

1 AN ACT concerning banking.

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

4 Section 5. The Rural Bond Bank Act is amended by
5 changing Section 1-2 as follows:

6 (30 ILCS 360/1-2) (from Ch. 17, par. 7201-2)

7 Sec. 1-2. Declaration of purpose.

8 (a) It is declared to be in the public interest and to
9 be the policy of this State:

10 (1) To foster and promote by all reasonable means
11 the provision of adequate capital markets and facilities
12 for borrowing money by rural units of local government,
13 and for the financing of their respective public
14 improvements and other governmental purposes within the
15 State from proceeds of bonds or notes issued by those
16 governmental units;

17 (2) To assist rural governmental units in
18 fulfilling their financial needs for those purposes by
19 use of creation of indebtedness;

20 (3) To the extent possible, to reduce the costs of
21 indebtedness to taxpayers and residents of this State and
22 to encourage continued investor interest in the purchase
23 of bonds or notes of rural governmental units as sound
24 and preferred securities for investment; and

25 (4) To encourage rural governmental units to
26 continue their independent undertakings of public
27 improvements and other governmental purposes and the
28 financing thereof, and to assist them in those activities
29 by making funds available at reduced interest costs for
30 orderly financing of those purposes, especially during
31 periods of restricted credit or money supply, and

1 particularly for those rural governmental units not
2 otherwise able to borrow for those purposes.

3 (b) It is further declared that current credit and
4 municipal bond market conditions require the exercise of
5 State powers in the interest of rural governmental units to
6 further and implement these policies by:

7 (1) Authorizing a State instrumentality to be
8 created as a body corporate and politic to have full
9 powers to borrow money and to issue its bonds and notes
10 to make funds available through the facilities of the
11 instrumentality at reduced rates and on more favorable
12 terms for borrowing by rural governmental units through
13 the instrumentality's purchase of the bonds or notes of
14 the governmental units in fully marketable form; and

15 (2) Granting broad powers to the instrumentality to
16 accomplish and to carry out these policies of the State
17 which are in the public interest of the State and of its
18 taxpayers and residents.

19 (Source: P.A. 86-927.)