

AN ACT concerning finance.

**Be it enacted by the People of the State of Illinois,
represented in the General Assembly:**

Section 1. Findings; purpose; validation.

(a) The General Assembly finds and declares that:

(1) Public Act 88-669, effective November 29, 1994, contained provisions amending the Casual Deficit Act, including changing the name of that Act to the Short Term Borrowing Act. Public Act 88-669 also contained other provisions. The Short Term Borrowing Act has subsequently been amended by Public Act 93-674.

(2) Questions have been raised concerning the validity and content of the Short Term Borrowing Act. The provisions of the Short Term Borrowing Act are of vital concern to the people of this State. Prompt legislative action concerning those provisions is necessary to ensure their continued effect.

(b) The purpose of this Act is to re-enact the Short Term Borrowing Act, as amended by Public Acts 88-669 and 93-674, and to make revisory changes. This re-enactment is intended to remove any question as to the validity and content of those provisions and to validate all actions taken in reliance on those provisions; it is not intended to supersede any other Public Act that amends the text of the Short Term Borrowing Act as set forth in this Act. The re-enacted material is shown in this Act as existing text (i.e., without underscoring), and the revisory changes are shown by striking and underscoring.

(c) The re-enactment by this amendatory Act of the 93rd General Assembly of the Short Term Borrowing Act is not intended, and shall not be construed, to imply that Public Act 88-669 or 93-674 is invalid or to limit or impair any legal argument concerning whether those provisions were substantially re-enacted by other Public Acts.

(d) All otherwise lawful actions taken before the effective date of this amendatory Act of the 93rd General Assembly in reliance on or pursuant to the provisions re-enacted by this amendatory Act of the 93rd General Assembly, as set forth in Public Act 88-669, or as subsequently amended, by any officer, employee, or agency of State government or by any other person or entity, are hereby validated. These actions include, but are not limited to: borrowing; bidding, awarding, contracting, and incurring debt; issuance and sale of certificates, bonds, and other instruments for the payment of money; application of moneys; transfer and deposit of moneys; and repayment of principal and interest and other legal costs and expenses.

(e) This amendatory Act of the 93rd General Assembly applies, without limitation, to actions pending on or after the effective date of this amendatory Act.

Section 5. The Short Term Borrowing Act is amended by re-enacting Sections 0.01, 1, and 1.1 and by re-enacting and changing Sections 2 and 3 as follows:

(30 ILCS 340/0.01) (from Ch. 120, par. 405H)

Sec. 0.01. Short title. This Act may be cited as the Short Term Borrowing Act.

(Source: P.A. 88-669, eff. 11-29-94.)

(30 ILCS 340/1) (from Ch. 120, par. 406)

Sec. 1. Cash flow borrowing. Whenever significant timing variations occur between disbursement and receipt of budgeted funds within a fiscal year, making it necessary to borrow in anticipation of revenues to be collected in a fiscal year, in order to meet the same, the Governor, Comptroller and Treasurer may contract debts, in an amount not exceeding 5% of the State's appropriations for that fiscal year, and moneys thus borrowed shall be applied to the purpose for which they were obtained, or to pay the debts thus created, and to no other purpose. All moneys so borrowed shall be repaid by the close of

the fiscal year in which borrowed.

(Source: P.A. 88-669, eff. 11-29-94.)

(30 ILCS 340/1.1)

Sec. 1.1. Borrowing upon failures in revenue. Whenever failures in revenues of the State occur, in order to meet those failures, the Governor, Comptroller, and Treasurer may contract debts in an amount not exceeding 15% of the State's appropriations for that fiscal year. The moneys thus borrowed shall be applied to the purposes for which they were obtained, or to pay the debts thus created by the borrowing, and to no other purpose. Before incurring debt under this Section, the Governor shall give written notice to the Clerk of the House of Representatives, the Secretary of the Senate, and the Secretary of State setting forth the reasons for the proposed borrowing and the corrective measures recommended to restore the State's fiscal soundness. The notice shall be a public record and open for inspection at the offices of the Secretary of State during normal business hours. No debt may be incurred under this Section until 30 days after the notice is served. All moneys so borrowed shall be borrowed for no longer time than one year.

(Source: P.A. 88-669, eff. 11-29-94.)

(30 ILCS 340/2) (from Ch. 120, par. 407)

Sec. 2. Sale of certificates. For borrowing authorized under Sections 1 and 1.1 of this Act, certificates may be issued and sold from time to time, in one or more series, in amounts, at prices and at interest rates, all as directed by the Governor, Comptroller, and Treasurer. Bidders shall submit sealed bids to the Director of the Governor's Office of Management and Budget ~~Bureau of the Budget~~ upon such terms as shall be approved by the Governor, Comptroller, and Treasurer after such notice as shall be determined to be reasonable by the Director of the Governor's Office of Management and Budget ~~Bureau of the Budget~~. The loan shall be awarded to the bidder offering the lowest effective rate of interest not exceeding

the maximum rate authorized by the Bond Authorization Act as amended at the time of the making of the contract.

With respect to instruments for the payment of money issued under this Section either before, on, or after the effective date of this amendatory Act of 1989, it is and always has been the intention of the General Assembly (i) that the Omnibus Bond Acts are and always have been supplementary grants of power to issue instruments in accordance with the Omnibus Bond Acts, regardless of any provision of this Act that may appear to be or to have been more restrictive than those Acts, (ii) that the provisions of this Section are not a limitation on the supplementary authority granted by the Omnibus Bond Acts, and (iii) that instruments issued under this Section within the supplementary authority granted by the Omnibus Bond Acts are not invalid because of any provision of this Act that may appear to be or to have been more restrictive than those Acts.

(Source: P.A. 88-669, eff. 11-29-94; revised 8-23-03.)

(30 ILCS 340/3) (from Ch. 120, par. 408)

Sec. 3. There shall be prepared under the direction of the officers named in this Act such form of bonds or certificates as they shall deem advisable, which, when issued, shall be signed by the Governor, Comptroller and Treasurer, and shall be recorded by the Comptroller in a book to be kept by him or her for that purpose. The interest and principal of such loan shall be paid by the treasurer out of the General Obligation Bond Retirement and Interest Fund.

There is hereby appropriated out of any money in the Treasury a sum sufficient for the payment of the interest and principal of any debts contracted under this Act.

The Governor, Comptroller, and Treasurer are authorized to order pursuant to the proceedings authorizing those debts the transfer of any moneys on deposit in the treasury into the General Obligation Bond Retirement and Interest Fund at times and in amounts they deem necessary to provide for the payment of that interest and principal.

The Comptroller is hereby authorized and directed to draw his warrant on the State Treasurer for the amount of all such payments.

The directive authorizing borrowing under Section 1 or 1.1 of this Act shall set forth a pro forma cash flow statement that identifies estimated monthly receipts and expenditures with identification of sources for repaying the borrowed funds.

All proceeds from any borrowing under this Act received by the State on or after June 10, 2004 ~~the effective date of this amendatory Act of the 93rd General Assembly~~ and before July 1, 2004 shall be deposited into the Medicaid Provider Relief Fund. (Source: P.A. 88-669, eff. 11-29-94; 93-674, eff. 6-10-04.)

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