



96TH GENERAL ASSEMBLY

State of Illinois

2009 and 2010

SB0325

Introduced 2/6/2009, by Sen. Edward D. Maloney

SYNOPSIS AS INTRODUCED:

110 ILCS 947/152 new

Amends the Higher Education Student Assistance Act. Provides that bonds issued in accordance with the Act may be designated by the Illinois Student Assistance Commission as guaranteed by the State of Illinois. Provides that this guarantee shall constitute a general obligation of the State of Illinois, with the full faith, credit, and resources of the State of Illinois irrevocably pledged for the punctual payment of the principal of, interest on, and premium, if any, on any such bond. Provides that these provisions are irrevocable until all such bonds are paid in full as to both principal and interest. Provides that any bonds designated pursuant to these provisions shall be issued by the Commission on or prior to December 31, 2009 and shall be limited in aggregate principal issuance amount to not greater than \$50,000,000. Sets forth provisions concerning appropriations for insufficient amounts, a continuing appropriation for insufficient appropriations, the rights and powers of the Commission not being impaired, and allowing a civil action to compel payment. Effective immediately.

LRB096 08619 NHT 18742 b

FISCAL NOTE ACT
MAY APPLY

STATE DEBT
IMPACT NOTE ACT
MAY APPLY

1 AN ACT concerning education.

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

4 Section 5. The Higher Education Student Assistance Act is
5 amended by adding Section 152 as follows:

6 (110 ILCS 947/152 new)

7 Sec. 152. Bonds guaranteed by the State of Illinois.
8 Notwithstanding any other provision of this Act, bonds issued
9 in accordance with the provisions of this Act may be designated
10 by the Commission as guaranteed by the State of Illinois, and
11 any bonds so designated shall so state on the face thereof.
12 This guarantee shall constitute a general obligation of the
13 State of Illinois, and the full faith, credit, and resources of
14 the State of Illinois are hereby irrevocably pledged for the
15 punctual payment of the principal of, interest on, and premium,
16 if any, on any such bond as the same shall become due, whether
17 at maturity or upon any earlier redemption date. The provisions
18 of this Section shall be irrepealable until all such bonds are
19 paid in full as to both principal and interest. Any bonds
20 designated pursuant to this Section shall be issued by the
21 Commission on or prior to December 31, 2009 and shall be
22 limited in aggregate principal issuance amount to not greater
23 than \$50,000,000.

1 Upon written notice to the Governor from the Chairperson of
2 the Commission that the Commission has determined that amounts
3 pledged pursuant to Section 150 of this Act to pay the bonds
4 will not be sufficient for the payment of amounts due with
5 respect to the bonds during the next State of Illinois fiscal
6 year, the Governor shall include an appropriation in the State
7 of Illinois budget for the next fiscal year with respect to the
8 bonds. The appropriation shall be for such amount as determined
9 by the Commission. Amounts included in the appropriation for
10 the payment of interest on variable rate bonds may, at the
11 determination of the Commission, be up to the maximum amount of
12 interest that may be payable for the period covered by the
13 budget; provided that any amounts appropriated for interest on
14 variable rate bonds in excess of amounts necessary to pay the
15 interest shall promptly be reimbursed by the Commission to the
16 State of Illinois.

17 If for any reason the General Assembly fails to make
18 appropriations sufficient to pay the principal of, interest on,
19 and premium, if any, on the bonds, as the same by their terms
20 shall become due, this Section shall constitute an irrevocable
21 and continuing appropriation of all amounts necessary for that
22 purpose and the irrevocable and continuing authority for and
23 direction to the State Treasurer and the State Comptroller to
24 make the necessary transfers, as directed by the Governor, out
25 of and disbursements from the revenues and funds of the State
26 of Illinois.

1 The State of Illinois pledges and agrees that it will not
2 limit or alter the rights and powers vested in the Commission
3 in this Section so as to impair the terms of any such
4 irrevocable guarantee of the State of Illinois until each such
5 guarantee is satisfied in full or the bonds shall have
6 otherwise been paid in full.

7 If the State of Illinois fails to honor any guarantee made
8 pursuant to this Section, a civil action to compel payment may
9 be instituted in the Supreme Court of Illinois as a court of
10 original jurisdiction by any holder or holders of the bonds to
11 which such failure relates. Delivery of a summons and a copy of
12 the complaint to the Attorney General shall constitute
13 sufficient service to give the Supreme Court of Illinois
14 jurisdiction of the subject matter of such a suit and
15 jurisdiction over the State of Illinois and its officers named
16 as defendants for the purpose of compelling such payment. Any
17 case, controversy, or cause of action concerning the validity
18 of this Section relates to the revenue of the State of
19 Illinois.

20 If the Supreme Court of Illinois denies any holder or
21 holders of bonds leave to file an original action in the
22 Supreme Court, the holder or holders may bring such action in
23 the Circuit Court of Sangamon County.

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