

AN ACT concerning State government.

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

Section 5. The Illinois Finance Authority Act is amended by changing Section 840-5 as follows:

(20 ILCS 3501/840-5)

Sec. 840-5. The Authority shall have the following powers:

(a) To fix and revise from time to time and charge and collect rates, rents, fees and charges for the use of and for the services furnished or to be furnished by a project or other health facilities owned, financed or refinanced by the Authority or any portion thereof and to contract with any person, partnership, association or corporation or other body, public or private, in respect thereto; to coordinate its policies and procedures and cooperate with recognized health facility rate setting mechanisms which may now or hereafter be established.

(b) To establish rules and regulations for the use of a project or other health facilities owned, financed or refinanced by the Authority or any portion thereof and to designate a participating health institution as its agent to establish rules and regulations for the use of a project or other health facilities owned by the Authority undertaken for

that participating health institution.

(c) To establish or contract with others to carry out on its behalf a health facility project cost estimating service and to make this service available on all projects to provide expert cost estimates and guidance to the participating health institution and to the Authority. In order to implement this service and, through it, to contribute to cost containment, the Authority shall have the power to require such reasonable reports and documents from health facility projects as may be required for this service and for the development of cost reports and guidelines. The Authority may appoint a Technical Committee on Health Facility Project Costs and Cost Containment.

(d) To make mortgage or other secured or unsecured loans to or for the benefit of any participating health institution for the cost of a project in accordance with an agreement between the Authority and the participating health institution; provided that no such loan shall exceed the total cost of the project as determined by the participating health institution and approved by the Authority; provided further that such loans may be made to any entity affiliated with a participating health institution if the proceeds of such loan are made available to or applied for the benefit of such participating health institution.

(e) To make mortgage or other secured or unsecured loans to or for the benefit of a participating health institution in

accordance with an agreement between the Authority and the participating health institution to refund outstanding obligations, loans, indebtedness or advances issued, made, given or incurred by such participating health institution for the cost of a project; including the function to issue bonds and make loans to or for the benefit of a participating health institution to refinance indebtedness incurred by such participating health institution in projects undertaken and completed or for other health facilities acquired prior to or after the enactment of this Act when the Authority finds that such refinancing is in the public interest, and either alleviates a financial hardship of such participating health institution, or is in connection with other financing by the Authority for such participating health institution or may be expected to result in a lessened cost of patient care and a saving to third parties, including government, and to others who must pay for care, or any combination thereof; provided further that such loans may be made to any entity affiliated with a participating health institution if the proceeds of such loan are made available to or applied for the benefit of such participating health institution.

(f) To mortgage all or any portion of a project or other health facilities and the property on which any such project or other health facilities are located whether owned or thereafter acquired, and to assign or pledge mortgages, deeds of trust, indentures of mortgage or trust or similar instruments, notes,

and other securities of participating health institutions to which or for the benefit of which the Authority has made loans or of entities affiliated with such institutions and the revenues therefrom, including payments or income from any thereof owned or held by the Authority, for the benefit of the holders of bonds issued to finance such project or health facilities or issued to refund or refinance outstanding obligations, loans, indebtedness or advances of participating health institutions as permitted by this Act.

(g) To lease to a participating health institution the project being financed or refinanced or other health facilities conveyed to the Authority in connection with such financing or refinancing, upon such terms and conditions as the Authority shall deem proper, and to charge and collect rents therefor and to terminate any such lease upon the failure of the lessee to comply with any of the obligations thereof; and to include in any such lease, if desired, provisions that the lessee thereof shall have options to renew the lease for such period or periods and at such rent as shall be determined by the Authority or to purchase any or all of the health facilities or that upon payment of all of the indebtedness incurred by the Authority for the financing of such project or health facilities or for refunding outstanding obligations, loans, indebtedness or advances of a participating health institution, then the Authority may convey any or all of the project or such other health facilities to the lessee or

lessees thereof with or without consideration.

(h) To make studies of needed health facilities that could not sustain a loan were it made under this Act and to recommend remedial action to the General Assembly; to do the same with regard to any laws or regulations that prevent health facilities from benefiting from this Act.

(i) To assist the Department of Commerce and Economic Opportunity to establish and implement a program to assist health facilities to identify and arrange financing for energy conservation projects in buildings and facilities owned or leased by health facilities.

(j) To assist the Department of Human Services in establishing a low interest loan program to help child care centers and family day care homes serving children of low income families under Section 22.4 of the Children and Family Services Act. The Authority, on or after the effective date of this amendatory Act of the 97th General Assembly, is authorized to convert existing agreements for financial aid in accordance with Section 840-5(j) to permanent capital to leverage additional private capital and establish a revolving loan fund for nonprofit corporations providing human services under contract to the State.

(k) To assist the Department of Public Health and nursing homes in undertaking nursing home conversion projects in accordance with the Older Adult Services Act.

(Source: P.A. 93-205, eff. 1-1-04; 93-1031, eff. 8-27-04.)

Public Act 097-0654

HB0442 Enrolled

LRB097 03902 PJG 43941 b

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