

HB5703



99TH GENERAL ASSEMBLY

State of Illinois

2015 and 2016

HB5703

by Rep. Brandon W. Phelps

SYNOPSIS AS INTRODUCED:

65 ILCS 5/8-1-3.1

from Ch. 24, par. 8-1-3.1

Amends the Illinois Municipal Code. Provides that the definition of "financial institution" in the Finance Division of the Code includes any savings bank, savings and loan association, or credit union (currently, savings and loan associations and federally chartered commercial bank or savings and loan association) and regional planning commissions or joint regional planning commissions. Effective immediately.

LRB099 20518 AWJ 45050 b

A BILL FOR

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 bank, savings bank, savings and loan
9 association, or credit union established under the laws of the
10 United States, this State, or any other state; or ~~subject to~~
11 ~~the "Illinois Savings and Loan Act of 1985", any federally~~
12 ~~chartered commercial bank or savings and loan association~~
13 ~~organized and operated in this State pursuant to the laws of~~
14 ~~the United States, and~~ any regional planning commission or
15 joint regional planning commission established in accordance
16 with Section 5-14001 or Section 5-14003 of the Counties Code.

17 (Source: P.A. 95-693, eff. 11-5-07; 96-1047, eff. 7-14-10.)

18 Section 99. Effective date. This Act takes effect upon
19 becoming law.