



Rep. Martin J. Moylan

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10000HB3751ham001

LRB100 07336 MLM 24757 a

1 AMENDMENT TO HOUSE BILL 3751

2 AMENDMENT NO. \_\_\_\_\_. Amend House Bill 3751 by replacing  
3 everything after the enacting clause with the following:

4 "Section 5. The Public Construction Bond Act is amended by  
5 changing Section 3 as follows:

6 (30 ILCS 550/3)

7 Sec. 3. Builder or developer cash bond or other surety.

8 (a) A county or municipality may ~~not~~ require an ~~a cash~~  
9 ~~bond,~~ irrevocable letter of credit, surety bond, or letter of  
10 commitment issued by a bank, savings and loan association,  
11 surety, or insurance company from a builder or developer to  
12 guarantee completion of a project improvement ~~when the builder~~  
13 ~~or developer has filed with the county or municipal clerk a~~  
14 ~~current, irrevocable letter of credit, surety bond, or letter~~  
15 ~~of commitment issued by a bank, savings and loan association,~~  
16 ~~surety, or insurance company, deemed good and sufficient by the~~

1 ~~county or municipality accepting such security, in an amount~~  
2 ~~equal to or greater than 110% of the amount of the bid on each~~  
3 ~~project improvement. A builder or developer has the option to~~  
4 ~~utilize a cash bond, irrevocable letter of credit, surety bond,~~  
5 ~~or letter of commitment, issued by a bank, savings and loan~~  
6 ~~association, surety, or insurance company, deemed good and~~  
7 ~~sufficient by the county or municipality, to satisfy any cash~~  
8 ~~bond requirement established by a county or municipality.~~  
9 ~~Except for a municipality or county with a population of~~  
10 ~~1,000,000 or more, the county or municipality must approve and~~  
11 ~~deem a surety or insurance company good and sufficient for the~~  
12 ~~purposes set forth in this Section if the surety or insurance~~  
13 ~~company is authorized by the Illinois Department of Insurance~~  
14 ~~to sell and issue sureties in the State of Illinois.~~

15 (b) If a county or municipality receives an ~~a cash bond,~~  
16 ~~irrevocable letter of credit, or surety bond from a builder or~~  
17 ~~developer to guarantee completion of a project improvement, the~~  
18 ~~county or municipality shall (i) register the bond under the~~  
19 ~~address of the project and the construction permit number and~~  
20 ~~(ii) give the builder or developer a receipt for the bond. The~~  
21 ~~county or municipality shall establish and maintain a separate~~  
22 ~~account for all cash bonds received from builders and~~  
23 ~~developers to guarantee completion of a project improvement.~~

24 (c) The county or municipality shall ~~refund a cash bond to~~  
25 ~~a builder or developer, or~~ release the irrevocable letter of  
26 credit or surety bond, within 60 days after the builder or

1 developer notifies the county or municipality in writing of the  
2 completion of the project improvement for which the bond was  
3 required. For these purposes, "completion" means that the  
4 county or municipality has determined that the project  
5 improvement for which the bond was required is complete or a  
6 licensed engineer or licensed architect has certified to the  
7 builder or developer and the county or municipality that the  
8 project improvement has been completed to the applicable codes  
9 and ordinances. The county or municipality shall pay interest  
10 to the builder or developer, beginning 60 days after the  
11 builder or developer notifies the county or municipality in  
12 writing of the completion of the project improvement, on any  
13 bond not refunded to a builder or developer, at the rate of 1%  
14 per month.

15 (d) (Blank). ~~A home rule county or municipality may not~~  
16 ~~require or maintain cash bonds, irrevocable letters of credit,~~  
17 ~~surety bonds, or letters of commitment issued by a bank,~~  
18 ~~savings and loan association, surety, or insurance company from~~  
19 ~~builders or developers in a manner inconsistent with this~~  
20 ~~Section. This Section supersedes and controls over other~~  
21 ~~provisions of the Counties Code or Illinois Municipal Code as~~  
22 ~~they apply to and guarantee completion of a project improvement~~  
23 ~~that is required by the county or municipality, regardless of~~  
24 ~~whether the project improvement is a condition of annexation~~  
25 ~~agreements. This Section is a denial and limitation under~~  
26 ~~subsection (i) of Section 6 of Article VII of the Illinois~~

1 ~~Constitution on the concurrent exercise by a home rule county~~  
2 ~~or municipality of powers and functions exercised by the State.~~  
3 (Source: P.A. 96-1000, eff. 7-2-10.)

4 Section 99. Effective date. This Act takes effect upon  
5 becoming law.".