



Rep. Anthony DeLuca

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10000HB2584ham001

LRB100 10569 MLM 24922 a

1 AMENDMENT TO HOUSE BILL 2584

2 AMENDMENT NO. \_\_\_\_\_. Amend House Bill 2584 by replacing  
3 everything after the enacting clause with the following:

4 "Section 5. The Local Government Debt Reform Act is amended  
5 by adding Section 13.1 as follows:

6 (30 ILCS 350/13.1 new)

7 Sec. 13.1. Statutory lien for bonds.

8 (a) As used in this Section, "statutory lien" shall have  
9 the meaning given to that term under 11 U.S.C. 101(53) of the  
10 federal Bankruptcy Code.

11 (b) All bonds, including general obligation bonds and  
12 revenue bonds heretofore and hereafter issued and sold under  
13 this Act, home rule powers, or related laws, issued by a  
14 governmental unit shall be secured by a statutory lien on all  
15 revenues received, or entitled to be received, pursuant to (i)  
16 the levy of taxes supporting payment of the bonds and (ii) the

1 assessment of user fees, rates, or other charges supporting  
2 payment of the bonds; provided, however, that this Section  
3 shall have no force or effect with respect to bonds issued by a  
4 governmental unit that are payable primarily from payments to  
5 be made by a private person or private entity pursuant to a  
6 loan or lease arrangement with the governmental unit. The  
7 statutory lien shall automatically attach from the time the  
8 bonds are issued without further action or authorization by the  
9 governing authority of the governmental unit. The statutory  
10 lien shall be valid and binding from the time the bonds are  
11 executed and delivered without any physical delivery thereof or  
12 further act required, and shall be a first priority lien unless  
13 the bonds, or the statutes or documents authorizing the bonds  
14 or providing a source of payment or security for those bonds,  
15 shall otherwise provide, and the taxes, user fees, rates, or  
16 other charges supporting payment of the bonds shall not be used  
17 for other purposes until the bonds are paid in full unless the  
18 bonds, or the statutes or documents authorizing the bonds or  
19 providing a source of payment or security for those bonds,  
20 shall otherwise provide.

21 The revenues received, or entitled to be received, from the  
22 following shall be immediately subject to the statutory lien,  
23 and the statutory lien shall automatically attach to the  
24 revenues and be effective, binding, and enforceable against the  
25 governmental unit or its successors, transferees, and  
26 creditors, and all others asserting rights therein or having

1 claims of any kind in tort, contract, or otherwise against the  
2 governmental unit, irrespective of whether those parties have  
3 notice of the lien and without the need for any physical  
4 delivery, recordation, filing, or further act: (i) the levy of  
5 taxes supporting payment of the bonds, and (ii) the assessment  
6 of user fees, rates, or other charges supporting payment of the  
7 bonds. In addition, bonds issued by a governmental unit under  
8 this Act or related laws, including bonds issued by a  
9 governmental unit with home rule powers, shall have all of the  
10 protection afforded to special revenue bonds under the federal  
11 Bankruptcy Code.

12 Section 99. Effective date. This Act takes effect upon  
13 becoming law."