

1 AN ACT concerning finance.

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

4 Section 1. Short title. This Act may be cited as the  
5 Coronavirus Urgent Remediation Emergency Borrowing Act or the  
6 CURE Borrowing Act.

7 Section 5. Findings and purpose. The General Assembly finds  
8 that:

9 The State of Illinois is in the midst of both a public  
10 health emergency and a resultant fiscal crisis. The sudden  
11 worldwide outbreak of the Coronavirus Disease 2019 (COVID-19)  
12 and the spread of the disease in Illinois is causing dramatic  
13 economic upheaval and severe financial stress for individuals,  
14 businesses, health and other service providers, as well as the  
15 State and local governments across Illinois. It has resulted in  
16 declarations of disaster from both the Governor and the  
17 President of the United States. The disaster has caused, and  
18 will continue to cause for some time to come, reductions in  
19 revenues for the State at the same time expenditures must be  
20 incurred to respond to the emergency. The State requires  
21 greater flexibility to borrow efficiently and respond  
22 effectively to urgent financial needs as they arise.

23 The federal government has responded to the COVID-19

1 pandemic with the passage of legislation that provides  
2 emergency funding to state and local governments. One of the  
3 new funding programs, found in Section 4003 of the federal  
4 Coronavirus Aid, Relief, and Economic Stabilization Act (CARES  
5 Act) provides a Municipal Liquidity Facility administered by  
6 the Federal Reserve Bank with support from the United States  
7 Department of the Treasury, through which funds are being made  
8 available so that state and local governments may borrow funds  
9 directly from the program. The State of Illinois has the  
10 authority to participate in this program, any subsequent State  
11 and municipal financing program created by federal legislation  
12 to provide relief from the coronavirus pandemic (collectively  
13 "federal coronavirus financing legislation"), and any similar  
14 program that may be offered by the federal government or the  
15 Federal Reserve Bank.

16 The purpose of this Act is to revise the laws authorizing  
17 the State to borrow money and incur state debt so that the  
18 State will have needed flexibility in times of emergency, can  
19 borrow with enhanced efficiency in urgent circumstances, and  
20 can effectively utilize new borrowing programs and facilities  
21 offered by the United States Department of the Treasury and the  
22 Federal Reserve Bank, all while maintaining stringent  
23 standards for accountability and transparency.

24 Section 10. Borrowing authorized.

25 (a) Borrowing under this Section is authorized under

1 subsection (b) of Section 9 of Article IX of the Illinois  
2 Constitution. The Governor, with the approval of the  
3 Comptroller and Treasurer, is authorized to borrow funds from  
4 the Federal Reserve Bank or its agent in accordance with the  
5 Municipal Liquidity Facility program established pursuant to  
6 Section 4003 of the federal CARES Act and Section 13(3) of the  
7 Federal Reserve Act, or in accordance with any other federal  
8 coronavirus financing legislation or similar program  
9 authorized by the United States Congress. The purposes for  
10 which borrowing is authorized include:

11 (1) to meet failures of revenue resulting from the  
12 COVID-19 outbreak and to support the emergency response  
13 thereto;

14 (2) to provide funds for payment or reimbursement of  
15 new or increased costs of State government resulting from  
16 the COVID-19 outbreak and the emergency response thereto;

17 (3) to provide funds to respond to any other disaster  
18 or emergency or failure of revenues or the costs of  
19 essential government services;

20 (4) to provide funds for deposit into the Healthcare  
21 Provider Relief Fund for payment of costs payable from the  
22 Fund; and

23 (5) to provide funds for payment or reimbursement of  
24 costs payable from the Health Insurance Reserve Fund.

25 Proceeds of the borrowing may also be used to pay the costs  
26 of borrowing and the debts created by the borrowing.

1           (b) The Governor may borrow funds and contract debts from  
2 time to time, in principal amounts not to exceed \$5,000,000,000  
3 outstanding at any time. Moneys thus borrowed shall be applied  
4 to any of the purposes described in this Section in accordance  
5 with properly enacted appropriations and transfers, or to pay  
6 the debts and associated expenses thus incurred, and to no  
7 other purpose. All proceeds from any borrowing under this Act,  
8 except those expended on the costs of issuance, shall be  
9 deposited into the Coronavirus Urgent Remediation Emergency  
10 Borrowing Fund (CURE Borrowing Fund). All moneys so borrowed  
11 shall be borrowed for no longer a time than the time limit set  
12 forth in federal program rules and guidance, and in no event  
13 longer than 10 years, and shall be repaid in equal principal  
14 payments or as required by federal program rules and guidance,  
15 if such requirements exist.

16           Section 15. Borrowing process.

17           (a) Whenever the borrowing of money under Section 10 is  
18 contemplated, the Director of the Governor's Office of  
19 Management and Budget, acting at the direction of the Governor,  
20 shall prepare for such borrowing in one or more series, in  
21 amounts, at prices and at interest rates, and in such manner as  
22 directed by the Governor.

23           (b) The Director of the Governor's Office of Management and  
24 Budget, acting at the direction of the Governor, may negotiate  
25 and borrow directly from the Federal Reserve Bank or its agent

1 in accordance with the Municipal Liquidity Facility program  
2 established pursuant to Section 4003 of the federal CARES Act  
3 and Section 13(3) of the Federal Reserve Act, or in accordance  
4 with any other federal coronavirus financing legislation or  
5 other program authorized by the United States Congress.

6 (c) The rate of interest on any borrowing pursuant to this  
7 Act shall not exceed the maximum rate authorized by the Bond  
8 Authorization Act, as amended at the time of the making of the  
9 contract. The requirements of the Illinois Procurement Code  
10 requiring competitive requests for proposal shall not apply to  
11 the selection of a lender in accordance with this Section.

12 Section 20. Bonds, notes, certificates or other  
13 facilities; appropriation.

14 (a) There shall be prepared, under the direction of the  
15 Governor, the form of bonds, notes, certificates or other  
16 facilities that the Governor deems advisable for borrowing  
17 pursuant to this Act. The bonds, notes, certificates or other  
18 facilities, when issued, shall be signed by the Governor and a  
19 record of their issuance shall be kept by the Comptroller. The  
20 interest on and principal of the debt shall be paid from the  
21 General Obligation Bond Retirement and Interest Fund.

22 (b) There is appropriated on a continuing basis, out of any  
23 money in the State treasury, a sum sufficient for the payment  
24 of the interest on and principal of any debts contracted under  
25 this Act, and the irrevocable and continuing authority for and

1 direction to the State Treasurer and the Comptroller to make  
2 the necessary transfers, as directed by the Governor.

3 (c) The Governor is authorized to order, pursuant to the  
4 proceedings authorizing debts contracted under this Act, the  
5 transfer of any moneys on deposit in the State treasury into  
6 the General Obligation Bond Retirement and Interest Fund at  
7 times and in amounts the Governor deems necessary to provide  
8 for the payment of that interest and principal.

9 (d) The Comptroller is authorized and directed to draw  
10 warrants on the State Treasurer for the amount of all payments  
11 of principal and interest on the bonds, notes, certificates or  
12 other facilities issued under this Act.

13 Section 50. The State Finance Act is amended by adding  
14 Sections 5.934 and 6z-123 as follows:

15 (30 ILCS 105/5.934 new)

16 Sec. 5.934. The Coronavirus Urgent Remediation Emergency  
17 Borrowing Fund (CURE Borrowing Fund).

18 (30 ILCS 105/6z-123 new)

19 Sec. 6z-123. Coronavirus Urgent Remediation Emergency  
20 Borrowing Fund. The Coronavirus Urgent Remediation Emergency  
21 Borrowing Fund (CURE Borrowing Fund) is created as a special  
22 fund in the State treasury for the purpose of receiving  
23 proceeds from borrowings transacted pursuant to the

1 Coronavirus Urgent Remediation Emergency Borrowing Act (CURE  
2 Borrowing Act) and for transferring and expending such moneys  
3 for the purposes authorized by that Act.

4 Section 55. The Short Term Borrowing Act is amended by  
5 changing Sections 1, 1.1, 2, and 3 as follows:

6 (30 ILCS 340/1) (from Ch. 120, par. 406)

7 Sec. 1. Cash flow borrowing. Whenever significant timing  
8 variations occur between disbursement and receipt of budgeted  
9 funds within a fiscal year, making it necessary to borrow in  
10 anticipation of revenues to be collected in a fiscal year, in  
11 order to meet the same, the Governor, Comptroller and Treasurer  
12 may contract debts, in an amount not exceeding 5% of the  
13 State's appropriations for that fiscal year, and moneys thus  
14 borrowed shall be applied to the purpose for which they were  
15 obtained, or to pay the costs of borrowing and the debts thus  
16 created, and to no other purpose. All moneys so borrowed shall  
17 be repaid by the close of the fiscal year in which borrowed.

18 (Source: P.A. 88-669, eff. 11-29-94; 93-1046, eff. 10-15-04.)

19 (30 ILCS 340/1.1)

20 Sec. 1.1. Borrowing upon emergencies or failures in  
21 revenue. Whenever emergencies or failures in revenues of the  
22 State occur, in order to meet deficits caused by those  
23 emergencies or failures, the Governor, Comptroller, and

1 Treasurer may contract debts in an amount not exceeding 15% of  
2 the State's appropriations for that fiscal year. The moneys  
3 thus borrowed shall be applied to the purposes for which they  
4 were obtained, or to pay the costs of borrowing and the debts  
5 thus created by the borrowing, and to no other purpose. Before  
6 incurring debt under this Section, the Governor shall give  
7 written notice to the Clerk of the House of Representatives,  
8 the Secretary of the Senate, and the Secretary of State setting  
9 forth the reasons for the proposed borrowing and the corrective  
10 measures recommended to restore the State's fiscal soundness.  
11 The notice shall be a public record and open for inspection at  
12 the offices of the Secretary of State during normal business  
13 hours. No debt may be incurred under this Section until 7 ~~30~~  
14 days after the notice is served. All moneys so borrowed shall  
15 be borrowed for no longer time than one year.

16 (Source: P.A. 88-669, eff. 11-29-94; 93-1046, eff. 10-15-04.)

17 (30 ILCS 340/2) (from Ch. 120, par. 407)

18 Sec. 2. Sale of certificates. For borrowing authorized  
19 under Sections 1 and 1.1 of this Act, certificates may be  
20 issued and sold from time to time, in one or more series, in  
21 amounts, at prices and at interest rates, all as directed by  
22 the Governor, Comptroller, and Treasurer. Bidders shall submit  
23 sealed bids to the Director of the Governor's Office of  
24 Management and Budget upon such terms as shall be approved by  
25 the Governor, Comptroller, and Treasurer after such notice as



1 shall be determined to be reasonable by the Director of the  
2 Governor's Office of Management and Budget. The loan shall be  
3 awarded to the bidder offering the lowest effective rate of  
4 interest not exceeding the maximum rate authorized by the Bond  
5 Authorization Act as amended at the time of the making of the  
6 contract.

7 However, for borrowing authorized under Sections 1 and 1.1  
8 of this Act during fiscal years 2020 and 2021 only,  
9 certificates may be issued and sold on a negotiated basis  
10 rather than by sealed bid from time to time, in one or more  
11 series, in amounts, at prices and at interest rates, and in  
12 such manner, all as directed by the Governor, Comptroller, and  
13 Treasurer. The rate of interest must not exceed the maximum  
14 rate authorized by the Bond Authorization Act as amended at the  
15 time of the making of the contract. The requirements of the  
16 Illinois Procurement Code shall not apply to the selection of  
17 the purchaser of any certificates sold in accordance with the  
18 provisions of this paragraph.

19 With respect to instruments for the payment of money issued  
20 under this Section either before, on, or after the effective  
21 date of this amendatory Act of 1989, it is and always has been  
22 the intention of the General Assembly (i) that the Omnibus Bond  
23 Acts are and always have been supplementary grants of power to  
24 issue instruments in accordance with the Omnibus Bond Acts,  
25 regardless of any provision of this Act that may appear to be  
26 or to have been more restrictive than those Acts, (ii) that the

1 provisions of this Section are not a limitation on the  
2 supplementary authority granted by the Omnibus Bond Acts, and  
3 (iii) that instruments issued under this Section within the  
4 supplementary authority granted by the Omnibus Bond Acts are  
5 not invalid because of any provision of this Act that may  
6 appear to be or to have been more restrictive than those Acts.  
7 (Source: P.A. 88-669, eff. 11-29-94; 93-1046, eff. 10-15-04.)

8 (30 ILCS 340/3) (from Ch. 120, par. 408)

9 Sec. 3. There shall be prepared under the direction of the  
10 officers named in this Act such form of ~~bonds or~~ certificates  
11 as they shall deem advisable, which, when issued, shall be  
12 signed by the Governor, Comptroller and Treasurer, and shall be  
13 recorded by the Comptroller in a book to be kept by him or her  
14 for that purpose. The interest and principal of such  
15 certificates ~~loan~~ shall be paid by the Treasurer ~~treasurer~~  
16 of the General Obligation Bond Retirement and Interest Fund.

17 There is hereby appropriated out of any money in the  
18 Treasury a sum sufficient for the payment of the interest and  
19 principal of any debts contracted under this Act.

20 The Governor, Comptroller, and Treasurer are authorized to  
21 order pursuant to the proceedings authorizing those debts the  
22 transfer of any moneys on deposit in the treasury into the  
23 General Obligation Bond Retirement and Interest Fund at times  
24 and in amounts they deem necessary to provide for the payment  
25 of that interest and principal.

1           The Comptroller is hereby authorized and directed to draw  
2 his warrant on the State Treasurer for the amount of all such  
3 payments.

4           The directive authorizing borrowing under Section 1 or 1.1  
5 of this Act shall set forth a pro forma cash flow statement  
6 that identifies estimated monthly receipts and expenditures  
7 with identification of sources for repaying the borrowed funds.  
8 (Source: P.A. 101-275, eff. 8-9-19.)

9           Section 99. Effective date. This Act takes effect upon  
10 becoming law.