



98TH GENERAL ASSEMBLY

State of Illinois

2013 and 2014

SB2991

Introduced 2/4/2014, by Sen. Jennifer Bertino-Tarrant

SYNOPSIS AS INTRODUCED:

70 ILCS 1205/6-4

from Ch. 105, par. 6-4

70 ILCS 1205/6-7 new

Amends the Park District Code. Provides that the board of a park district may borrow money for any corporate purpose from a bank or other financial institution, provided that the money shall be repaid within 2 years from the general funds of the park district and such other sources of payment as are otherwise lawfully available. Prohibits the indebtedness incurred, when aggregated with the existing indebtedness of the park district, from exceeding the debt limitation otherwise provided for by law. Defines "financial institution". Effective immediately.

LRB098 16790 JLK 51859 b

FISCAL NOTE ACT
MAY APPLY

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 Park District Code is amended by changing
5 Section 6-4 and by adding Section 6-7 as follows:

6 (70 ILCS 1205/6-4) (from Ch. 105, par. 6-4)

7 Sec. 6-4. The issue of bonds or notes by any park district
8 shall be authorized by ordinance, and a copy of that ordinance
9 properly certified by the secretary shall be filed in the
10 office of the clerk in each of the counties wherein such
11 district lies. Except as otherwise provided in this Section,
12 bonds and notes the aggregate outstanding unpaid principal
13 balance of which exceeds 0.575% of the total assessed valuation
14 of all taxable property in the district may not be issued by
15 any park district, until the proposition to issue the same has
16 been certified by the secretary to the proper election
17 officials who shall submit the proposition at an election in
18 accordance with the general election law. Notice of the
19 referendum shall be given and the referendum shall be conducted
20 in the manner provided by the general election law.

21 Submission of any proposition of issuing bonds or notes
22 shall be authorized by resolution to be adopted by the board
23 which shall designate the election at which the proposition is

1 to be submitted and designate the amount of bonds and purpose
2 for which the bonds are to be issued.

3 Any proposition to issue bonds shall be in substantially
4 the following form:

5 -----

6	Shall bonds or notes of the	
7 Park District (name it) to	YES
8	the amount of..... Dollars	
9	(\$.....) be issued for the	-----
10	purpose of.....? (Here insert	
11	any one or more of the	NO
12	purposes authorized in	
13	Section 6-2 hereof)	

14 -----

15 This Section shall not be construed to require a referendum for
16 bonds issued under Section 9-2b nor for bonds to refund any
17 maturing bond issues as provided in the Park District Refunding
18 Bond Act, or to refund any judgment indebtedness including any
19 unpaid public benefits and amounts assessed against any park
20 district, whether due or not due under Division 2 of Article 9
21 of the Illinois Municipal Code, but bonds may be issued for
22 such purposes without referendum.

23 Bonds heretofore or hereafter issued and outstanding that
24 are approved by referendum, refunding bonds issued under the
25 Park District Refunding Bond Act (70 ILCS 1270/) that refund or
26 continue to refund bonds approved by referendum, bonds issued

1 under this Section that have been paid in full or for which
2 provisions for payment have been made by an irrevocable deposit
3 of funds in an amount sufficient to pay the principal and
4 interest on those bonds to their respective maturity date,
5 non-referendum bonds issued under any other provision of this
6 Act, promissory notes or similar debt instruments issued under
7 Section 6-7, and bonded indebtedness assumed from another park
8 district do not limit in any way the right of a park district
9 to issue non-referendum bonds in accordance with this Section.

10 This Section shall not be construed to permit issuance of
11 bonds for the purpose of refunding revenue bonds as provided in
12 Section 6-2 until the proposition to issue the same has been
13 submitted as herein provided at an election in accordance with
14 the general election law.

15 (Source: P.A. 94-628, eff. 1-1-06.)

16 (70 ILCS 1205/6-7 new)

17 Sec. 6-7. Borrowing from financial institutions. The board
18 may borrow money for any corporate purpose from any bank or
19 other financial institution provided such money shall be repaid
20 within 2 years from the time the money is borrowed. The
21 president and secretary shall execute a promissory note or
22 similar debt instrument to evidence the indebtedness incurred
23 by the borrowing. The obligation to make the payments due under
24 the promissory note or other debt instrument shall be a lawful
25 direct general obligation of the park district payable from the

1 general funds of that district and such other sources of
2 payment as are otherwise lawfully available. The promissory
3 note or other debt instrument shall be authorized by an
4 ordinance passed by the board and shall be valid whether or not
5 an appropriation with respect to that ordinance is included in
6 any annual or supplemental appropriation adopted by the board.
7 The indebtedness incurred under this Section, when aggregated
8 with the existing indebtedness of the park district, may not
9 exceed any debt limitation otherwise provided for by law.
10 "Financial institution" means any bank subject to the Illinois
11 Banking Act, any savings and loan association subject to the
12 Illinois Savings and Loan Act of 1985, any savings bank subject
13 to the Savings Bank Act, any credit union subject to the
14 Illinois Credit Union Act, and any federally chartered
15 commercial bank, savings and loan association, savings bank, or
16 credit union organized and operated in this State pursuant to
17 the laws of the United States.

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