



Rep. Michael J. Zalewski

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1 AMENDMENT TO SENATE BILL 2099

2 AMENDMENT NO. \_\_\_\_\_. Amend Senate Bill 2099 by replacing  
3 everything after the enacting clause with the following:

4 "Section 1. Short title. This Act may be cited as the  
5 Coronavirus Urgent Remediation Emergency Borrowing Act or the  
6 CURE Borrowing Act.

7 Section 5. Findings and purpose. The General Assembly finds  
8 that:

9 The State of Illinois is in the midst of both a public  
10 health emergency and a resultant fiscal crisis. The sudden  
11 worldwide outbreak of the Coronavirus Disease 2019 (COVID-19)  
12 and the spread of the disease in Illinois is causing dramatic  
13 economic upheaval and severe financial stress for individuals,  
14 businesses, health and other service providers, as well as the  
15 State and local governments across Illinois. It has resulted in  
16 declarations of disaster from both the Governor and the

1 President of the United States. The disaster has caused, and  
2 will continue to cause for some time to come, reductions in  
3 revenues for the State at the same time expenditures must be  
4 incurred to respond to the emergency. The State requires  
5 greater flexibility to borrow efficiently and respond  
6 effectively to urgent financial needs as they arise.

7 The federal government has responded to the COVID-19  
8 pandemic with the passage of legislation that provides  
9 emergency funding to state and local governments. One of the  
10 new funding programs, found in Section 4003 of the federal  
11 Coronavirus Aid, Relief, and Economic Stabilization Act (CARES  
12 Act) provides a Municipal Liquidity Facility administered by  
13 the Federal Reserve Bank with support from the United States  
14 Department of the Treasury, through which funds are being made  
15 available so that state and local governments may borrow funds  
16 directly from the program. The State of Illinois has the  
17 authority to participate in this program, any subsequent State  
18 and municipal financing program created by federal legislation  
19 to provide relief from the coronavirus pandemic (collectively  
20 "federal coronavirus financing legislation"), and any similar  
21 program that may be offered by the federal government or the  
22 Federal Reserve Bank.

23 The purpose of this Act is to revise the laws authorizing  
24 the State to borrow money and incur state debt so that the  
25 State will have needed flexibility in times of emergency, can  
26 borrow with enhanced efficiency in urgent circumstances, and

1 can effectively utilize new borrowing programs and facilities  
2 offered by the United States Department of the Treasury and the  
3 Federal Reserve Bank, all while maintaining stringent  
4 standards for accountability and transparency.

5 Section 10. Borrowing authorized.

6 (a) Borrowing under this Section is authorized under  
7 subsection (b) of Section 9 of Article IX of the Illinois  
8 Constitution. The Governor, with the approval of the  
9 Comptroller and Treasurer, is authorized to borrow funds from  
10 the Federal Reserve Bank or its agent in accordance with the  
11 Municipal Liquidity Facility program established pursuant to  
12 Section 4003 of the federal CARES Act and Section 13(3) of the  
13 Federal Reserve Act, or in accordance with any other federal  
14 coronavirus financing legislation or similar program  
15 authorized by the United States Congress. The purposes for  
16 which borrowing is authorized include:

17 (1) to meet failures of revenue resulting from the  
18 COVID-19 outbreak and to support the emergency response  
19 thereto;

20 (2) to provide funds for payment or reimbursement of  
21 new or increased costs of State government resulting from  
22 the COVID-19 outbreak and the emergency response thereto;

23 (3) to provide funds to respond to any other disaster  
24 or emergency or failure of revenues or the costs of  
25 essential government services;

1           (4) to provide funds for deposit into the Healthcare  
2           Provider Relief Fund for payment of costs payable from the  
3           Fund; and

4           (5) to provide funds for payment or reimbursement of  
5           costs payable from the Health Insurance Reserve Fund.

6           Proceeds of the borrowing may also be used to pay the costs  
7           of borrowing and the debts created by the borrowing.

8           (b) The Governor may borrow funds and contract debts from  
9           time to time, in principal amounts not to exceed \$5,000,000,000  
10          outstanding at any time. Moneys thus borrowed shall be applied  
11          to any of the purposes described in this Section in accordance  
12          with properly enacted appropriations and transfers, or to pay  
13          the debts and associated expenses thus incurred, and to no  
14          other purpose. All proceeds from any borrowing under this Act,  
15          except those expended on the costs of issuance, shall be  
16          deposited into the Coronavirus Urgent Remediation Emergency  
17          Borrowing Fund (CURE Borrowing Fund). All moneys so borrowed  
18          shall be borrowed for no longer a time than the time limit set  
19          forth in federal program rules and guidance, and in no event  
20          longer than 10 years, and shall be repaid in equal principal  
21          payments or as required by federal program rules and guidance,  
22          if such requirements exist.

23          Section 15. Borrowing process.

24          (a) Whenever the borrowing of money under Section 10 is  
25          contemplated, the Director of the Governor's Office of

1 Management and Budget, acting at the direction of the Governor,  
2 shall prepare for such borrowing in one or more series, in  
3 amounts, at prices and at interest rates, and in such manner as  
4 directed by the Governor.

5 (b) The Director of the Governor's Office of Management and  
6 Budget, acting at the direction of the Governor, may negotiate  
7 and borrow directly from the Federal Reserve Bank or its agent  
8 in accordance with the Municipal Liquidity Facility program  
9 established pursuant to Section 4003 of the federal CARES Act  
10 and Section 13(3) of the Federal Reserve Act, or in accordance  
11 with any other federal coronavirus financing legislation or  
12 other program authorized by the United States Congress.

13 (c) The rate of interest on any borrowing pursuant to this  
14 Act shall not exceed the maximum rate authorized by the Bond  
15 Authorization Act, as amended at the time of the making of the  
16 contract. The requirements of the Illinois Procurement Code  
17 requiring competitive requests for proposal shall not apply to  
18 the selection of a lender in accordance with this Section.

19 Section 20. Bonds, notes, certificates or other  
20 facilities; appropriation.

21 (a) There shall be prepared, under the direction of the  
22 Governor, the form of bonds, notes, certificates or other  
23 facilities that the Governor deems advisable for borrowing  
24 pursuant to this Act. The bonds, notes, certificates or other  
25 facilities, when issued, shall be signed by the Governor and a

1 record of their issuance shall be kept by the Comptroller. The  
2 interest on and principal of the debt shall be paid from the  
3 General Obligation Bond Retirement and Interest Fund.

4 (b) There is appropriated on a continuing basis, out of any  
5 money in the State treasury, a sum sufficient for the payment  
6 of the interest on and principal of any debts contracted under  
7 this Act, and the irrevocable and continuing authority for and  
8 direction to the State Treasurer and the Comptroller to make  
9 the necessary transfers, as directed by the Governor.

10 (c) The Governor is authorized to order, pursuant to the  
11 proceedings authorizing debts contracted under this Act, the  
12 transfer of any moneys on deposit in the State treasury into  
13 the General Obligation Bond Retirement and Interest Fund at  
14 times and in amounts the Governor deems necessary to provide  
15 for the payment of that interest and principal.

16 (d) The Comptroller is authorized and directed to draw  
17 warrants on the State Treasurer for the amount of all payments  
18 of principal and interest on the bonds, notes, certificates or  
19 other facilities issued under this Act.

20 Section 50. The State Finance Act is amended by adding  
21 Sections 5.934 and 6z-123 as follows:

22 (30 ILCS 105/5.934 new)

23 Sec. 5.934. The Coronavirus Urgent Remediation Emergency  
24 Borrowing Fund (CURE Borrowing Fund).

1 (30 ILCS 105/6z-123 new)

2 Sec. 6z-123. Coronavirus Urgent Remediation Emergency  
3 Borrowing Fund. The Coronavirus Urgent Remediation Emergency  
4 Borrowing Fund (CURE Borrowing Fund) is created as a special  
5 fund in the State treasury for the purpose of receiving  
6 proceeds from borrowings transacted pursuant to the  
7 Coronavirus Urgent Remediation Emergency Borrowing Act (CURE  
8 Borrowing Act) and for transferring and expending such moneys  
9 for the purposes authorized by that Act.

10 Section 55. The Short Term Borrowing Act is amended by  
11 changing Sections 1, 1.1, 2, and 3 as follows:

12 (30 ILCS 340/1) (from Ch. 120, par. 406)

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

1 (Source: P.A. 88-669, eff. 11-29-94; 93-1046, eff. 10-15-04.)

2 (30 ILCS 340/1.1)

3 Sec. 1.1. Borrowing upon emergencies or failures in  
4 revenue. Whenever emergencies or failures in revenues of the  
5 State occur, in order to meet deficits caused by those  
6 emergencies or failures, the Governor, Comptroller, and  
7 Treasurer may contract debts in an amount not exceeding 15% of  
8 the State's appropriations for that fiscal year. The moneys  
9 thus borrowed shall be applied to the purposes for which they  
10 were obtained, or to pay the costs of borrowing and the debts  
11 thus created by the borrowing, and to no other purpose. Before  
12 incurring debt under this Section, the Governor shall give  
13 written notice to the Clerk of the House of Representatives,  
14 the Secretary of the Senate, and the Secretary of State setting  
15 forth the reasons for the proposed borrowing and the corrective  
16 measures recommended to restore the State's fiscal soundness.  
17 The notice shall be a public record and open for inspection at  
18 the offices of the Secretary of State during normal business  
19 hours. No debt may be incurred under this Section until 7 ~~30~~  
20 days after the notice is served. All moneys so borrowed shall  
21 be borrowed for no longer time than one year.

22 (Source: P.A. 88-669, eff. 11-29-94; 93-1046, eff. 10-15-04.)

23 (30 ILCS 340/2) (from Ch. 120, par. 407)

24 Sec. 2. Sale of certificates. For borrowing authorized



1 under Sections 1 and 1.1 of this Act, certificates may be  
2 issued and sold from time to time, in one or more series, in  
3 amounts, at prices and at interest rates, all as directed by  
4 the Governor, Comptroller, and Treasurer. Bidders shall submit  
5 sealed bids to the Director of the Governor's Office of  
6 Management and Budget upon such terms as shall be approved by  
7 the Governor, Comptroller, and Treasurer after such notice as  
8 shall be determined to be reasonable by the Director of the  
9 Governor's Office of Management and Budget. The loan shall be  
10 awarded to the bidder offering the lowest effective rate of  
11 interest not exceeding the maximum rate authorized by the Bond  
12 Authorization Act as amended at the time of the making of the  
13 contract.

14 However, for borrowing authorized under Sections 1 and 1.1  
15 of this Act during fiscal years 2020 and 2021 only,  
16 certificates may be issued and sold on a negotiated basis  
17 rather than by sealed bid from time to time, in one or more  
18 series, in amounts, at prices and at interest rates, and in  
19 such manner, all as directed by the Governor, Comptroller, and  
20 Treasurer. The rate of interest must not exceed the maximum  
21 rate authorized by the Bond Authorization Act as amended at the  
22 time of the making of the contract. The requirements of the  
23 Illinois Procurement Code shall not apply to the selection of  
24 the purchaser of any certificates sold in accordance with the  
25 provisions of this paragraph.

26 With respect to instruments for the payment of money issued

1 under this Section either before, on, or after the effective  
2 date of this amendatory Act of 1989, it is and always has been  
3 the intention of the General Assembly (i) that the Omnibus Bond  
4 Acts are and always have been supplementary grants of power to  
5 issue instruments in accordance with the Omnibus Bond Acts,  
6 regardless of any provision of this Act that may appear to be  
7 or to have been more restrictive than those Acts, (ii) that the  
8 provisions of this Section are not a limitation on the  
9 supplementary authority granted by the Omnibus Bond Acts, and  
10 (iii) that instruments issued under this Section within the  
11 supplementary authority granted by the Omnibus Bond Acts are  
12 not invalid because of any provision of this Act that may  
13 appear to be or to have been more restrictive than those Acts.  
14 (Source: P.A. 88-669, eff. 11-29-94; 93-1046, eff. 10-15-04.)

15 (30 ILCS 340/3) (from Ch. 120, par. 408)

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

24 There is hereby appropriated out of any money in the  
25 Treasury a sum sufficient for the payment of the interest and

1 principal of any debts contracted under this Act.

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

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

11 The directive authorizing borrowing under Section 1 or 1.1  
12 of this Act shall set forth a pro forma cash flow statement  
13 that identifies estimated monthly receipts and expenditures  
14 with identification of sources for repaying the borrowed funds.  
15 (Source: P.A. 101-275, eff. 8-9-19.)

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