



96TH GENERAL ASSEMBLY

State of Illinois

2009 and 2010

SB0324

Introduced 2/6/2009, by Sen. Jeffrey M. Schoenberg

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 08002 RCE 18106 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.