

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 Section 8-1-3.1 as follows:

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

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

11 The corporate authorities may also borrow money from any  
12 bank or other financial institution provided such money shall  
13 be repaid within 10 years from the time the money is borrowed.  
14 The mayor or president of the municipality, as the case may be,  
15 shall execute a promissory note or similar debt instrument, but  
16 not a bond, to evidence the indebtedness incurred by the  
17 borrowing. The obligation to make the payments due under the  
18 promissory note or other debt instrument shall be a lawful  
19 direct general obligation of the municipality payable from the  
20 general funds of the municipality and such other sources of  
21 payment as are otherwise lawfully available. The promissory  
22 note or other debt instrument shall be authorized by an  
23 ordinance passed by the corporate authorities and shall be

1 valid whether or not an appropriation with respect to that  
2 ordinance is included in any annual or supplemental  
3 appropriation adopted by the corporate authorities. The  
4 indebtedness incurred under this Section, when aggregated with  
5 the existing indebtedness of the municipality, may not exceed  
6 the debt limitation provided in Section 8-5-1 of this Code.  
7 "Financial institution" means any bank subject to the "Illinois  
8 Banking Act", any savings and loan association subject to the  
9 "Illinois Savings and Loan Act of 1985", ~~and~~ any federally  
10 chartered commercial bank or savings and loan association  
11 organized and operated in this State pursuant to the laws of  
12 the United States, and any regional planning commission or  
13 joint regional planning commission established in accordance  
14 with Section 5-14001 or Section 5-14003 of the Counties Code.

15 (Source: P.A. 95-693, eff. 11-5-07.)

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