



Rep. Barbara Flynn Currie

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1 AMENDMENT TO SENATE BILL 41

2 AMENDMENT NO. _____. Amend Senate Bill 41 by replacing
3 everything after the enacting clause with the following:

4 "Section 5. The Illinois Procurement Code is amended by
5 changing Sections 20-60, 25-45, and 40-25 as follows:

6 (30 ILCS 500/20-60)

7 Sec. 20-60. Duration of contracts.

8 (a) Maximum duration. A contract, ~~other than a contract~~
9 ~~entered into pursuant to the State University Certificates of~~
10 ~~Participation Act,~~ may be entered into for any period of time
11 deemed to be in the best interests of the State but not
12 exceeding 10 years inclusive, beginning January 1, 2010, of
13 proposed contract renewals. The length of a lease for real
14 property or capital improvements shall be in accordance with
15 the provisions of Section 40-25. The length of energy
16 conservation program contracts or energy savings contracts or

1 leases shall be in accordance with the provisions of Section
2 25-45. A contract for bond or mortgage insurance awarded by the
3 Illinois Housing Development Authority, however, may be
4 entered into for any period of time less than or equal to the
5 maximum period of time that the subject bond or mortgage may
6 remain outstanding.

7 (b) Subject to appropriation. All contracts made or entered
8 into shall recite that they are subject to termination and
9 cancellation in any year for which the General Assembly fails
10 to make an appropriation to make payments under the terms of
11 the contract.

12 (c) The chief procurement officer shall file a proposed
13 extension or renewal of a contract with the Procurement Policy
14 Board prior to entering into any extension or renewal if the
15 cost associated with the extension or renewal exceeds \$249,999.
16 The Procurement Policy Board may object to the proposed
17 extension or renewal within 30 calendar days and require a
18 hearing before the Board prior to entering into the extension
19 or renewal. If the Procurement Policy Board does not object
20 within 30 calendar days or takes affirmative action to
21 recommend the extension or renewal, the chief procurement
22 officer may enter into the extension or renewal of a contract.
23 This subsection does not apply to any emergency procurement,
24 any procurement under Article 40, or any procurement exempted
25 by Section 1-10(b) of this Code. If any State agency contract
26 is paid for in whole or in part with federal-aid funds, grants,

1 or loans and the provisions of this subsection would result in
2 the loss of those federal-aid funds, grants, or loans, then the
3 contract is exempt from the provisions of this subsection in
4 order to remain eligible for those federal-aid funds, grants,
5 or loans, and the State agency shall file notice of this
6 exemption with the Procurement Policy Board prior to entering
7 into the proposed extension or renewal. Nothing in this
8 subsection permits a chief procurement officer to enter into an
9 extension or renewal in violation of subsection (a). By August
10 1 each year, the Procurement Policy Board shall file a report
11 with the General Assembly identifying for the previous fiscal
12 year (i) the proposed extensions or renewals that were filed
13 with the Board and whether the Board objected and (ii) the
14 contracts exempt from this subsection.

15 (Source: P.A. 95-344, eff. 8-21-07; 96-15, eff. 6-22-09;
16 96-795, eff. 7-1-10 (see Section 5 of P.A. 96-793 for the
17 effective date of changes made by P.A. 96-795); 96-920, eff.
18 7-1-10; 96-1478, eff. 8-23-10.)

19 (30 ILCS 500/25-45)

20 Sec. 25-45. Energy conservation program contracts; energy
21 savings contracts or leases.

22 (a) For the purposes of this Section, an "energy savings
23 contract or lease" means a contract or lease for an
24 improvement, repair, alteration, betterment, equipment,
25 fixture, or furnishing that is designed to reduce energy

1 consumption or operating costs, and that includes an agreement
2 that payments, except obligations on termination of the
3 contract or lease before its expiration, shall be made over
4 time and that savings are guaranteed to the extent practicable
5 to pay for the cost of the improvement, repair, alteration,
6 betterment, equipment, fixture, or furnishing.

7 (b) State purchasing officers may enter into energy
8 conservation program contracts or energy savings contracts or
9 leases that provide for utility cost savings. Notwithstanding
10 any other law to the contrary, energy savings contracts or
11 leases may include an alternative financing or lease to
12 purchase option.

13 (c) Energy conservation program contracts or energy
14 savings contracts and leases may entered into for a period of
15 time deemed to be in the best interest of the State but not
16 exceeding 15 years inclusive of proposed contract or lease
17 renewals.

18 (d) The chief procurement officer shall promulgate and
19 adopt rules for the implementation of this Section.

20 (Source: P.A. 90-572, eff. date - See Sec. 99-5.)

21 (30 ILCS 500/40-25)

22 Sec. 40-25. Length of leases.

23 (a) Maximum term. Leases shall be for a term not to exceed
24 10 years inclusive, beginning January, 1, 2010, of proposed
25 contract renewals and shall include a termination option in

1 favor of the State after 5 years. The length of energy
2 conservation program contracts or energy savings contracts or
3 leases shall be in accordance with the provisions of Section
4 25-45.

5 (b) Renewal. Leases may include a renewal option. An option
6 to renew may be exercised only when a State purchasing officer
7 determines in writing that renewal is in the best interest of
8 the State and notice of the exercise of the option is published
9 in the appropriate volume of the Procurement Bulletin at least
10 60 calendar days prior to the exercise of the option.

11 (c) Subject to appropriation. All leases shall recite that
12 they are subject to termination and cancellation in any year
13 for which the General Assembly fails to make an appropriation
14 to make payments under the terms of the lease.

15 (d) Holdover. Beginning January 1, 2010, no lease may
16 continue on a month-to-month or other holdover basis for a
17 total of more than 6 months. Beginning July 1, 2010, the
18 Comptroller shall withhold payment of leases beyond this
19 holdover period.

20 (Source: P.A. 98-1076, eff. 1-1-15.)

21 Section 10. The Illinois Municipal Code is amended by
22 adding Division 13 to Article 8 as follows:

23 (65 ILCS 5/Art. 8 Div. 13 heading new)

24 DIVISION 13. ASSIGNMENT OF RECEIPTS

1 (65 ILCS 5/8-13-5 new)

2 Sec. 8-13-5. Definitions. As used in this Article:

3 "Assignment agreement" means an agreement between a
4 transferring unit and an issuing entity for the conveyance of
5 all or part of any revenues or taxes received by the
6 transferring unit from a State entity.

7 "Conveyance" means an assignment, sale, transfer, or other
8 conveyance.

9 "Deposit account" means a designated escrow account
10 established by an issuing entity at a trust company or bank
11 having trust powers for the deposit of transferred receipts
12 under an assignment agreement.

13 "Issuing entity" means (i) a corporation, trust or other
14 entity that has been established for the limited purpose of
15 issuing obligations for the benefit of a transferring unit, or
16 (ii) a bank or trust company in its capacity as trustee for
17 obligations issued by such bank or trust company for the
18 benefit of a transferring unit.

19 "State entity" means the State Comptroller, the State
20 Treasurer, or the Illinois Department of Revenue.

21 "Transferred receipts" means all or part of any revenues or
22 taxes received from a State entity that have been conveyed by a
23 transferring unit under an assignment agreement.

24 "Transferring unit" means a home rule municipality located
25 in the State.

1 (65 ILCS 5/8-13-10 new)

2 Sec. 8-13-10. Assignment of receipts.

3 (a) Any transferring unit which receives revenues or taxes
4 from a State entity may (to the extent not prohibited by any
5 applicable statute, regulation, rule, or agreement governing
6 the use of such revenues or taxes) authorize, by ordinance, the
7 conveyance of all or any portion of such revenues or taxes to
8 an issuing entity. Any conveyance of transferred receipts
9 shall: (i) be made pursuant to an assignment agreement in
10 exchange for the net proceeds of obligations issued by the
11 issuing entity for the benefit of the transferring unit and
12 shall, for all purposes, constitute an absolute conveyance of
13 all right, title, and interest therein; (ii) not be deemed a
14 pledge or other security interest for any borrowing by the
15 transferring unit; (iii) be valid, binding, and enforceable in
16 accordance with the terms thereof and of any related
17 instrument, agreement, or other arrangement, including any
18 pledge, grant of security interest, or other encumbrance made
19 by the issuing entity to secure any obligations issued by the
20 issuing entity for the benefit of the transferring unit; and
21 (iv) not be subject to disavowal, disaffirmance, cancellation,
22 or avoidance by reason of insolvency of any party, lack of
23 consideration, or any other fact, occurrence, or State law or
24 rule. On and after the effective date of the conveyance of the
25 transferred receipts, the transferring unit shall have no

1 right, title or interest in or to the transferred receipts
2 conveyed and the transferred receipts so conveyed shall be the
3 property of the issuing entity to the extent necessary to pay
4 the obligations issued by the issuing entity for the benefit of
5 the transferring unit, and shall be received, held, and
6 disbursed by the issuing entity in a trust fund outside the
7 treasury of the transferring unit. An assignment agreement may
8 provide for the periodic reconveyance to the transferring unit
9 of amounts of transferred receipts remaining after the payment
10 of the obligations issued by the issuing entity for the benefit
11 of the transferring unit.

12 (b) In connection with any conveyance of transferred
13 receipts, the transferring unit is authorized to direct the
14 applicable State entity to deposit or cause to be deposited any
15 amount of such transferred receipts into a deposit account in
16 order to secure the obligations issued by the issuing entity
17 for the benefit of the transferring unit. Where the
18 transferring unit states that such direction is irrevocable,
19 the direction shall be treated by the applicable State entity
20 as irrevocable with respect to the transferred receipts
21 described in such direction. Each State entity shall comply
22 with the terms of any such direction received from a
23 transferring unit and shall execute and deliver such
24 acknowledgments and agreements, including escrow and similar
25 agreements, as the transferring unit may require to effectuate
26 the deposit of transferred receipts in accordance with the

1 direction of the transferring unit.

2 (c) Not later than the date of issuance by an issuing
3 entity of any obligations secured by collections of transferred
4 receipts, a certified copy of the ordinance authorizing the
5 conveyance of the right to receive the transferred receipts,
6 together with executed copies of the applicable assignment
7 agreement and the agreement providing for the establishment of
8 the deposit account, shall be filed with the State entity
9 having custody of the transferred receipts.

10 (65 ILCS 5/8-13-11 new)

11 Sec. 8-13-11. Liens for obligations.

12 (a) As used in this Section, "statutory lien" has the
13 meaning given to that term under 11 U.S.C. 101(53) of the
14 federal Bankruptcy Code.

15 (b) Obligations issued by an issuing entity shall be
16 secured by a statutory lien on the transferred receipts
17 received, or entitled to be received, by the issuing entity
18 that are designated as pledged for such obligations. The
19 statutory lien shall automatically attach from the time the
20 obligations are issued without further action or authorization
21 by the issuing entity or any other entity, person, governmental
22 authority, or officer. The statutory lien shall be valid and
23 binding from the time the obligations are executed and
24 delivered without any physical delivery thereof or further act
25 required, and shall be a first priority lien unless the

1 obligations, or documents authorizing the obligations or
2 providing a source of payment or security for those
3 obligations, shall otherwise provide.

4 The transferred receipts received or entitled to be
5 received shall be immediately subject to the statutory lien
6 from the time the obligations are issued, and the statutory
7 lien shall automatically attach to the transferred receipts
8 (whether received or entitled to be received by the issuing
9 entity) and be effective, binding, and enforceable against the
10 issuing entity, the transferring unit, the State entity, the
11 State of Illinois, and their agents, successors, and
12 transferees, and creditors, and all others asserting rights
13 therein or having claims of any kind in tort, contract, or
14 otherwise, irrespective of whether those parties have notice of
15 the lien and without the need for any physical delivery,
16 recordation, filing, or further act.

17 The statutory lien imposed by this Section is automatically
18 released and discharged with respect to amounts of transferred
19 receipts reconveyed to the transferring unit pursuant to
20 Section 8-13-10 of this Code, effective upon such reconveyance.

21 (c) The statutory lien provided in this Section is separate
22 from and shall not affect any special revenues lien or other
23 protection afforded to special revenue obligations under the
24 federal Bankruptcy Code.

1 Sec. 8-13-15. Pledges and agreements of the State. The
2 State of Illinois pledges to and agrees with each transferring
3 unit and issuing entity that the State will not limit or alter
4 the rights and powers vested in the State entities by this
5 Article with respect to the disposition of transferred receipts
6 so as to impair the terms of any contract, including any
7 assignment agreement, made by the transferring unit with the
8 issuing entity or any contract executed by the issuing entity
9 in connection with the issuance of obligations by the issuing
10 entity for the benefit of the transferring unit until all
11 requirements with respect to the deposit by such State entity
12 of transferred receipts for the benefit of such issuing entity
13 have been fully met and discharged. In addition, the State
14 pledges to and agrees with each transferring unit and each
15 issuing entity that the State will not limit or alter the basis
16 on which the transferring unit's share or percentage of
17 transferred receipts is derived, or the use of such funds, so
18 as to impair the terms of any such contract. Each transferring
19 unit and issuing entity is authorized to include these pledges
20 and agreements of the State in any contract executed and
21 delivered as described in this Article. In no way shall the
22 pledge and agreements of the State be interpreted to construe
23 the State as a guarantor of any debt or obligation subject to
24 an assignment agreement under this Division.

1 Sec. 8-13-20. Home rule. A home rule unit may not enter
2 into assignment agreements in a manner inconsistent with the
3 provisions of this Article. This Section is a limitation under
4 subsection (i) of Section 6 of Article VII of the Illinois
5 Constitution on the concurrent exercise by home rule units of
6 powers and functions exercised by the State.

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