AN ACT concerning finance.

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

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

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

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

The federal government has responded to the COVID-19 pandemic with the passage of legislation that provides emergency funding to state and local governments. One of the new funding programs, found in Section 4003 of the federal Coronavirus Aid, Relief, and Economic Stabilization Act (CARES Act) provides a Municipal Liquidity Facility administered by the Federal Reserve Bank with support from the United States Department of the Treasury, through which funds are being made available so that state and local governments may borrow funds directly from the program. The State of Illinois has the authority to participate in this program, any subsequent State and municipal financing program created by federal legislation to provide relief from the coronavirus pandemic (collectively "federal coronavirus financing legislation"), and any similar program that may be offered by the federal government or the Federal Reserve Bank.

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

Section 10. Borrowing authorized.

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

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

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

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

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

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

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

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

Section 15. Borrowing process.

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

(b) The Director of the Governor's Office of Management and Budget, acting at the direction of the Governor, may negotiate and borrow directly from the Federal Reserve Bank or its agent in accordance with the Municipal Liquidity Facility program established pursuant to Section 4003 of the federal CARES Act and Section 13(3) of the Federal Reserve Act, or in accordance with any other federal coronavirus financing legislation or other program authorized by the United States Congress.

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

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

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

(b) There is appropriated on a continuing basis, out of any money in the State treasury, a sum sufficient for the payment of the interest on and principal of any debts contracted under this Act, and the irrevocable and continuing authority for and direction to the State Treasurer and the Comptroller to make the necessary transfers, as directed by the Governor.

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

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

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

(30 ILCS 105/5.934 new)

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

(30 ILCS 105/6z-123 new)

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

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

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

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

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

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

(30 ILCS 340/1.1)

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

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

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

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

Sec. 2. Sale of certificates. For borrowing authorized under Sections 1 and 1.1 of this Act, certificates may be issued and sold from time to time, in one or more series, in amounts, at prices and at interest rates, all as directed by the Governor, Comptroller, and Treasurer. Bidders shall submit sealed bids to the Director of the Governor's Office of Management and Budget upon such terms as shall be approved by the Governor, Comptroller, and Treasurer after such notice as shall be determined to be reasonable by the Director of the Governor's Office of Management and Budget. The loan shall be awarded to the bidder offering the lowest effective rate of interest not exceeding the maximum rate authorized by the Bond Authorization Act as amended at the time of the making of the contract.

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

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

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

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

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

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

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

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

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

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