

AN ACT concerning local government.

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

Section 5. The Illinois Municipal Code is amended by changing Section 8-1-3.1 as follows:

(65 ILCS 5/8-1-3.1) (from Ch. 24, par. 8-1-3.1)

Sec. 8-1-3.1. Borrowing from financial institutions. The corporate authorities may borrow money for corporate purposes from one fund for the use of another fund providing such borrowing shall be repaid within the current fiscal year.

The corporate authorities may also borrow money from any bank or other financial institution provided such money shall be repaid within 10 years from the time the money is borrowed. The mayor or president of the municipality, as the case may be, shall execute a promissory note or similar debt instrument, but not a bond, to evidence the indebtedness incurred by the borrowing. The obligation to make the payments due under the promissory note or other debt instrument shall be a lawful direct general obligation of the municipality payable from the general funds of the municipality and such other sources of payment as are otherwise lawfully available. The promissory note or other debt instrument shall be authorized by an ordinance passed by the corporate authorities and shall be

valid whether or not an appropriation with respect to that ordinance is included in any annual or supplemental appropriation adopted by the corporate authorities. The indebtedness incurred under this Section, when aggregated with the existing indebtedness of the municipality, may not exceed the debt limitation provided in Section 8-5-1 of this Code.

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

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

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