



100TH GENERAL ASSEMBLY

State of Illinois

2017 and 2018

HB4371

by Rep. Robert Martwick

SYNOPSIS AS INTRODUCED:

30 ILCS 105/5.886 new	
30 ILCS 330/2	from Ch. 127, par. 652
30 ILCS 330/2.5	
30 ILCS 330/7.7 new	
30 ILCS 330/9	from Ch. 127, par. 659
30 ILCS 330/11	from Ch. 127, par. 661
30 ILCS 330/12	from Ch. 127, par. 662
30 ILCS 330/13	from Ch. 127, par. 663
40 ILCS 15/1.10 new	

Amends the General Obligation Bond Act. Authorizes the issuance of an additional \$107,420,000,000 in State State Serial Long Term Pension Obligation Bonds. Amends the State Pension Funds Continuing Appropriation Act to create a continuing appropriation for payments on those Bonds. Amends the State Finance Act to create the State Pension Serial Long Term Obligation Bond Fund. Effective immediately.

LRB100 16436 HLH 33164 b

FISCAL NOTE ACT
MAY APPLY

A BILL FOR

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 3. The State Finance Act is amended by adding
5 Section 5.886 as follows:

6 (30 ILCS 105/5.886 new)

7 Sec. 5.886. The State Serial Long Term Pension Obligation
8 Bond Fund.

9 Section 5. The General Obligation Bond Act is amended by
10 changing Sections 2, 2.5, 9, 11, 12, and 13 and by adding
11 Section 7.7 as follows:

12 (30 ILCS 330/2) (from Ch. 127, par. 652)

13 Sec. 2. Authorization for Bonds. The State of Illinois is
14 authorized to issue, sell and provide for the retirement of
15 General Obligation Bonds of the State of Illinois for the
16 categories and specific purposes expressed in Sections 2
17 through 8 of this Act, in the total amount of \$163,337,925,743
18 ~~\$55,917,925,743~~.

19 The bonds authorized in this Section 2 and in Section 16 of
20 this Act are herein called "Bonds".

21 Of the total amount of Bonds authorized in this Act, up to

1 \$2,200,000,000 in aggregate original principal amount may be
2 issued and sold in accordance with the Baccalaureate Savings
3 Act in the form of General Obligation College Savings Bonds.

4 Of the total amount of Bonds authorized in this Act, up to
5 \$300,000,000 in aggregate original principal amount may be
6 issued and sold in accordance with the Retirement Savings Act
7 in the form of General Obligation Retirement Savings Bonds.

8 Of the total amount of Bonds authorized in this Act, the
9 additional \$10,000,000,000 authorized by Public Act 93-2, the
10 \$3,466,000,000 authorized by Public Act 96-43, and the
11 \$4,096,348,300 authorized by Public Act 96-1497 shall be used
12 solely as provided in Section 7.2.

13 Of the total amount of Bonds authorized in this Act, the
14 additional \$6,000,000,000 authorized by this amendatory Act of
15 the 100th General Assembly shall be used solely as provided in
16 Section 7.6 and shall be issued by December 31, 2017.

17 Of the total amount of Bonds authorized in this Act, the
18 additional \$107,420,000,000 authorized by Section 7.7 shall be
19 used solely as provided in Section 7.7.

20 The issuance and sale of Bonds pursuant to the General
21 Obligation Bond Act is an economical and efficient method of
22 financing the long-term capital needs of the State. This Act
23 will permit the issuance of a multi-purpose General Obligation
24 Bond with uniform terms and features. This will not only lower
25 the cost of registration but also reduce the overall cost of
26 issuing debt by improving the marketability of Illinois General

1 Obligation Bonds.

2 (Source: P.A. 100-23, eff. 7-6-17.)

3 (30 ILCS 330/2.5)

4 Sec. 2.5. Limitation on issuance of Bonds.

5 (a) Except as provided in subsection (b), no Bonds may be
6 issued if, after the issuance, in the next State fiscal year
7 after the issuance of the Bonds, the amount of debt service
8 (including principal, whether payable at maturity or pursuant
9 to mandatory sinking fund installments, and interest) on all
10 then-outstanding Bonds, other than (i) Bonds authorized by
11 Public Act 100-23 ~~this amendatory Act of the 100th General~~
12 ~~Assembly,~~ (ii) Bonds issued by Public Act 96-43, ~~and~~ (iii)
13 Bonds authorized by Public Act 96-1497, and (iv) Bonds
14 authorized by this amendatory Act of the 100th General
15 Assembly, would exceed 7% of the aggregate appropriations from
16 the general funds (which consist of the General Revenue Fund,
17 the Common School Fund, the General Revenue Common School
18 Special Account Fund, and the Education Assistance Fund) and
19 the Road Fund for the fiscal year immediately prior to the
20 fiscal year of the issuance.

21 (b) If the Comptroller and Treasurer each consent in
22 writing, Bonds may be issued even if the issuance does not
23 comply with subsection (a). In addition, \$2,000,000,000 in
24 Bonds for the purposes set forth in Sections 3, 4, 5, 6, and 7,
25 and \$2,000,000,000 in Refunding Bonds under Section 16, may be

1 issued during State fiscal year 2017 without complying with
2 subsection (a). In addition, \$2,000,000,000 in Bonds for the
3 purposes set forth in Sections 3, 4, 5, 6, and 7, and
4 \$2,000,000,000 in Refunding Bonds under Section 16, may be
5 issued during State fiscal year 2018 without complying with
6 subsection (a).

7 (Source: P.A. 99-523, eff. 6-30-16; 100-23, Article 25, Section
8 25-5, eff. 7-6-17; 100-23, Article 75, Section 75-10, eff.
9 7-6-17; revised 8-8-17.)

10 (30 ILCS 330/7.7 new)

11 Sec. 7.7. State Serial Long Term Pension Obligation Bonds.

12 (a) As used in this Act, "State Serial Long Term Pension
13 Obligation Bonds" means Bonds authorized by this amendatory Act
14 of the 100th General Assembly and used for the purposes set
15 forth in this Section.

16 (b) State Serial Long Term Pension Obligation Bonds in the
17 amount of \$107,420,000,000 are hereby authorized to be used for
18 the purposes set forth in this Section.

19 (c) The proceeds of State Serial Long Term Pension
20 Obligation Bonds authorized in subsection (b) of this Section
21 shall be deposited directly into the State Serial Long Term
22 Pension Obligation Bond Fund, and the Comptroller and the
23 Treasurer shall, as soon as practical, make payments as
24 contemplated by subsection (d) of this Section.

25 (d) There is created the State Serial Long Term Pension

1 Obligation Bond Fund as a special fund in the State Treasury.
2 Funds deposited in the State Serial Long Term Pension
3 Obligation Bond Fund may be used only to make payments to the
4 State pension systems on a pro-rated basis in an amount
5 sufficient to bring the actuarially accrued unfunded liability
6 of each individual Fund to a 90% level. Notwithstanding any
7 other provision of law, each retirement system under Article
8 14, 15, or 16 of the Illinois Pension Code shall establish a
9 designated investment fund for 36% of the bond proceeds it
10 receives from any bond issuance authorized by this amendatory
11 Act of the 100th General Assembly. The designated investment
12 fund shall be used solely for the purposes of taking advantage
13 of interest arbitrage from the bond proceeds and for making
14 debt service contributions related to the bonds issued under
15 this amendatory Act of the 100th General Assembly.

16 (30 ILCS 330/9) (from Ch. 127, par. 659)

17 Sec. 9. Conditions for issuance and sale of Bonds;
18 requirements ~~Issuance and Sale of Bonds~~ ~~Requirements for~~
19 Bonds.

20 (a) Except as otherwise provided in this subsection, ~~and~~
21 subsection (h), and subsection (i), Bonds shall be issued and
22 sold from time to time, in one or more series, in such amounts
23 and at such prices as may be directed by the Governor, upon
24 recommendation by the Director of the Governor's Office of
25 Management and Budget. Bonds shall be in such form (either

1 coupon, registered or book entry), in such denominations,
2 payable within 25 years from their date, subject to such terms
3 of redemption with or without premium, bear interest payable at
4 such times and at such fixed or variable rate or rates, and be
5 dated as shall be fixed and determined by the Director of the
6 Governor's Office of Management and Budget in the order
7 authorizing the issuance and sale of any series of Bonds, which
8 order shall be approved by the Governor and is herein called a
9 "Bond Sale Order"; provided however, that interest payable at
10 fixed or variable rates shall not exceed that permitted in the
11 Bond Authorization Act, as now or hereafter amended. Bonds
12 shall be payable at such place or places, within or without the
13 State of Illinois, and may be made registrable as to either
14 principal or as to both principal and interest, as shall be
15 specified in the Bond Sale Order. Bonds may be callable or
16 subject to purchase and retirement or tender and remarketing as
17 fixed and determined in the Bond Sale Order. Bonds, other than
18 Bonds issued under Section 3 of this Act for the costs
19 associated with the purchase and implementation of information
20 technology, (i) except for refunding Bonds satisfying the
21 requirements of Section 16 of this Act and sold during fiscal
22 year 2009, 2010, 2011, 2017, or 2018 must be issued with
23 principal or mandatory redemption amounts in equal amounts,
24 with the first maturity issued occurring within the fiscal year
25 in which the Bonds are issued or within the next succeeding
26 fiscal year and (ii) must mature or be subject to mandatory

1 redemption each fiscal year thereafter up to 25 years, except
2 for refunding Bonds satisfying the requirements of Section 16
3 of this Act and sold during fiscal year 2009, 2010, or 2011
4 which must mature or be subject to mandatory redemption each
5 fiscal year thereafter up to 16 years. Bonds issued under
6 Section 3 of this Act for the costs associated with the
7 purchase and implementation of information technology must be
8 issued with principal or mandatory redemption amounts in equal
9 amounts, with the first maturity issued occurring with the
10 fiscal year in which the respective bonds are issued or with
11 the next succeeding fiscal year, with the respective bonds
12 issued maturing or subject to mandatory redemption each fiscal
13 year thereafter up to 10 years. Notwithstanding any provision
14 of this Act to the contrary, the Bonds authorized by Public Act
15 96-43 shall be payable within 5 years from their date and must
16 be issued with principal or mandatory redemption amounts in
17 equal amounts, with payment of principal or mandatory
18 redemption beginning in the first fiscal year following the
19 fiscal year in which the Bonds are issued.

20 Notwithstanding any provision of this Act to the contrary,
21 the Bonds authorized by Public Act 96-1497 shall be payable
22 within 8 years from their date and shall be issued with payment
23 of maturing principal or scheduled mandatory redemptions in
24 accordance with the following schedule, except the following
25 amounts shall be prorated if less than the total additional
26 amount of Bonds authorized by Public Act 96-1497 are issued:

1	Fiscal Year After Issuance	Amount
2	1-2	\$0
3	3	\$110,712,120
4	4	\$332,136,360
5	5	\$664,272,720
6	6-8	\$996,409,080

7 Notwithstanding any provision of this Act to the contrary,
8 Income Tax Proceed Bonds issued under Section 7.6 shall be
9 payable 12 years from the date of sale and shall be issued with
10 payment of principal or mandatory redemption.

11 In the case of any series of Bonds bearing interest at a
12 variable interest rate ("Variable Rate Bonds"), in lieu of
13 determining the rate or rates at which such series of Variable
14 Rate Bonds shall bear interest and the price or prices at which
15 such Variable Rate Bonds shall be initially sold or remarketed
16 (in the event of purchase and subsequent resale), the Bond Sale
17 Order may provide that such interest rates and prices may vary
18 from time to time depending on criteria established in such
19 Bond Sale Order, which criteria may include, without
20 limitation, references to indices or variations in interest
21 rates as may, in the judgment of a remarketing agent, be
22 necessary to cause Variable Rate Bonds of such series to be
23 remarketable from time to time at a price equal to their
24 principal amount, and may provide for appointment of a bank,
25 trust company, investment bank, or other financial institution
26 to serve as remarketing agent in that connection. The Bond Sale

1 Order may provide that alternative interest rates or provisions
2 for establishing alternative interest rates, different
3 security or claim priorities, or different call or amortization
4 provisions will apply during such times as Variable Rate Bonds
5 of any series are held by a person providing credit or
6 liquidity enhancement arrangements for such Bonds as
7 authorized in subsection (b) of this Section. The Bond Sale
8 Order may also provide for such variable interest rates to be
9 established pursuant to a process generally known as an auction
10 rate process and may provide for appointment of one or more
11 financial institutions to serve as auction agents and
12 broker-dealers in connection with the establishment of such
13 interest rates and the sale and remarketing of such Bonds.

14 (b) In connection with the issuance of any series of Bonds,
15 the State may enter into arrangements to provide additional
16 security and liquidity for such Bonds, including, without
17 limitation, bond or interest rate insurance or letters of
18 credit, lines of credit, bond purchase contracts, or other
19 arrangements whereby funds are made available to retire or
20 purchase Bonds, thereby assuring the ability of owners of the
21 Bonds to sell or redeem their Bonds. The State may enter into
22 contracts and may agree to pay fees to persons providing such
23 arrangements, but only under circumstances where the Director
24 of the Governor's Office of Management and Budget certifies
25 that he or she reasonably expects the total interest paid or to
26 be paid on the Bonds, together with the fees for the

1 arrangements (being treated as if interest), would not, taken
2 together, cause the Bonds to bear interest, calculated to their
3 stated maturity, at a rate in excess of the rate that the Bonds
4 would bear in the absence of such arrangements.

5 The State may, with respect to Bonds issued or anticipated
6 to be issued, participate in and enter into arrangements with
7 respect to interest rate protection or exchange agreements,
8 guarantees, or financial futures contracts for the purpose of
9 limiting, reducing, or managing interest rate exposure. The
10 authority granted under this paragraph, however, shall not
11 increase the principal amount of Bonds authorized to be issued
12 by law. The arrangements may be executed and delivered by the
13 Director of the Governor's Office of Management and Budget on
14 behalf of the State. Net payments for such arrangements shall
15 constitute interest on the Bonds and shall be paid from the
16 General Obligation Bond Retirement and Interest Fund. The
17 Director of the Governor's Office of Management and Budget
18 shall at least annually certify to the Governor and the State
19 Comptroller his or her estimate of the amounts of such net
20 payments to be included in the calculation of interest required
21 to be paid by the State.

22 (c) Prior to the issuance of any Variable Rate Bonds
23 pursuant to subsection (a), the Director of the Governor's
24 Office of Management and Budget shall adopt an interest rate
25 risk management policy providing that the amount of the State's
26 variable rate exposure with respect to Bonds shall not exceed

1 20%. This policy shall remain in effect while any Bonds are
2 outstanding and the issuance of Bonds shall be subject to the
3 terms of such policy. The terms of this policy may be amended
4 from time to time by the Director of the Governor's Office of
5 Management and Budget but in no event shall any amendment cause
6 the permitted level of the State's variable rate exposure with
7 respect to Bonds to exceed 20%.

8 (d) "Build America Bonds" in this Section means Bonds
9 authorized by Section 54AA of the Internal Revenue Code of
10 1986, as amended ("Internal Revenue Code"), and bonds issued
11 from time to time to refund or continue to refund "Build
12 America Bonds".

13 (e) Notwithstanding any other provision of this Section,
14 Qualified School Construction Bonds shall be issued and sold
15 from time to time, in one or more series, in such amounts and
16 at such prices as may be directed by the Governor, upon
17 recommendation by the Director of the Governor's Office of
18 Management and Budget. Qualified School Construction Bonds
19 shall be in such form (either coupon, registered or book
20 entry), in such denominations, payable within 25 years from
21 their date, subject to such terms of redemption with or without
22 premium, and if the Qualified School Construction Bonds are
23 issued with a supplemental coupon, bear interest payable at
24 such times and at such fixed or variable rate or rates, and be
25 dated as shall be fixed and determined by the Director of the
26 Governor's Office of Management and Budget in the order

1 authorizing the issuance and sale of any series of Qualified
2 School Construction Bonds, which order shall be approved by the
3 Governor and is herein called a "Bond Sale Order"; except that
4 interest payable at fixed or variable rates, if any, shall not
5 exceed that permitted in the Bond Authorization Act, as now or
6 hereafter amended. Qualified School Construction Bonds shall
7 be payable at such place or places, within or without the State
8 of Illinois, and may be made registrable as to either principal
9 or as to both principal and interest, as shall be specified in
10 the Bond Sale Order. Qualified School Construction Bonds may be
11 callable or subject to purchase and retirement or tender and
12 remarketing as fixed and determined in the Bond Sale Order.
13 Qualified School Construction Bonds must be issued with
14 principal or mandatory redemption amounts or sinking fund
15 payments into the General Obligation Bond Retirement and
16 Interest Fund (or subaccount therefor) in equal amounts, with
17 the first maturity issued, mandatory redemption payment or
18 sinking fund payment occurring within the fiscal year in which
19 the Qualified School Construction Bonds are issued or within
20 the next succeeding fiscal year, with Qualified School
21 Construction Bonds issued maturing or subject to mandatory
22 redemption or with sinking fund payments thereof deposited each
23 fiscal year thereafter up to 25 years. Sinking fund payments
24 set forth in this subsection shall be permitted only to the
25 extent authorized in Section 54F of the Internal Revenue Code
26 or as otherwise determined by the Director of the Governor's

1 Office of Management and Budget. "Qualified School
2 Construction Bonds" in this subsection means Bonds authorized
3 by Section 54F of the Internal Revenue Code and for bonds
4 issued from time to time to refund or continue to refund such
5 "Qualified School Construction Bonds".

6 (f) Beginning with the next issuance by the Governor's
7 Office of Management and Budget to the Procurement Policy Board
8 of a request for quotation for the purpose of formulating a new
9 pool of qualified underwriting banks list, all entities
10 responding to such a request for quotation for inclusion on
11 that list shall provide a written report to the Governor's
12 Office of Management and Budget and the Illinois Comptroller.
13 The written report submitted to the Comptroller shall (i) be
14 published on the Comptroller's Internet website and (ii) be
15 used by the Governor's Office of Management and Budget for the
16 purposes of scoring such a request for quotation. The written
17 report, at a minimum, shall:

18 (1) disclose whether, within the past 3 months,
19 pursuant to its credit default swap market-making
20 activities, the firm has entered into any State of Illinois
21 credit default swaps ("CDS");

22 (2) include, in the event of State of Illinois CDS
23 activity, disclosure of the firm's cumulative notional
24 volume of State of Illinois CDS trades and the firm's
25 outstanding gross and net notional amount of State of
26 Illinois CDS, as of the end of the current 3-month period;

1 (3) indicate, pursuant to the firm's proprietary
2 trading activities, disclosure of whether the firm, within
3 the past 3 months, has entered into any proprietary trades
4 for its own account in State of Illinois CDS;

5 (4) include, in the event of State of Illinois
6 proprietary trades, disclosure of the firm's outstanding
7 gross and net notional amount of proprietary State of
8 Illinois CDS and whether the net position is short or long
9 credit protection, as of the end of the current 3-month
10 period;

11 (5) list all time periods during the past 3 months
12 during which the firm held net long or net short State of
13 Illinois CDS proprietary credit protection positions, the
14 amount of such positions, and whether those positions were
15 net long or net short credit protection positions; and

16 (6) indicate whether, within the previous 3 months, the
17 firm released any publicly available research or marketing
18 reports that reference State of Illinois CDS and include
19 those research or marketing reports as attachments.

20 (g) All entities included on a Governor's Office of
21 Management and Budget's pool of qualified underwriting banks
22 list shall, as soon as possible after March 18, 2011 (the
23 effective date of Public Act 96-1554), but not later than
24 January 21, 2011, and on a quarterly fiscal basis thereafter,
25 provide a written report to the Governor's Office of Management
26 and Budget and the Illinois Comptroller. The written reports

1 submitted to the Comptroller shall be published on the
2 Comptroller's Internet website. The written reports, at a
3 minimum, shall:

4 (1) disclose whether, within the past 3 months,
5 pursuant to its credit default swap market-making
6 activities, the firm has entered into any State of Illinois
7 credit default swaps ("CDS");

8 (2) include, in the event of State of Illinois CDS
9 activity, disclosure of the firm's cumulative notional
10 volume of State of Illinois CDS trades and the firm's
11 outstanding gross and net notional amount of State of
12 Illinois CDS, as of the end of the current 3-month period;

13 (3) indicate, pursuant to the firm's proprietary
14 trading activities, disclosure of whether the firm, within
15 the past 3 months, has entered into any proprietary trades
16 for its own account in State of Illinois CDS;

17 (4) include, in the event of State of Illinois
18 proprietary trades, disclosure of the firm's outstanding
19 gross and net notional amount of proprietary State of
20 Illinois CDS and whether the net position is short or long
21 credit protection, as of the end of the current 3-month
22 period;

23 (5) list all time periods during the past 3 months
24 during which the firm held net long or net short State of
25 Illinois CDS proprietary credit protection positions, the
26 amount of such positions, and whether those positions were

1 net long or net short credit protection positions; and

2 (6) indicate whether, within the previous 3 months, the
3 firm released any publicly available research or marketing
4 reports that reference State of Illinois CDS and include
5 those research or marketing reports as attachments.

6 (h) Notwithstanding any other provision of this Section,
7 for purposes of maximizing market efficiencies and cost
8 savings, Income Tax Proceed Bonds may be issued and sold from
9 time to time, in one or more series, in such amounts and at
10 such prices as may be directed by the Governor, upon
11 recommendation by the Director of the Governor's Office of
12 Management and Budget. Income Tax Proceed Bonds shall be in
13 such form, either coupon, registered, or book entry, in such
14 denominations, shall bear interest payable at such times and at
15 such fixed or variable rate or rates, and be dated as shall be
16 fixed and determined by the Director of the Governor's Office
17 of Management and Budget in the order authorizing the issuance
18 and sale of any series of Income Tax Proceed Bonds, which order
19 shall be approved by the Governor and is herein called a "Bond
20 Sale Order"; provided, however, that interest payable at fixed
21 or variable rates shall not exceed that permitted in the Bond
22 Authorization Act. Income Tax Proceed Bonds shall be payable at
23 such place or places, within or without the State of Illinois,
24 and may be made registrable as to either principal or as to
25 both principal and interest, as shall be specified in the Bond
26 Sale Order. Income Tax Proceed Bonds may be callable or subject

1 to purchase and retirement or tender and remarketing as fixed
2 and determined in the Bond Sale Order.

3 (i) Notwithstanding any other provision of this Section,
4 for purposes of maximizing market efficiencies and cost
5 savings, State Serial Long Term Pension Obligation Bonds may be
6 issued and sold from time to time, in one or more series, in
7 such amounts and at such prices as may be directed by the
8 Governor, upon recommendation by the Director of the Governor's
9 Office of Management and Budget. State Serial Long Term Pension
10 Obligation Bonds shall be in such form, either coupon,
11 registered, or book entry, in such denominations, shall bear
12 interest payable at such times and at such fixed or variable
13 rate or rates, and be dated as shall be fixed and determined by
14 the Director of the Governor's Office of Management and Budget
15 in the order authorizing the issuance and sale of any series of
16 State Serial Long Term Pension Obligation Bonds, which order
17 shall be approved by the Governor and is herein called a "Bond
18 Sale Order"; provided, however, that interest payable at fixed
19 or variable rates shall not exceed that permitted in the Bond
20 Authorization Act. State Serial Long Term Pension Obligation
21 Bonds shall be payable at such place or places, within or
22 without the State of Illinois, and may be made registrable as
23 to either principal or as to both principal and interest, as
24 shall be specified in the Bond Sale Order. State Serial Long
25 Term Pension Obligation Bonds may be callable or subject to
26 purchase and retirement or tender and remarketing as fixed and

1 determined in the Bond Sale Order. The term of such State
2 Serial Long Term Pension Obligation Bonds shall not exceed 30
3 years.

4 (Source: P.A. 99-523, eff. 6-30-16; 100-23, Article 25, Section
5 25-5, eff. 7-6-17; 100-23, Article 75, Section 75-10, eff.
6 7-6-17; revised 8-8-17.)

7 (30 ILCS 330/11) (from Ch. 127, par. 661)

8 Sec. 11. Sale of Bonds. Except as otherwise provided in
9 this Section, Bonds shall be sold from time to time pursuant to
10 notice of sale and public bid or by negotiated sale in such
11 amounts and at such times as is directed by the Governor, upon
12 recommendation by the Director of the Governor's Office of
13 Management and Budget. At least 25%, based on total principal
14 amount, of all Bonds issued each fiscal year shall be sold
15 pursuant to notice of sale and public bid. At all times during
16 each fiscal year, no more than 75%, based on total principal
17 amount, of the Bonds issued each fiscal year, shall have been
18 sold by negotiated sale. Failure to satisfy the requirements in
19 the preceding 2 sentences shall not affect the validity of any
20 previously issued Bonds; provided that all Bonds authorized by
21 Public Act 96-43 and Public Act 96-1497 shall not be included
22 in determining compliance for any fiscal year with the
23 requirements of the preceding 2 sentences; and further provided
24 that refunding Bonds satisfying the requirements of Section 16
25 of this Act and sold during fiscal year 2009, 2010, 2011, 2017,

1 or 2018 shall not be subject to the requirements in the
2 preceding 2 sentences.

3 If any Bonds, including refunding Bonds, are to be sold by
4 negotiated sale, the Director of the Governor's Office of
5 Management and Budget shall comply with the competitive request
6 for proposal process set forth in the Illinois Procurement Code
7 and all other applicable requirements of that Code.

8 If Bonds are to be sold pursuant to notice of sale and
9 public bid, the Director of the Governor's Office of Management
10 and Budget may, from time to time, as Bonds are to be sold,
11 advertise the sale of the Bonds in at least 2 daily newspapers,
12 one of which is published in the City of Springfield and one in
13 the City of Chicago. The sale of the Bonds shall also be
14 advertised in the volume of the Illinois Procurement Bulletin
15 that is published by the Department of Central Management
16 Services, and shall be published once at least 10 days prior to
17 the date fixed for the opening of the bids. The Director of the
18 Governor's Office of Management and Budget may reschedule the
19 date of sale upon the giving of such additional notice as the
20 Director deems adequate to inform prospective bidders of such
21 change; provided, however, that all other conditions of the
22 sale shall continue as originally advertised.

23 Executed Bonds shall, upon payment therefor, be delivered
24 to the purchaser, and the proceeds of Bonds shall be paid into
25 the State Treasury as directed by Section 12 of this Act.

26 All Income Tax Proceed Bonds shall comply with this

1 Section. Notwithstanding anything to the contrary, however,
2 for purposes of complying with this Section, Income Tax Proceed
3 Bonds, regardless of the number of series or issuances sold
4 thereunder, shall be considered a single issue or series.
5 Furthermore, for purposes of complying with the competitive
6 bidding requirements of this Section, the words "at all times"
7 shall not apply to any such sale of the Income Tax Proceed
8 Bonds. The Director of the Governor's Office of Management and
9 Budget shall determine the time and manner of any competitive
10 sale of the Income Tax Proceed Bonds; however, that sale shall
11 under no circumstances take place later than 60 days after the
12 State closes the sale of 75% of the Income Tax Proceed Bonds by
13 negotiated sale.

14 All State Serial Long Term Pension Obligation Bonds shall
15 comply with this Section. Notwithstanding anything to the
16 contrary, however, for purposes of complying with this Section,
17 State Serial Long Term Pension Obligation Bonds, regardless of
18 the number of series or issuances sold thereunder, shall be
19 considered a single issue or series. Furthermore, for purposes
20 of complying with the competitive bidding requirements of this
21 Section, the words "at all times" shall not apply to any such
22 sale of the State Serial Long Term Pension Obligation Bonds.
23 The Director of the Governor's Office of Management and Budget
24 shall determine the time and manner of any competitive sale of
25 the State Serial Long Term Pension Obligation Bonds; however,
26 that sale shall under no circumstances take place later than 60

1 days after the State closes the sale of 75% of the State Serial
2 Long Term Pension Obligation Bonds by negotiated sale.

3 (Source: P.A. 99-523, eff. 6-30-16; 100-23, Article 25, Section
4 25-5, eff. 7-6-17; 100-23, Article 75, Section 75-10, eff.
5 7-6-17; revised 8-15-17.)

6 (30 ILCS 330/12) (from Ch. 127, par. 662)

7 Sec. 12. Allocation of proceeds from sale of Bonds.

8 (a) Proceeds from the sale of Bonds, authorized by Section
9 3 of this Act, shall be deposited in the separate fund known as
10 the Capital Development Fund.

11 (b) Proceeds from the sale of Bonds, authorized by
12 paragraph (a) of Section 4 of this Act, shall be deposited in
13 the separate fund known as the Transportation Bond, Series A
14 Fund.

15 (c) Proceeds from the sale of Bonds, authorized by
16 paragraphs (b) and (c) of Section 4 of this Act, shall be
17 deposited in the separate fund known as the Transportation
18 Bond, Series B Fund.

19 (c-1) Proceeds from the sale of Bonds, authorized by
20 paragraph (d) of Section 4 of this Act, shall be deposited into
21 the Transportation Bond Series D Fund, which is hereby created.

22 (d) Proceeds from the sale of Bonds, authorized by Section
23 5 of this Act, shall be deposited in the separate fund known as
24 the School Construction Fund.

25 (e) Proceeds from the sale of Bonds, authorized by Section

1 6 of this Act, shall be deposited in the separate fund known as
2 the Anti-Pollution Fund.

3 (f) Proceeds from the sale of Bonds, authorized by Section
4 7 of this Act, shall be deposited in the separate fund known as
5 the Coal Development Fund.

6 (f-2) Proceeds from the sale of Bonds, authorized by
7 Section 7.2 of this Act, shall be deposited as set forth in
8 Section 7.2.

9 (f-5) Proceeds from the sale of Bonds, authorized by
10 Section 7.5 of this Act, shall be deposited as set forth in
11 Section 7.5.

12 (f-7) Proceeds from the sale of Bonds, authorized by
13 Section 7.6 of this Act, shall be deposited as set forth in
14 Section 7.6.

15 (f-8) Proceeds from the sale of Bonds, authorized by
16 Section 7.7 of this Act, shall be deposited as set forth in
17 Section 7.7.

18 (g) Proceeds from the sale of Bonds, authorized by Section
19 8 of this Act, shall be deposited in the Capital Development
20 Fund.

21 (h) Subsequent to the issuance of any Bonds for the
22 purposes described in Sections 2 through 8 of this Act, the
23 Governor and the Director of the Governor's Office of
24 Management and Budget may provide for the reallocation of
25 unspent proceeds of such Bonds to any other purposes authorized
26 under said Sections of this Act, subject to the limitations on

1 aggregate principal amounts contained therein. Upon any such
2 reallocation, such unspent proceeds shall be transferred to the
3 appropriate funds as determined by reference to paragraphs (a)
4 through (g) of this Section.

5 (Source: P.A. 100-23, eff. 7-6-17.)

6 (30 ILCS 330/13) (from Ch. 127, par. 663)

7 Sec. 13. Appropriation of proceeds from sale of Bonds.

8 (a) At all times, the proceeds from the sale of Bonds
9 issued pursuant to this Act are subject to appropriation by the
10 General Assembly and, except as provided in Sections 7.2, ~~and~~
11 7.6, and 7.7, may be obligated or expended only with the
12 written approval of the Governor, in such amounts, at such
13 times, and for such purposes as the respective State agencies,
14 as defined in Section 1-7 of the Illinois State Auditing Act,
15 as amended, deem necessary or desirable for the specific
16 purposes contemplated in Sections 2 through 8 of this Act.
17 Notwithstanding any other provision of this Act, proceeds from
18 the sale of Bonds issued pursuant to this Act appropriated by
19 the General Assembly to the Architect of the Capitol may be
20 obligated or expended by the Architect of the Capitol without
21 the written approval of the Governor.

22 (b) Proceeds from the sale of Bonds for the purpose of
23 development of coal and alternative forms of energy shall be
24 expended in such amounts and at such times as the Department of
25 Commerce and Economic Opportunity, with the advice and

1 recommendation of the Illinois Coal Development Board for coal
2 development projects, may deem necessary and desirable for the
3 specific purpose contemplated by Section 7 of this Act. In
4 considering the approval of projects to be funded, the
5 Department of Commerce and Economic Opportunity shall give
6 special consideration to projects designed to remove sulfur and
7 other pollutants in the preparation and utilization of coal,
8 and in the use and operation of electric utility generating
9 plants and industrial facilities which utilize Illinois coal as
10 their primary source of fuel.

11 (c) Except as directed in subsection (c-1) or (c-2), any
12 monies received by any officer or employee of the state
13 representing a reimbursement of expenditures previously paid
14 from general obligation bond proceeds shall be deposited into
15 the General Obligation Bond Retirement and Interest Fund
16 authorized in Section 14 of this Act.

17 (c-1) Any money received by the Department of
18 Transportation as reimbursement for expenditures for high
19 speed rail purposes pursuant to appropriations from the
20 Transportation Bond, Series B Fund for (i) CREATE (Chicago
21 Region Environmental and Transportation Efficiency), (ii) High
22 Speed Rail, or (iii) AMTRAK projects authorized by the federal
23 government under the provisions of the American Recovery and
24 Reinvestment Act of 2009 or the Safe Accountable Flexible
25 Efficient Transportation Equity Act-A Legacy for Users
26 (SAFETEA-LU), or any successor federal transportation

1 authorization Act, shall be deposited into the Federal High
2 Speed Rail Trust Fund.

3 (c-2) Any money received by the Department of
4 Transportation as reimbursement for expenditures for transit
5 capital purposes pursuant to appropriations from the
6 Transportation Bond, Series B Fund for projects authorized by
7 the federal government under the provisions of the American
8 Recovery and Reinvestment Act of 2009 or the Safe Accountable
9 Flexible Efficient Transportation Equity Act-A Legacy for
10 Users (SAFETEA-LU), or any successor federal transportation
11 authorization Act, shall be deposited into the Federal Mass
12 Transit Trust Fund.

13 (Source: P.A. 100-23, eff. 7-6-17.)

14 Section 10. The State Pension Funds Continuing
15 Appropriation Act is amended by adding Section 1.10 as follows:

16 (40 ILCS 15/1.10 new)

17 Sec. 1.10. Appropriations for State Serial Long Term
18 Pension Obligation Bonds. If for any reason the aggregate
19 appropriations made available are insufficient to meet the
20 levels required for the payment of principal and interest due
21 on State Serial Long Term Pension Obligation Bonds under
22 Section 7.7 of the General Obligation Bond Act, this Section
23 shall constitute a continuing appropriation of all amounts
24 necessary for those purposes.

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