



Rep. Al Riley

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LRB100 08469 AWJ 23267 a

1 AMENDMENT TO HOUSE BILL 3004

2 AMENDMENT NO. \_\_\_\_\_. Amend House Bill 3004 by replacing  
3 everything after the enacting clause with the following:

4 "Section 5. The Regional Transportation Authority Act is  
5 amended by changing Section 4.04 as follows:

6 (70 ILCS 3615/4.04) (from Ch. 111 2/3, par. 704.04)

7 Sec. 4.04. Issuance and Pledge of Bonds and Notes.

8 (a) The Authority shall have the continuing power to borrow  
9 money and to issue its negotiable bonds or notes as provided in  
10 this Section. Unless otherwise indicated in this Section, the  
11 term "notes" also includes bond anticipation notes, which are  
12 notes which by their terms provide for their payment from the  
13 proceeds of bonds thereafter to be issued. Bonds or notes of  
14 the Authority may be issued for any or all of the following  
15 purposes: to pay costs to the Authority or a Service Board of  
16 constructing or acquiring any public transportation facilities

1 (including funds and rights relating thereto, as provided in  
2 Section 2.05 of this Act); to repay advances to the Authority  
3 or a Service Board made for such purposes; to pay other  
4 expenses of the Authority or a Service Board incident to or  
5 incurred in connection with such construction or acquisition;  
6 to provide funds for any transportation agency to pay principal  
7 of or interest or redemption premium on any bonds or notes,  
8 whether as such amounts become due or by earlier redemption,  
9 issued prior to the date of this amendatory Act by such  
10 transportation agency to construct or acquire public  
11 transportation facilities or to provide funds to purchase such  
12 bonds or notes; and to provide funds for any transportation  
13 agency to construct or acquire any public transportation  
14 facilities, to repay advances made for such purposes, and to  
15 pay other expenses incident to or incurred in connection with  
16 such construction or acquisition; and to provide funds for  
17 payment of obligations, including the funding of reserves,  
18 under any self-insurance plan or joint self-insurance pool or  
19 entity.

20 In addition to any other borrowing as may be authorized by  
21 this Section, the Authority may issue its notes, from time to  
22 time, in anticipation of tax receipts of the Authority or of  
23 other revenues or receipts of the Authority, in order to  
24 provide money for the Authority or the Service Boards to cover  
25 any cash flow deficit which the Authority or a Service Board  
26 anticipates incurring. Any such notes are referred to in this

1 Section as "Working Cash Notes". No Working Cash Notes shall be  
2 issued for a term of longer than 24 months. Proceeds of Working  
3 Cash Notes may be used to pay day to day operating expenses of  
4 the Authority or the Service Boards, consisting of wages,  
5 salaries and fringe benefits, professional and technical  
6 services (including legal, audit, engineering and other  
7 consulting services), office rental, furniture, fixtures and  
8 equipment, insurance premiums, claims for self-insured amounts  
9 under insurance policies, public utility obligations for  
10 telephone, light, heat and similar items, travel expenses,  
11 office supplies, postage, dues, subscriptions, public hearings  
12 and information expenses, fuel purchases, and payments of  
13 grants and payments under purchase of service agreements for  
14 operations of transportation agencies, prior to the receipt by  
15 the Authority or a Service Board from time to time of funds for  
16 paying such expenses. In addition to any Working Cash Notes  
17 that the Board of the Authority may determine to issue, the  
18 Suburban Bus Board, the Commuter Rail Board or the Board of the  
19 Chicago Transit Authority may demand and direct that the  
20 Authority issue its Working Cash Notes in such amounts and  
21 having such maturities as the Service Board may determine.

22 Notwithstanding any other provision of this Act, any  
23 amounts necessary to pay principal of and interest on any  
24 Working Cash Notes issued at the demand and direction of a  
25 Service Board or any Working Cash Notes the proceeds of which  
26 were used for the direct benefit of a Service Board or any

1 other Bonds or Notes of the Authority the proceeds of which  
2 were used for the direct benefit of a Service Board shall  
3 constitute a reduction of the amount of any other funds  
4 provided by the Authority to that Service Board. The Authority  
5 shall, after deducting any costs of issuance, tender the net  
6 proceeds of any Working Cash Notes issued at the demand and  
7 direction of a Service Board to such Service Board as soon as  
8 may be practicable after the proceeds are received. The  
9 Authority may also issue notes or bonds to pay, refund or  
10 redeem any of its notes and bonds, including to pay redemption  
11 premiums or accrued interest on such bonds or notes being  
12 renewed, paid or refunded, and other costs in connection  
13 therewith. The Authority may also utilize the proceeds of any  
14 such bonds or notes to pay the legal, financial, administrative  
15 and other expenses of such authorization, issuance, sale or  
16 delivery of bonds or notes or to provide or increase a debt  
17 service reserve fund with respect to any or all of its bonds or  
18 notes. The Authority may also issue and deliver its bonds or  
19 notes in exchange for any public transportation facilities,  
20 (including funds and rights relating thereto, as provided in  
21 Section 2.05 of this Act) or in exchange for outstanding bonds  
22 or notes of the Authority, including any accrued interest or  
23 redemption premium thereon, without advertising or submitting  
24 such notes or bonds for public bidding.

25 (b) The ordinance providing for the issuance of any such  
26 bonds or notes shall fix the date or dates of maturity, the

1 dates on which interest is payable, any sinking fund account or  
2 reserve fund account provisions and all other details of such  
3 bonds or notes and may provide for such covenants or agreements  
4 necessary or desirable with regard to the issue, sale and  
5 security of such bonds or notes. The rate or rates of interest  
6 on its bonds or notes may be fixed or variable and the  
7 Authority shall determine or provide for the determination of  
8 the rate or rates of interest of its bonds or notes issued  
9 under this Act in an ordinance adopted by the Authority prior  
10 to the issuance thereof, none of which rates of interest shall  
11 exceed that permitted in the Bond Authorization Act. Interest  
12 may be payable at such times as are provided for by the Board.  
13 Bonds and notes issued under this Section may be issued as  
14 serial or term obligations, shall be of such denomination or  
15 denominations and form, including interest coupons to be  
16 attached thereto, be executed in such manner, shall be payable  
17 at such place or places and bear such date as the Authority  
18 shall fix by the ordinance authorizing such bond or note and  
19 shall mature at such time or times, within a period not to  
20 exceed forty years from the date of issue, and may be  
21 redeemable prior to maturity with or without premium, at the  
22 option of the Authority, upon such terms and conditions as the  
23 Authority shall fix by the ordinance authorizing the issuance  
24 of such bonds or notes. No bond anticipation note or any  
25 renewal thereof shall mature at any time or times exceeding 5  
26 years from the date of the first issuance of such note. The

1 Authority may provide for the registration of bonds or notes in  
2 the name of the owner as to the principal alone or as to both  
3 principal and interest, upon such terms and conditions as the  
4 Authority may determine. The ordinance authorizing bonds or  
5 notes may provide for the exchange of such bonds or notes which  
6 are fully registered, as to both principal and interest, with  
7 bonds or notes which are registerable as to principal only. All  
8 bonds or notes issued under this Section by the Authority other  
9 than those issued in exchange for property or for bonds or  
10 notes of the Authority shall be sold at a price which may be at  
11 a premium or discount but such that the interest cost  
12 (excluding any redemption premium) to the Authority of the  
13 proceeds of an issue of such bonds or notes, computed to stated  
14 maturity according to standard tables of bond values, shall not  
15 exceed that permitted in the Bond Authorization Act. The  
16 Authority shall notify the Governor's Office of Management and  
17 Budget and the State Comptroller at least 30 days before any  
18 bond sale and shall file with the Governor's Office of  
19 Management and Budget and the State Comptroller a certified  
20 copy of any ordinance authorizing the issuance of bonds at or  
21 before the issuance of the bonds. After December 31, 1994, any  
22 such bonds or notes shall be sold to the highest and best  
23 bidder on sealed bids as the Authority shall deem. As such  
24 bonds or notes are to be sold the Authority shall advertise for  
25 proposals to purchase the bonds or notes which advertisement  
26 shall be published at least once in a daily newspaper of

1 general circulation published in the metropolitan region at  
2 least 10 days before the time set for the submission of bids.  
3 The Authority shall have the right to reject any or all bids.  
4 Notwithstanding any other provisions of this Section, Working  
5 Cash Notes or bonds or notes to provide funds for  
6 self-insurance or a joint self-insurance pool or entity may be  
7 sold either upon competitive bidding or by negotiated sale  
8 (without any requirement of publication of intention to  
9 negotiate the sale of such Notes), as the Board shall determine  
10 by ordinance adopted with the affirmative votes of at least 9  
11 Directors. In case any officer whose signature appears on any  
12 bonds, notes or coupons authorized pursuant to this Section  
13 shall cease to be such officer before delivery of such bonds or  
14 notes, such signature shall nevertheless be valid and  
15 sufficient for all purposes, the same as if such officer had  
16 remained in office until such delivery. Neither the Directors  
17 of the Authority nor any person executing any bonds or notes  
18 thereof shall be liable personally on any such bonds or notes  
19 or coupons by reason of the issuance thereof.

20 (c) All bonds or notes of the Authority issued pursuant to  
21 this Section shall be general obligations of the Authority to  
22 which shall be pledged the full faith and credit of the  
23 Authority, as provided in this Section. Such bonds or notes  
24 shall be secured as provided in the authorizing ordinance,  
25 which may, notwithstanding any other provision of this Act,  
26 include in addition to any other security, a specific pledge or

1 assignment of and lien on or security interest in any or all  
2 tax receipts of the Authority and on any or all other revenues  
3 or moneys of the Authority from whatever source, which may by  
4 law be utilized for debt service purposes and a specific pledge  
5 or assignment of and lien on or security interest in any funds  
6 or accounts established or provided for by the ordinance of the  
7 Authority authorizing the issuance of such bonds or notes. Any  
8 such pledge, assignment, lien or security interest for the  
9 benefit of holders of bonds or notes of the Authority shall be  
10 valid and binding from the time the bonds or notes are issued  
11 without any physical delivery or further act and shall be valid  
12 and binding as against and prior to the claims of all other  
13 parties having claims of any kind against the Authority or any  
14 other person irrespective of whether such other parties have  
15 notice of such pledge, assignment, lien or security interest.  
16 The obligations of the Authority incurred pursuant to this  
17 Section shall be superior to and have priority over any other  
18 obligations of the Authority.

19 The Authority may provide in the ordinance authorizing the  
20 issuance of any bonds or notes issued pursuant to this Section  
21 for the creation of, deposits in, and regulation and  
22 disposition of sinking fund or reserve accounts relating to  
23 such bonds or notes. The ordinance authorizing the issuance of  
24 any bonds or notes pursuant to this Section may contain  
25 provisions as part of the contract with the holders of the  
26 bonds or notes, for the creation of a separate fund to provide



1 for the payment of principal and interest on such bonds or  
2 notes and for the deposit in such fund from any or all the tax  
3 receipts of the Authority and from any or all such other moneys  
4 or revenues of the Authority from whatever source which may by  
5 law be utilized for debt service purposes, all as provided in  
6 such ordinance, of amounts to meet the debt service  
7 requirements on such bonds or notes, including principal and  
8 interest, and any sinking fund or reserve fund account  
9 requirements as may be provided by such ordinance, and all  
10 expenses incident to or in connection with such fund and  
11 accounts or the payment of such bonds or notes. Such ordinance  
12 may also provide limitations on the issuance of additional  
13 bonds or notes of the Authority. No such bonds or notes of the  
14 Authority shall constitute a debt of the State of Illinois.  
15 Nothing in this Act shall be construed to enable the Authority  
16 to impose any ad valorem tax on property.

17 (d) The ordinance of the Authority authorizing the issuance  
18 of any bonds or notes may provide additional security for such  
19 bonds or notes by providing for appointment of a corporate  
20 trustee (which may be any trust company or bank having the  
21 powers of a trust company within the state) with respect to  
22 such bonds or notes. The ordinance shall prescribe the rights,  
23 duties and powers of the trustee to be exercised for the  
24 benefit of the Authority and the protection of the holders of  
25 such bonds or notes. The ordinance may provide for the trustee  
26 to hold in trust, invest and use amounts in funds and accounts

1 created as provided by the ordinance with respect to the bonds  
2 or notes. The ordinance may provide for the assignment and  
3 direct payment to the trustee of any or all amounts produced  
4 from the sources provided in Section 4.03 and Section 4.09 of  
5 this Act and provided in Section 6z-17 of "An Act in relation  
6 to State finance", approved June 10, 1919, as amended. Upon  
7 receipt of notice of any such assignment, the Department of  
8 Revenue and the Comptroller of the State of Illinois shall  
9 thereafter, notwithstanding the provisions of Section 4.03 and  
10 Section 4.09 of this Act and Section 6z-17 of "An Act in  
11 relation to State finance", approved June 10, 1919, as amended,  
12 provide for such assigned amounts to be paid directly to the  
13 trustee instead of the Authority, all in accordance with the  
14 terms of the ordinance making the assignment. The ordinance  
15 shall provide that amounts so paid to the trustee which are not  
16 required to be deposited, held or invested in funds and  
17 accounts created by the ordinance with respect to bonds or  
18 notes or used for paying bonds or notes to be paid by the  
19 trustee to the Authority.

20 (e) Any bonds or notes of the Authority issued pursuant to  
21 this Section shall constitute a contract between the Authority  
22 and the holders from time to time of such bonds or notes. In  
23 issuing any bond or note, the Authority may include in the  
24 ordinance authorizing such issue a covenant as part of the  
25 contract with the holders of the bonds or notes, that as long  
26 as such obligations are outstanding, it shall make such

1 deposits, as provided in paragraph (c) of this Section. It may  
2 also so covenant that it shall impose and continue to impose  
3 taxes, as provided in Section 4.03 of this Act and in addition  
4 thereto as subsequently authorized by law, sufficient to make  
5 such deposits and pay the principal and interest and to meet  
6 other debt service requirements of such bonds or notes as they  
7 become due. A certified copy of the ordinance authorizing the  
8 issuance of any such obligations shall be filed at or prior to  
9 the issuance of such obligations with the Comptroller of the  
10 State of Illinois and the Illinois Department of Revenue.

11 (f) The State of Illinois pledges to and agrees with the  
12 holders of the bonds and notes of the Authority issued pursuant  
13 to this Section that the State will not limit or alter the  
14 rights and powers vested in the Authority by this Act so as to  
15 impair the terms of any contract made by the Authority with  
16 such holders or in any way impair the rights and remedies of  
17 such holders until such bonds and notes, together with interest  
18 thereon, with interest on any unpaid installments of interest,  
19 and all costs and expenses in connection with any action or  
20 proceedings by or on behalf of such holders, are fully met and  
21 discharged. In addition, the State pledges to and agrees with  
22 the holders of the bonds and notes of the Authority issued  
23 pursuant to this Section that the State will not limit or alter  
24 the basis on which State funds are to be paid to the Authority  
25 as provided in this Act, or the use of such funds, so as to  
26 impair the terms of any such contract. The Authority is

1 authorized to include these pledges and agreements of the State  
2 in any contract with the holders of bonds or notes issued  
3 pursuant to this Section.

4 (g) (1) Except as provided in subdivisions (g) (2) and (g) (3)  
5 of Section 4.04 of this Act, the Authority shall not at any  
6 time issue, sell or deliver any bonds or notes (other than  
7 Working Cash Notes and lines of credit) pursuant to this  
8 Section 4.04 which will cause it to have issued and outstanding  
9 at any time in excess of \$800,000,000 of such bonds and notes  
10 (other than Working Cash Notes and lines of credit). The  
11 Authority shall not issue, sell, or deliver any Working Cash  
12 Notes or establish a line of credit pursuant to this Section  
13 that will cause it to have issued and outstanding at any time  
14 in excess of \$100,000,000. However, the Authority may issue,  
15 sell, and deliver additional Working Cash Notes or establish a  
16 line of credit before July 1, 2020 ~~2018~~ that are over and above  
17 and in addition to the \$100,000,000 authorization such that the  
18 outstanding amount of these additional Working Cash Notes and  
19 lines of credit do ~~does~~ not exceed at any time \$300,000,000.  
20 Bonds or notes which are being paid or retired by such  
21 issuance, sale or delivery of bonds or notes, and bonds or  
22 notes for which sufficient funds have been deposited with the  
23 paying agency of such bonds or notes to provide for payment of  
24 principal and interest thereon or to provide for the redemption  
25 thereof, all pursuant to the ordinance authorizing the issuance  
26 of such bonds or notes, shall not be considered to be

1 outstanding for the purposes of this subsection.

2 (2) In addition to the authority provided by paragraphs (1)  
3 and (3), the Authority is authorized to issue, sell and deliver  
4 bonds or notes for Strategic Capital Improvement Projects  
5 approved pursuant to Section 4.13 as follows:

6 \$100,000,000 is authorized to be issued on or after  
7 January 1, 1990;

8 an additional \$100,000,000 is authorized to be issued  
9 on or after January 1, 1991;

10 an additional \$100,000,000 is authorized to be issued  
11 on or after January 1, 1992;

12 an additional \$100,000,000 is authorized to be issued  
13 on or after January 1, 1993;

14 an additional \$100,000,000 is authorized to be issued  
15 on or after January 1, 1994; and

16 the aggregate total authorization of bonds and notes  
17 for Strategic Capital Improvement Projects as of January 1,  
18 1994, shall be \$500,000,000.

19 The Authority is also authorized to issue, sell, and  
20 deliver bonds or notes in such amounts as are necessary to  
21 provide for the refunding or advance refunding of bonds or  
22 notes issued for Strategic Capital Improvement Projects under  
23 this subdivision (g) (2), provided that no such refunding bond  
24 or note shall mature later than the final maturity date of the  
25 series of bonds or notes being refunded, and provided further  
26 that the debt service requirements for such refunding bonds or

1 notes in the current or any future fiscal year shall not exceed  
2 the debt service requirements for that year on the refunded  
3 bonds or notes.

4 (3) In addition to the authority provided by paragraphs (1)  
5 and (2), the Authority is authorized to issue, sell, and  
6 deliver bonds or notes for Strategic Capital Improvement  
7 Projects approved pursuant to Section 4.13 as follows:

8 \$260,000,000 is authorized to be issued on or after  
9 January 1, 2000;

10 an additional \$260,000,000 is authorized to be issued  
11 on or after January 1, 2001;

12 an additional \$260,000,000 is authorized to be issued  
13 on or after January 1, 2002;

14 an additional \$260,000,000 is authorized to be issued  
15 on or after January 1, 2003;

16 an additional \$260,000,000 is authorized to be issued  
17 on or after January 1, 2004; and

18 the aggregate total authorization of bonds and notes  
19 for Strategic Capital Improvement Projects pursuant to  
20 this paragraph (3) as of January 1, 2004 shall be  
21 \$1,300,000,000.

22 The Authority is also authorized to issue, sell, and  
23 deliver bonds or notes in such amounts as are necessary to  
24 provide for the refunding or advance refunding of bonds or  
25 notes issued for Strategic Capital Improvement projects under  
26 this subdivision (g)(3), provided that no such refunding bond

1 or note shall mature later than the final maturity date of the  
2 series of bonds or notes being refunded, and provided further  
3 that the debt service requirements for such refunding bonds or  
4 notes in the current or any future fiscal year shall not exceed  
5 the debt service requirements for that year on the refunded  
6 bonds or notes.

7 (h) The Authority, subject to the terms of any agreements  
8 with noteholders or bond holders as may then exist, shall have  
9 power, out of any funds available therefor, to purchase notes  
10 or bonds of the Authority, which shall thereupon be cancelled.

11 (i) In addition to any other authority granted by law, the  
12 State Treasurer may, with the approval of the Governor, invest  
13 or reinvest, at a price not to exceed par, any State money in  
14 the State Treasury which is not needed for current expenditures  
15 due or about to become due in Working Cash Notes.

16 (j) The Authority may establish a line of credit with a  
17 bank or other financial institution as may be evidenced by the  
18 issuance of notes or other obligations, secured by and payable  
19 from all tax receipts of the Authority and any or all other  
20 revenues or moneys of the Authority, in an amount not to exceed  
21 the limitations set forth in paragraph (1) of subsection (g).  
22 Money borrowed under this subsection (j) shall be used to  
23 provide money for the Authority or the Service Boards to cover  
24 any cash flow deficit that the Authority or a Service Board  
25 anticipates incurring and shall be repaid within 24 months.

26 Before establishing a line of credit under this subsection

1 (j), the Authority shall authorize the line of credit by  
2 ordinance. The ordinance shall set forth facts demonstrating  
3 the need for the line of credit, state the amount to be  
4 borrowed, establish a maximum interest rate limit not to exceed  
5 the maximum rate authorized by the Bond Authorization Act, and  
6 provide a date by which the borrowed funds shall be repaid. The  
7 ordinance shall authorize and direct the relevant officials to  
8 make arrangements to set apart and hold, as applicable, the  
9 moneys that will be used to repay the borrowing. In addition,  
10 the ordinance may authorize the relevant officials to make  
11 partial repayments on the line of credit as the moneys become  
12 available and may contain any other terms, restrictions, or  
13 limitations desirable or necessary to give effect to this  
14 subsection (j).

15 The Authority shall notify the Governor's Office of  
16 Management and Budget and the State Comptroller at least 30  
17 days before establishing a line of credit and shall file with  
18 the Governor's Office of Management and Budget and the State  
19 Comptroller a certified copy of any ordinance authorizing the  
20 establishment of a line of credit upon or before establishing  
21 the line of credit.

22 Moneys borrowed under a line of credit pursuant to this  
23 subsection (j) are general obligations of the Authority that  
24 are secured by the full faith and credit of the Authority.

25 (Source: P.A. 98-392, eff. 8-16-13; 99-238, eff. 8-3-15.)



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