



Sen. Don Harmon

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1 AMENDMENT TO SENATE BILL 551

2 AMENDMENT NO. _____. Amend Senate Bill 551 by replacing
3 everything after the enacting clause with the following:

4 "Section 5. The Local Government Debt Reform Act is amended
5 by changing Section 11 as follows:

6 (30 ILCS 350/11) (from Ch. 17, par. 6911)

7 Sec. 11. Refundings and redemption premiums. Bonds may be
8 refunded or advance refunded upon such terms as the governing
9 body may set in accordance with this Act, for such term of
10 years, not in excess of the maximum term of years permitted by
11 applicable law for the bonds to be refunded, and in such
12 principal amount, all as may be deemed necessary by the
13 governing body. Revenue bonds may be issued to refund general
14 obligation bonds or alternate bonds issued under this Act.
15 General obligation bonds shall not be issued to refund revenue
16 bonds or alternate bonds except as expressly permitted by

1 applicable law. Any redemption premium payable upon the
2 redemption of bonds may be payable from the proceeds of
3 refunding bonds which may be issued for the purpose of
4 refunding such bonds, from any other lawfully available source
5 or from both proceeds and such other sources.

6 Bonds that have been refunded shall not be considered to be
7 indebtedness for the purposes of any statutory or other debt
8 limitation if such refunded bonds are secured by and to be paid
9 as to principal, interest, and premium, if any, from an escrow
10 account that is (i) invested in (a) obligations of the United
11 States of America; (b) obligations that are guaranteed by the
12 full faith and credit of the United States of America as to the
13 timely payment of principal and interest; or (c) bonds of any
14 State or governmental unit that are rated at the time of
15 purchase within the 3 highest general classifications
16 established by a rating service of nationally recognized
17 expertise in rating bonds of states and their political
18 subdivisions; and (ii) determined by an independent certified
19 public accountant or nationally recognized feasibility analyst
20 to be sufficient to provide for the timely payment of principal
21 of and interest on the refunded bonds when due or upon
22 redemption.

23 Any governmental unit may deposit cash into an escrow
24 account to be held uninvested for the purpose of refunding or
25 providing for the payment of principal, interest, and premium,
26 if any, on its bonds, and bonds that have been so refunded or

1 provided for shall not be considered to be indebtedness for the
2 purposes of any statutory or other debt limitation.

3 (Source: P.A. 90-306, eff. 8-1-97.)

4 Section 99. Effective date. This Act takes effect upon
5 becoming law.".