



101ST GENERAL ASSEMBLY

State of Illinois

2019 and 2020

HB2823

by Rep. Michael J. Zalewski

SYNOPSIS AS INTRODUCED:

70 ILCS 3605/12a
70 ILCS 3615/4.04

from Ch. 111 2/3, par. 312a
from Ch. 111 2/3, par. 704.04

Amends the Metropolitan Transit Authority Act and Regional Transportation Authority Act. Establishes procedures for repayment of defaulted interim financing notes issued by the Chicago Transit Authority and defaulted working cash notes issued by the Regional Transportation Authority, in which State money in the State treasury was invested. Provides that the Regional Transportation Authority may issue, sell, and deliver additional working cash notes and establish lines of credit (rather than only working cash notes) before July 1, 2022 (rather than July 1, 2018) that are over and above and in addition to the \$100,000,000 bond or note authorization. Establishes procedures for establishment of lines of credit. Requires notice to the Governor's Office of Management and Budget and State Comptroller before establishing a line of credit and provides that money borrowed under a line of credit are general obligations of the Authority that are secured by the full faith and credit of the Authority. Effective immediately.

LRB101 10036 AWJ 55138 b

FISCAL NOTE ACT
MAY APPLY

A BILL FOR

1 AN ACT concerning local government.

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

4 Section 5. The Metropolitan Transit Authority Act is
5 amended by changing Section 12a as follows:

6 (70 ILCS 3605/12a) (from Ch. 111 2/3, par. 312a)

7 Sec. 12a. (a) In addition to other powers provided in
8 Section 12b, the Authority may issue its notes from time to
9 time, in anticipation of tax receipts of the Regional
10 Transportation Authority allocated to the Authority or of other
11 revenues or receipts of the Authority, in order to provide
12 money for the Authority to cover any cash flow deficit which
13 the Authority anticipates incurring. Provided, however, that
14 no such notes may be issued unless the annual cost thereof is
15 incorporated in a budget or revised budget of the Authority
16 which has been approved by the Regional Transportation
17 Authority. Any such notes are referred to as "Working Cash
18 Notes". Provided further that, the board shall not issue and
19 have outstanding or demand and direct that the Board of the
20 Regional Transportation Authority issue and have outstanding
21 more than an aggregate of \$40,000,000 in Working Cash Notes. No
22 Working Cash Notes shall be issued for a term of longer than 18
23 months. Proceeds of Working Cash Notes may be used to pay day

1 to day operating expenses of the Authority, consisting of
2 wages, salaries and fringe benefits, professional and
3 technical services (including legal, audit, engineering and
4 other consulting services), office rental, furniture, fixtures
5 and equipment, insurance premiums, claims for self-insured
6 amounts under insurance policies, public utility obligations
7 for telephone, light, heat and similar items, travel expenses,
8 office supplies, postage, dues, subscriptions, public hearings
9 and information expenses, fuel purchases, and payments of
10 grants and payments under purchase of service agreements for
11 operations of transportation agencies, prior to the receipt by
12 the Authority from time to time of funds for paying such
13 expenses. Proceeds of the Working Cash Notes shall not be used
14 (i) to increase or provide a debt service reserve fund for any
15 bonds or notes other than Working Cash Notes of the same
16 Series, or (ii) to pay principal of or interest or redemption
17 premium on any capital bonds or notes, whether as such amounts
18 become due or by earlier redemption, issued by the Authority or
19 a transportation agency to construct or acquire public
20 transportation facilities, or to provide funds to purchase such
21 capital bonds or notes.

22 (b) The ordinance providing for the issuance of any such
23 notes shall fix the date or dates of maturity, the dates on
24 which interest is payable, any sinking fund account or reserve
25 fund account provisions and all other details of such notes and
26 may provide for such covenants or agreements necessary or

1 desirable with regard to the issue, sale and security of such
2 notes. The Authority shall determine and fix the rate or rates
3 of interest of its notes issued under this Act in an ordinance
4 adopted by the Board prior to the issuance thereof, none of
5 which rates of interest shall exceed that permitted in the Bond
6 Authorization Act. Interest may be payable annually or
7 semi-annually, or at such other times as determined by the
8 Board. Notes issued under this Section may be issued as serial
9 or term obligations, shall be of such denomination or
10 denominations and form, including interest coupons to be
11 attached thereto, be executed in such manner, shall be payable
12 at such place or places and bear such date as the Board shall
13 fix by the ordinance authorizing such note and shall mature at
14 such time or times, within a period not to exceed 18 months
15 from the date of issue, and may be redeemable prior to maturity
16 with or without premium, at the option of the Board, upon such
17 terms and conditions as the Board shall fix by the ordinance
18 authorizing the issuance of such notes. The Board may provide
19 for the registration of notes in the name of the owner as to
20 the principal alone or as to both principal and interest, upon
21 such terms and conditions as the Board may determine. The
22 ordinance authorizing notes may provide for the exchange of
23 such notes which are fully registered, as to both principal and
24 interest, with notes which are registerable as to principal
25 only. All notes issued under this Section by the Board shall be
26 sold at a price which may be at a premium or discount but such

1 that the interest cost (excluding any redemption premium) to
2 the Board of the proceeds of an issue of such notes, computed
3 to stated maturity according to standard tables of bond values,
4 shall not exceed that permitted in the Bond Authorization Act.
5 Such notes shall be sold at such time or times as the Board
6 shall determine. The notes may be sold either upon competitive
7 bidding or by negotiated sale (without any requirement of
8 publication of intention to negotiate the sale of such notes),
9 as the Board shall determine by ordinance adopted with the
10 affirmative votes of at least 4 Directors. In case any officer
11 whose signature appears on any notes or coupons authorized
12 pursuant to this Section shall cease to be such officer before
13 delivery of such notes, such signature shall nevertheless be
14 valid and sufficient for all purposes, the same as if such
15 officer had remained in office until such delivery. Neither the
16 Directors of the Regional Transportation Authority, the
17 Directors of the Authority nor any person executing any bonds
18 or notes thereof shall be liable personally on any such bonds
19 or notes or coupons by reason of the issuance thereof.

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

1 of and lien on or security interest in any or all tax receipts
2 of the Regional Transportation Authority allocated to the
3 Authority and on any or all other revenues or moneys of the
4 Authority from whatever source which may by law be utilized for
5 debt service purposes and a specific pledge or assignment of
6 and lien on or security interest in any funds or accounts
7 established or provided for by the ordinance of the Board
8 authorizing the issuance of such notes. Any such pledge,
9 assignment, lien or security interest for the benefit of
10 holders of notes of the Authority shall be valid and binding
11 from the time the notes are issued without any physical
12 delivery or further act, and shall be valid and binding as
13 against and prior to the claims of all other parties having
14 claims of any kind against the Authority or any other person
15 irrespective of whether such other parties have notice of such
16 pledge, assignment, lien or security interest. The obligations
17 of the Authority incurred pursuant to this Section shall be
18 superior to and have priority over any other obligations of the
19 Authority except for obligations under Section 12. The Board
20 may provide in the ordinance authorizing the issuance of any
21 notes issued pursuant to this Section for the creation of,
22 deposits in, and regulation and disposition of sinking fund or
23 reserve accounts relating to such notes. The ordinance
24 authorizing the issuance of any notes pursuant to this Section
25 may contain provisions as part of the contract with the holders
26 of the notes, for the creation of a separate fund to provide

1 for the payment of principal and interest on such notes and for
2 the deposit in such fund from any or all the tax receipts of
3 the Regional Transportation Authority allocated to the
4 Authority and from any or all such other moneys or revenues of
5 the Authority from whatever source which may by law be utilized
6 for debt service purposes, all as provided in such ordinance,
7 of amounts to meet the debt service requirements on such notes,
8 including principal and interest, and any sinking fund or
9 reserve fund account requirements as may be provided by such
10 ordinance, and all expenses incident to or in connection with
11 such fund and accounts or the payment of such notes. Such
12 ordinance may also provide limitations on the issuance of
13 additional notes of the Authority. No such notes of the
14 Authority shall constitute a debt of the State of Illinois.

15 (d) The ordinance of the Board authorizing the issuance of
16 any notes may provide additional security for such notes by
17 providing for appointment of a corporate trustee (which may be
18 any trust company or bank having the powers of a trust company
19 within the State) with respect to such notes. The ordinance
20 shall prescribe the rights, duties and powers of the trustee to
21 be exercised for the benefit of the Authority and the
22 protection of the holders of such notes. The ordinance may
23 provide for the trustee to hold in trust, invest and use
24 amounts in funds and accounts created as provided by the
25 ordinance with respect to the notes. The ordinance shall
26 provide that amounts so paid to the trustee which are not

1 required to be deposited, held or invested in funds and
2 accounts created by the ordinance with respect to notes or used
3 for paying notes to be paid by the trustee to the Authority.

4 (e) Any notes of the Authority issued pursuant to this
5 Section shall constitute a contract between the Authority and
6 the holders from time to time of such notes. In issuing any
7 note, the Board may include in the ordinance authorizing such
8 issue a covenant as part of the contract with the holders of
9 the notes, that as long as such obligations are outstanding, it
10 shall make such deposits, as provided in paragraph (c) of this
11 Section. A certified copy of the ordinance authorizing the
12 issuance of any such obligations shall be filed at or prior to
13 the issuance of such obligations with the Regional
14 Transportation Authority, Comptroller of the State of Illinois
15 and the Illinois Department of Revenue.

16 (f) The State of Illinois pledges to and agrees with the
17 holders of the notes of the Authority issued pursuant to this
18 Section that the State will not limit or alter the rights and
19 powers vested in the Authority by this Act or in the Regional
20 Transportation Authority by the Regional Transportation
21 Authority Act so as to impair the terms of any contract made by
22 the Authority with such holders or in any way impair the rights
23 and remedies of such holders until such notes, together with
24 interest thereon, with interest on any unpaid installments of
25 interest, and all costs and expenses in connection with any
26 action or proceedings by or on behalf of such holders, are

1 fully met and discharged. In addition, the State pledges to and
2 agrees with the holders of the notes of the Authority issued
3 pursuant to this Section that the State will not limit or alter
4 the basis on which State funds are to be paid to the Authority
5 as provided in the Regional Transportation Authority Act, or
6 the use of such funds, so as to impair the terms of any such
7 contract. The Board is authorized to include these pledges and
8 agreements of the State in any contract with the holders of
9 bonds or notes issued pursuant to this Section.

10 (g) The Board shall not at any time issue, sell or deliver
11 any Interim Financing Notes pursuant to this Section which will
12 cause it to have issued and outstanding at any time in excess
13 of \$40,000,000 of Working Cash Notes. Notes which are being
14 paid or retired by such issuance, sale or delivery of notes,
15 and notes for which sufficient funds have been deposited with
16 the paying agency of such notes to provide for payment of
17 principal and interest thereon or to provide for the redemption
18 thereof, all pursuant to the ordinance authorizing the issuance
19 of such notes, shall not be considered to be outstanding for
20 the purposes of this paragraph.

21 (h) The Board, subject to the terms of any agreements with
22 noteholders as may then exist, shall have power, out of any
23 funds available therefor, to purchase notes of the Authority
24 which shall thereupon be cancelled.

25 (i) In addition to any other authority granted by law, the
26 State Treasurer may, with the approval of the Governor, invest

1 or reinvest, at a price not to exceed par, any State money in
2 the State Treasury which is not needed for current expenditures
3 due or about to become due in Interim Financing Notes. In the
4 event of a default on an interim financing note issued by the
5 Chicago Transit Authority in which State money in the State
6 treasury was invested, the Treasurer may, after giving notice
7 to the Authority, certify to the Comptroller the amounts of the
8 defaulted interim financing note, in accordance with any
9 applicable rules of the Comptroller, and the Comptroller must
10 deduct and remit to the State treasury the certified amounts or
11 a portion of those amounts from the following proportions of
12 payments of State funds to the Authority:

13 (1) in the first year after default, one-third of the
14 total amount of any payments of State funds to the
15 Authority;

16 (2) in the second year after default, two-thirds of the
17 total amount of any payments of State funds to the
18 Authority; and

19 (3) in the third year after default and for each year
20 thereafter until the total invested amount is repaid, the
21 total amount of any payments of State funds to the
22 Authority.

23 (Source: P.A. 100-201, eff. 8-18-17.)

24 Section 10. The Regional Transportation Authority Act is
25 amended by changing Section 4.04 as follows:

1 (70 ILCS 3615/4.04) (from Ch. 111 2/3, par. 704.04)

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

3 (a) The Authority shall have the continuing power to borrow
4 money and to issue its negotiable bonds or notes as provided in
5 this Section. Unless otherwise indicated in this Section, the
6 term "notes" also includes bond anticipation notes, which are
7 notes which by their terms provide for their payment from the
8 proceeds of bonds thereafter to be issued. Bonds or notes of
9 the Authority may be issued for any or all of the following
10 purposes: to pay costs to the Authority or a Service Board of
11 constructing or acquiring any public transportation facilities
12 (including funds and rights relating thereto, as provided in
13 Section 2.05 of this Act); to repay advances to the Authority
14 or a Service Board made for such purposes; to pay other
15 expenses of the Authority or a Service Board incident to or
16 incurred in connection with such construction or acquisition;
17 to provide funds for any transportation agency to pay principal
18 of or interest or redemption premium on any bonds or notes,
19 whether as such amounts become due or by earlier redemption,
20 issued prior to the date of this amendatory Act by such
21 transportation agency to construct or acquire public
22 transportation facilities or to provide funds to purchase such
23 bonds or notes; and to provide funds for any transportation
24 agency to construct or acquire any public transportation
25 facilities, to repay advances made for such purposes, and to

1 pay other expenses incident to or incurred in connection with
2 such construction or acquisition; and to provide funds for
3 payment of obligations, including the funding of reserves,
4 under any self-insurance plan or joint self-insurance pool or
5 entity.

6 In addition to any other borrowing as may be authorized by
7 this Section, the Authority may issue its notes, from time to
8 time, in anticipation of tax receipts of the Authority or of
9 other revenues or receipts of the Authority, in order to
10 provide money for the Authority or the Service Boards to cover
11 any cash flow deficit which the Authority or a Service Board
12 anticipates incurring. Any such notes are referred to in this
13 Section as "Working Cash Notes". No Working Cash Notes shall be
14 issued for a term of longer than 24 months. Proceeds of Working
15 Cash Notes may be used to pay day to day operating expenses of
16 the Authority or the Service Boards, consisting of wages,
17 salaries and fringe benefits, professional and technical
18 services (including legal, audit, engineering and other
19 consulting services), office rental, furniture, fixtures and
20 equipment, insurance premiums, claims for self-insured amounts
21 under insurance policies, public utility obligations for
22 telephone, light, heat and similar items, travel expenses,
23 office supplies, postage, dues, subscriptions, public hearings
24 and information expenses, fuel purchases, and payments of
25 grants and payments under purchase of service agreements for
26 operations of transportation agencies, prior to the receipt by

1 the Authority or a Service Board from time to time of funds for
2 paying such expenses. In addition to any Working Cash Notes
3 that the Board of the Authority may determine to issue, the
4 Suburban Bus Board, the Commuter Rail Board or the Board of the
5 Chicago Transit Authority may demand and direct that the
6 Authority issue its Working Cash Notes in such amounts and
7 having such maturities as the Service Board may determine.

8 Notwithstanding any other provision of this Act, any
9 amounts necessary to pay principal of and interest on any
10 Working Cash Notes issued at the demand and direction of a
11 Service Board or any Working Cash Notes the proceeds of which
12 were used for the direct benefit of a Service Board or any
13 other Bonds or Notes of the Authority the proceeds of which
14 were used for the direct benefit of a Service Board shall
15 constitute a reduction of the amount of any other funds
16 provided by the Authority to that Service Board. The Authority
17 shall, after deducting any costs of issuance, tender the net
18 proceeds of any Working Cash Notes issued at the demand and
19 direction of a Service Board to such Service Board as soon as
20 may be practicable after the proceeds are received. The
21 Authority may also issue notes or bonds to pay, refund or
22 redeem any of its notes and bonds, including to pay redemption
23 premiums or accrued interest on such bonds or notes being
24 renewed, paid or refunded, and other costs in connection
25 therewith. The Authority may also utilize the proceeds of any
26 such bonds or notes to pay the legal, financial, administrative

1 and other expenses of such authorization, issuance, sale or
2 delivery of bonds or notes or to provide or increase a debt
3 service reserve fund with respect to any or all of its bonds or
4 notes. The Authority may also issue and deliver its bonds or
5 notes in exchange for any public transportation facilities,
6 (including funds and rights relating thereto, as provided in
7 Section 2.05 of this Act) or in exchange for outstanding bonds
8 or notes of the Authority, including any accrued interest or
9 redemption premium thereon, without advertising or submitting
10 such notes or bonds for public bidding.

11 (b) The ordinance providing for the issuance of any such
12 bonds or notes shall fix the date or dates of maturity, the
13 dates on which interest is payable, any sinking fund account or
14 reserve fund account provisions and all other details of such
15 bonds or notes and may provide for such covenants or agreements
16 necessary or desirable with regard to the issue, sale and
17 security of such bonds or notes. The rate or rates of interest
18 on its bonds or notes may be fixed or variable and the
19 Authority shall determine or provide for the determination of
20 the rate or rates of interest of its bonds or notes issued
21 under this Act in an ordinance adopted by the Authority prior
22 to the issuance thereof, none of which rates of interest shall
23 exceed that permitted in the Bond Authorization Act. Interest
24 may be payable at such times as are provided for by the Board.
25 Bonds and notes issued under this Section may be issued as
26 serial or term obligations, shall be of such denomination or

1 denominations and form, including interest coupons to be
2 attached thereto, be executed in such manner, shall be payable
3 at such place or places and bear such date as the Authority
4 shall fix by the ordinance authorizing such bond or note and
5 shall mature at such time or times, within a period not to
6 exceed forty years from the date of issue, and may be
7 redeemable prior to maturity with or without premium, at the
8 option of the Authority, upon such terms and conditions as the
9 Authority shall fix by the ordinance authorizing the issuance
10 of such bonds or notes. No bond anticipation note or any
11 renewal thereof shall mature at any time or times exceeding 5
12 years from the date of the first issuance of such note. The
13 Authority may provide for the registration of bonds or notes in
14 the name of the owner as to the principal alone or as to both
15 principal and interest, upon such terms and conditions as the
16 Authority may determine. The ordinance authorizing bonds or
17 notes may provide for the exchange of such bonds or notes which
18 are fully registered, as to both principal and interest, with
19 bonds or notes which are registerable as to principal only. All
20 bonds or notes issued under this Section by the Authority other
21 than those issued in exchange for property or for bonds or
22 notes of the Authority shall be sold at a price which may be at
23 a premium or discount but such that the interest cost
24 (excluding any redemption premium) to the Authority of the
25 proceeds of an issue of such bonds or notes, computed to stated
26 maturity according to standard tables of bond values, shall not

1 exceed that permitted in the Bond Authorization Act. The
2 Authority shall notify the Governor's Office of Management and
3 Budget and the State Comptroller at least 30 days before any
4 bond sale and shall file with the Governor's Office of
5 Management and Budget and the State Comptroller a certified
6 copy of any ordinance authorizing the issuance of bonds at or
7 before the issuance of the bonds. After December 31, 1994, any
8 such bonds or notes shall be sold to the highest and best
9 bidder on sealed bids as the Authority shall deem. As such
10 bonds or notes are to be sold the Authority shall advertise for
11 proposals to purchase the bonds or notes which advertisement
12 shall be published at least once in a daily newspaper of
13 general circulation published in the metropolitan region at
14 least 10 days before the time set for the submission of bids.
15 The Authority shall have the right to reject any or all bids.
16 Notwithstanding any other provisions of this Section, Working
17 Cash Notes or bonds or notes to provide funds for
18 self-insurance or a joint self-insurance pool or entity may be
19 sold either upon competitive bidding or by negotiated sale
20 (without any requirement of publication of intention to
21 negotiate the sale of such Notes), as the Board shall determine
22 by ordinance adopted with the affirmative votes of at least 9
23 Directors. In case any officer whose signature appears on any
24 bonds, notes or coupons authorized pursuant to this Section
25 shall cease to be such officer before delivery of such bonds or
26 notes, such signature shall nevertheless be valid and

1 sufficient for all purposes, the same as if such officer had
2 remained in office until such delivery. Neither the Directors
3 of the Authority nor any person executing any bonds or notes
4 thereof shall be liable personally on any such bonds or notes
5 or coupons by reason of the issuance thereof.

6 (c) All bonds or notes of the Authority issued pursuant to
7 this Section shall be general obligations of the Authority to
8 which shall be pledged the full faith and credit of the
9 Authority, as provided in this Section. Such bonds or notes
10 shall be secured as provided in the authorizing ordinance,
11 which may, notwithstanding any other provision of this Act,
12 include in addition to any other security, a specific pledge or
13 assignment of and lien on or security interest in any or all
14 tax receipts of the Authority and on any or all other revenues
15 or moneys of the Authority from whatever source, which may by
16 law be utilized for debt service purposes and a specific pledge
17 or assignment of and lien on or security interest in any funds
18 or accounts established or provided for by the ordinance of the
19 Authority authorizing the issuance of such bonds or notes. Any
20 such pledge, assignment, lien or security interest for the
21 benefit of holders of bonds or notes of the Authority shall be
22 valid and binding from the time the bonds or notes are issued
23 without any physical delivery or further act and shall be valid
24 and binding as against and prior to the claims of all other
25 parties having claims of any kind against the Authority or any
26 other person irrespective of whether such other parties have

1 notice of such pledge, assignment, lien or security interest.
2 The obligations of the Authority incurred pursuant to this
3 Section shall be superior to and have priority over any other
4 obligations of the Authority.

5 The Authority may provide in the ordinance authorizing the
6 issuance of any bonds or notes issued pursuant to this Section
7 for the creation of, deposits in, and regulation and
8 disposition of sinking fund or reserve accounts relating to
9 such bonds or notes. The ordinance authorizing the issuance of
10 any bonds or notes pursuant to this Section may contain
11 provisions as part of the contract with the holders of the
12 bonds or notes, for the creation of a separate fund to provide
13 for the payment of principal and interest on such bonds or
14 notes and for the deposit in such fund from any or all the tax
15 receipts of the Authority and from any or all such other moneys
16 or revenues of the Authority from whatever source which may by
17 law be utilized for debt service purposes, all as provided in
18 such ordinance, of amounts to meet the debt service
19 requirements on such bonds or notes, including principal and
20 interest, and any sinking fund or reserve fund account
21 requirements as may be provided by such ordinance, and all
22 expenses incident to or in connection with such fund and
23 accounts or the payment of such bonds or notes. Such ordinance
24 may also provide limitations on the issuance of additional
25 bonds or notes of the Authority. No such bonds or notes of the
26 Authority shall constitute a debt of the State of Illinois.

1 Nothing in this Act shall be construed to enable the Authority
2 to impose any ad valorem tax on property.

3 (d) The ordinance of the Authority authorizing the issuance
4 of any bonds or notes may provide additional security for such
5 bonds or notes by providing for appointment of a corporate
6 trustee (which may be any trust company or bank having the
7 powers of a trust company within the state) with respect to
8 such bonds or notes. The ordinance shall prescribe the rights,
9 duties and powers of the trustee to be exercised for the
10 benefit of the Authority and the protection of the holders of
11 such bonds or notes. The ordinance may provide for the trustee
12 to hold in trust, invest and use amounts in funds and accounts
13 created as provided by the ordinance with respect to the bonds
14 or notes. The ordinance may provide for the assignment and
15 direct payment to the trustee of any or all amounts produced
16 from the sources provided in Section 4.03 and Section 4.09 of
17 this Act and provided in Section 6z-17 of "An Act in relation
18 to State finance", approved June 10, 1919, as amended. Upon
19 receipt of notice of any such assignment, the Department of
20 Revenue and the Comptroller of the State of Illinois shall
21 thereafter, notwithstanding the provisions of Section 4.03 and
22 Section 4.09 of this Act and Section 6z-17 of "An Act in
23 relation to State finance", approved June 10, 1919, as amended,
24 provide for such assigned amounts to be paid directly to the
25 trustee instead of the Authority, all in accordance with the
26 terms of the ordinance making the assignment. The ordinance

1 shall provide that amounts so paid to the trustee which are not
2 required to be deposited, held or invested in funds and
3 accounts created by the ordinance with respect to bonds or
4 notes or used for paying bonds or notes to be paid by the
5 trustee to the Authority.

6 (e) Any bonds or notes of the Authority issued pursuant to
7 this Section shall constitute a contract between the Authority
8 and the holders from time to time of such bonds or notes. In
9 issuing any bond or note, the Authority may include in the
10 ordinance authorizing such issue a covenant as part of the
11 contract with the holders of the bonds or notes, that as long
12 as such obligations are outstanding, it shall make such
13 deposits, as provided in paragraph (c) of this Section. It may
14 also so covenant that it shall impose and continue to impose
15 taxes, as provided in Section 4.03 of this Act and in addition
16 thereto as subsequently authorized by law, sufficient to make
17 such deposits and pay the principal and interest and to meet
18 other debt service requirements of such bonds or notes as they
19 become due. A certified copy of the ordinance authorizing the
20 issuance of any such obligations shall be filed at or prior to
21 the issuance of such obligations with the Comptroller of the
22 State of Illinois and the Illinois Department of Revenue.

23 (f) The State of Illinois pledges to and agrees with the
24 holders of the bonds and notes of the Authority issued pursuant
25 to this Section that the State will not limit or alter the
26 rights and powers vested in the Authority by this Act so as to

1 impair the terms of any contract made by the Authority with
2 such holders or in any way impair the rights and remedies of
3 such holders until such bonds and notes, together with interest
4 thereon, with interest on any unpaid installments of interest,
5 and all costs and expenses in connection with any action or
6 proceedings by or on behalf of such holders, are fully met and
7 discharged. In addition, the State pledges to and agrees with
8 the holders of the bonds and notes of the Authority issued
9 pursuant to this Section that the State will not limit or alter
10 the basis on which State funds are to be paid to the Authority
11 as provided in this Act, or the use of such funds, so as to
12 impair the terms of any such contract. The Authority is
13 authorized to include these pledges and agreements of the State
14 in any contract with the holders of bonds or notes issued
15 pursuant to this Section.

16 (g) (1) Except as provided in subdivisions (g) (2) and (g) (3)
17 of Section 4.04 of this Act, the Authority shall not at any
18 time issue, sell or deliver any bonds or notes (other than
19 Working Cash Notes and lines of credit) pursuant to this
20 Section 4.04 which will cause it to have issued and outstanding
21 at any time in excess of \$800,000,000 of such bonds and notes
22 (other than Working Cash Notes and lines of credit). The
23 Authority shall not issue, sell, or deliver any Working Cash
24 Notes or establish a line of credit pursuant to this Section
25 that will cause it to have issued and outstanding at any time
26 in excess of \$100,000,000. However, the Authority may issue,

1 sell, and deliver additional Working Cash Notes or establish a
2 line of credit before July 1, 2022 ~~2019~~ that are over and above
3 and in addition to the \$100,000,000 authorization such that the
4 outstanding amount of these additional Working Cash Notes and
5 lines of credit do ~~does~~ not exceed at any time \$300,000,000.
6 Bonds or notes which are being paid or retired by such
7 issuance, sale or delivery of bonds or notes, and bonds or
8 notes for which sufficient funds have been deposited with the
9 paying agency of such bonds or notes to provide for payment of
10 principal and interest thereon or to provide for the redemption
11 thereof, all pursuant to the ordinance authorizing the issuance
12 of such bonds or notes, shall not be considered to be
13 outstanding for the purposes of this subsection.

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

18 \$100,000,000 is authorized to be issued on or after
19 January 1, 1990;

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

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

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

26 an additional \$100,000,000 is authorized to be issued

1 on or after January 1, 1994; and
2 the aggregate total authorization of bonds and notes
3 for Strategic Capital Improvement Projects as of January 1,
4 1994, shall be \$500,000,000.

5 The Authority is also authorized to issue, sell, and
6 deliver bonds or notes in such amounts as are necessary to
7 provide for the refunding or advance refunding of bonds or
8 notes issued for Strategic Capital Improvement Projects under
9 this subdivision (g) (2), provided that no such refunding bond
10 or note shall mature later than the final maturity date of the
11 series of bonds or notes being refunded, and provided further
12 that the debt service requirements for such refunding bonds or
13 notes in the current or any future fiscal year shall not exceed
14 the debt service requirements for that year on the refunded
15 bonds or notes.

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

20 \$260,000,000 is authorized to be issued on or after
21 January 1, 2000;

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

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

26 an additional \$260,000,000 is authorized to be issued

1 on or after January 1, 2003;

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

4 the aggregate total authorization of bonds and notes
5 for Strategic Capital Improvement Projects pursuant to
6 this paragraph (3) as of January 1, 2004 shall be
7 \$1,300,000,000.

8 The Authority is also authorized to issue, sell, and
9 deliver bonds or notes in such amounts as are necessary to
10 provide for the refunding or advance refunding of bonds or
11 notes issued for Strategic Capital Improvement projects under
12 this subdivision (g) (3), provided that no such refunding bond
13 or note shall mature later than the final maturity date of the
14 series of bonds or notes being refunded, and provided further
15 that the debt service requirements for such refunding bonds or
16 notes in the current or any future fiscal year shall not exceed
17 the debt service requirements for that year on the refunded
18 bonds or notes.

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

23 (i) In addition to any other authority granted by law, the
24 State Treasurer may, with the approval of the Governor, invest
25 or reinvest, at a price not to exceed par, any State money in
26 the State Treasury which is not needed for current expenditures

1 due or about to become due in Working Cash Notes. In the event
2 of a default on a Working Cash Note issued by the Regional
3 Transportation Authority in which State money in the State
4 treasury was invested, the Treasurer may, after giving notice
5 to the Authority, certify to the Comptroller the amounts of the
6 defaulted Working Cash Note, in accordance with any applicable
7 rules of the Comptroller, and the Comptroller must deduct and
8 remit to the State treasury the certified amounts or a portion
9 of those amounts from the following proportions of payments of
10 State funds to the Authority:

11 (1) in the first year after default, one-third of the
12 total amount of any payments of State funds to the
13 Authority;

14 (2) in the second year after default, two-thirds of the
15 total amount of any payments of State funds to the
16 Authority; and

17 (3) in the third year after default and for each year
18 thereafter until the total invested amount is repaid, the
19 total amount of any payments of State funds to the
20 Authority.

21 (j) The Authority may establish a line of credit with a
22 bank or other financial institution as may be evidenced by the
23 issuance of notes or other obligations, secured by and payable
24 from all tax receipts of the Authority and any or all other
25 revenues or moneys of the Authority, in an amount not to exceed
26 the limitations set forth in paragraph (1) of subsection (g).

1 Money borrowed under this subsection (j) shall be used to
2 provide money for the Authority or the Service Boards to cover
3 any cash flow deficit that the Authority or a Service Board
4 anticipates incurring and shall be repaid within 24 months.

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

20 The Authority shall notify the Governor's Office of
21 Management and Budget and the State Comptroller at least 30
22 days before establishing a line of credit and shall file with
23 the Governor's Office of Management and Budget and the State
24 Comptroller a certified copy of any ordinance authorizing the
25 establishment of a line of credit upon or before establishing
26 the line of credit.

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

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

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