

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.)