



## 98TH GENERAL ASSEMBLY

### State of Illinois

#### 2013 and 2014

#### SB1430

Introduced 2/6/2013, by Sen. Dave Syverson

#### SYNOPSIS AS INTRODUCED:

55 ILCS 5/5-1134 new

Amends the Counties Code. Provides that the county board of a county may borrow money for county purposes from one fund for the use of another fund, as long as it is repaid within the current fiscal year. Provides that the county board of a county may borrow money from any bank or financial institution, provided that the money shall be repaid within 10 years from the time the money is borrowed. Sets forth requirements concerning the documentation of the loan. Prohibits the indebtedness incurred, when aggregated with the existing indebtedness of the county, from exceeding the debt limitation otherwise provided for by law. Defines "financial institution". Effective immediately.

LRB098 08560 OMW 38674 b

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 Counties Code is amended by adding Section  
5 5-1134 as follows:

6 (55 ILCS 5/5-1134 new)

7 Sec. 5-1134. Borrowing from financial institutions. The  
8 county board of a county may borrow money from any bank or  
9 other financial institution provided such money shall be repaid  
10 within 2 years from the time the money is borrowed. The county  
11 board chairman, county executive, or Cook County Board  
12 President, as the case may be, shall execute a promissory note  
13 or similar debt instrument, but not a bond, to evidence the  
14 indebtedness incurred by the borrowing. The obligation to make  
15 the payments due under the promissory note or other debt  
16 instrument shall be a lawful direct general obligation of the  
17 county payable from the general funds of the county and such  
18 other sources of payment as are otherwise lawfully available.  
19 The promissory note or other debt instrument shall be  
20 authorized by an ordinance passed by the county board and shall  
21 be valid whether or not an appropriation with respect to that  
22 ordinance is included in any annual or supplemental  
23 appropriation adopted by the county board. The indebtedness

1 incurred under this Section, when aggregated with the existing  
2 indebtedness of the county, may not exceed any debt limitation  
3 otherwise provided for by law. This Section shall not be  
4 construed to grant any additional authority to a county to  
5 borrow money or to remove any referendum approval required of a  
6 county to borrow money. "Financial institution" means any bank  
7 subject to the Illinois Banking Act, any savings and loan  
8 association subject to the Illinois Savings and Loan Act of  
9 1985, any savings bank subject to the Savings Bank Act, any  
10 credit union subject to the Illinois Credit Union Act, and any  
11 federally chartered commercial bank, savings and loan  
12 association, savings bank, or credit union organized and  
13 operated in this State pursuant to the laws of the United  
14 States.

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