by adding Section 1.2 as follows:

6 (30 ILCS 340/1.2 new)

7 Sec. 1.2. Borrowing authorized. Borrowing pursuant to this  
8 Section is authorized under subsection (b) of Section 9 of  
9 Article IX of the Illinois Constitution. The purposes of the  
10 borrowing shall be to pay hospital access improvement payments  
11 pursuant to Section 5A-12.1 of the Illinois Public Aid Code  
12 (305 ILCS 5/5A-12.1) and to obtain any additional federal funds  
13 available to the State under federal economic stimulus and  
14 recovery programs enacted by the 111th United States Congress.  
15 The Governor, Comptroller, and Treasurer may contract debts  
16 under this Section for principal amounts not to exceed a total  
17 of \$1,500,000,000, at any time and from time to time  
18 outstanding. Moneys thus borrowed shall be applied to the  
19 purposes of paying the hospital access improvement payments and  
20 in order to obtain all available federal funds, together with  
21 paying debts and associated expenses incurred in connection  
22 with the borrowing. All moneys so borrowed shall be borrowed  
23 for a period not to exceed one year.

1 (30 ILCS 340/2) (from Ch. 120, par. 407)

2 Sec. 2. Sale of certificates. For borrowing authorized  
3 under Sections 1, ~~and 1.1~~, and 1.2 of this Act, certificates  
4 may be issued and sold from time to time, in one or more  
5 series, in amounts, at prices and at interest rates, all as  
6 directed by the Governor, Comptroller, and Treasurer. Bidders  
7 shall submit sealed bids to the Director of the Governor's  
8 Office of Management and Budget upon such terms as shall be  
9 approved by the Governor, Comptroller, and Treasurer after such  
10 notice as shall be determined to be reasonable by the Director  
11 of the Governor's Office of Management and Budget. The loan  
12 shall be awarded to the bidder offering the lowest effective  
13 rate of interest not exceeding the maximum rate authorized by  
14 the Bond Authorization Act as amended at the time of the making  
15 of the contract.

16 With respect to instruments for the payment of money issued  
17 under this Section either before, on, or after the effective  
18 date of this amendatory Act of 1989, it is and always has been  
19 the intention of the General Assembly (i) that the Omnibus Bond  
20 Acts are and always have been supplementary grants of power to  
21 issue instruments in accordance with the Omnibus Bond Acts,  
22 regardless of any provision of this Act that may appear to be  
23 or to have been more restrictive than those Acts, (ii) that the  
24 provisions of this Section are not a limitation on the  
25 supplementary authority granted by the Omnibus Bond Acts, and

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

6 (30 ILCS 340/3) (from Ch. 120, par. 408)

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

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

18 The Governor, Comptroller, and Treasurer are authorized to  
19 order pursuant to the proceedings authorizing those debts the  
20 transfer of any moneys on deposit in the treasury into the  
21 General Obligation Bond Retirement and Interest Fund at times  
22 and in amounts they deem necessary to provide for the payment  
23 of that interest and principal.

24 The Comptroller is hereby authorized and directed to draw  
25 his warrant on the State Treasurer for the amount of all such

1 payments.

2 The directive authorizing borrowing under Section 1, ~~or~~  
3 1.1, and 1.2 of this Act shall set forth a pro forma cash flow  
4 statement that identifies estimated monthly receipts and  
5 expenditures with identification of sources for repaying the  
6 borrowed funds.

7 All proceeds from any borrowing under this Act received by  
8 the State on or after June 10, 2004 and before July 1, 2004  
9 shall be deposited into the Medicaid Provider Relief Fund.

10 (Source: P.A. 88-669, eff. 11-29-94; 93-674, eff. 6-10-04;  
11 93-1046, eff. 10-15-04.)

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