

AN ACT concerning local government.

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

Section 5. The Hospital District Law is amended by adding Section 21.3 as follows:

(70 ILCS 910/21.3 new)

Sec. 21.3. Lines of credit.

(a) A hospital district may enter into a line of credit secured by and payable from one or more of these sources: property taxes, unencumbered accounts receivable, or other revenues, in an amount not to exceed the greater of the following amounts if the source is pledged: (i) 85% of the amount of property taxes most recently levied, (ii) 85% of unencumbered accounts receivable of the district (in substantially the manner set forth in Section 21.1 of this Act), (iii) 85% of other revenues (in substantially the manner set forth in Section 21.2 of this Act), or (iv) 85% of amounts unpaid under third-party reimbursement or payment programs (including but not limited to State or federal Medicare or Medicaid payments or programs). All moneys so borrowed shall be repaid within 24 months.

(b) Before establishing a line of credit under this Section, the hospital district shall authorize the line of

credit by ordinance. The ordinance shall set forth facts demonstrating the need for the line of credit, state the amount to be borrowed, establish a maximum interest rate limit not to exceed the maximum rate authorized by the Bond Authorization Act, and provide a date by which the borrowed funds shall be repaid. The ordinance shall authorize and direct the relevant officials to make arrangements to set apart and hold, as applicable, the moneys that will be used to repay the borrowing. In addition, the ordinance may authorize the relevant officials to make partial repayments on the line of credit as the moneys become available and may contain any other terms, restrictions, or limitations desirable or necessary to give effect to this Section 21.3.

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