

HB3340



103RD GENERAL ASSEMBLY

State of Illinois

2023 and 2024

HB3340

Introduced 2/17/2023, by Rep. Kelly M. Burke

SYNOPSIS AS INTRODUCED:

65 ILCS 5/8-1-3.1

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

Amends the Illinois Municipal Code. In provisions relating to a municipality borrowing money from a bank or other financial institution, modifies the definition of "financial institution" to include the Illinois Finance Authority.

LRB103 30195 AWJ 56623 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,
16 but 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, savings bank, savings
8 and loan association, or credit union established under the
9 laws of the United States, this State, or any other state; ~~or~~
10 any regional planning commission or joint regional planning
11 commission established in accordance with Section 5-14001 or
12 Section 5-14003 of the Counties Code; or the Illinois Finance
13 Authority.
14 (Source: P.A. 100-854, eff. 8-14-18.)