

1 AN ACT concerning State government.

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

4 Section 5. The Deposit of State Moneys Act is amended by  
5 changing Section 22.5 as follows:

6 (15 ILCS 520/22.5) (from Ch. 130, par. 41a)

7 (For force and effect of certain provisions, see Section 90  
8 of P.A. 94-79)

9 Sec. 22.5. Permitted investments. The State Treasurer may,  
10 with the approval of the Governor, invest and reinvest any  
11 State money in the treasury which is not needed for current  
12 expenditures due or about to become due, in obligations of the  
13 United States government or its agencies or of National  
14 Mortgage Associations established by or under the National  
15 Housing Act, 1201 U.S.C. 1701 et seq., or in mortgage  
16 participation certificates representing undivided interests in  
17 specified, first-lien conventional residential Illinois  
18 mortgages that are underwritten, insured, guaranteed, or  
19 purchased by the Federal Home Loan Mortgage Corporation or in  
20 Affordable Housing Program Trust Fund Bonds or Notes as defined  
21 in and issued pursuant to the Illinois Housing Development Act.  
22 All such obligations shall be considered as cash and may be  
23 delivered over as cash by a State Treasurer to his successor.

1           The State Treasurer may, with the approval of the Governor,  
2 purchase any state bonds with any money in the State Treasury  
3 that has been set aside and held for the payment of the  
4 principal of and interest on the bonds. The bonds shall be  
5 considered as cash and may be delivered over as cash by the  
6 State Treasurer to his successor.

7           The State Treasurer may, with the approval of the Governor,  
8 invest or reinvest any State money in the treasury that is not  
9 needed for current expenditure due or about to become due, or  
10 any money in the State Treasury that has been set aside and  
11 held for the payment of the principal of and the interest on  
12 any State bonds, in shares, withdrawable accounts, and  
13 investment certificates of savings and building and loan  
14 associations, incorporated under the laws of this State or any  
15 other state or under the laws of the United States; provided,  
16 however, that investments may be made only in those savings and  
17 loan or building and loan associations the shares and  
18 withdrawable accounts or other forms of investment securities  
19 of which are insured by the Federal Deposit Insurance  
20 Corporation.

21           The State Treasurer may not invest State money in any  
22 savings and loan or building and loan association unless a  
23 commitment by the savings and loan (or building and loan)  
24 association, executed by the president or chief executive  
25 officer of that association, is submitted in the following  
26 form:

1           The ..... Savings and Loan (or Building  
2           and Loan) Association pledges not to reject arbitrarily  
3           mortgage loans for residential properties within any  
4           specific part of the community served by the savings and  
5           loan (or building and loan) association because of the  
6           location of the property. The savings and loan (or building  
7           and loan) association also pledges to make loans available  
8           on low and moderate income residential property throughout  
9           the community within the limits of its legal restrictions  
10          and prudent financial practices.

11          The State Treasurer may, with the approval of the Governor,  
12          invest or reinvest, ~~at a price not to exceed par,~~ any State  
13          money in the treasury that is not needed for current  
14          expenditures due or about to become due, or any money in the  
15          State Treasury that has been set aside and held for the payment  
16          of the principal of and interest on any State bonds, in bonds  
17          issued by counties or municipal corporations of the State of  
18          Illinois. In the case of a default on a bond issued by a  
19          municipal corporation or county of the State of Illinois with  
20          which State money in the Treasury was invested, the Treasurer  
21          may, after giving notice to the municipal corporation or  
22          county, certify to the Comptroller the amounts of the defaulted  
23          bonds, in accordance with any applicable rules of the  
24          Comptroller, and the Comptroller must deduct and remit to the  
25          Treasury the certified amounts or a portion of those amounts  
26          from the following proportions of payments of State funds to

1 the municipality or county:

2 (1) in the first year after default, one-third of the  
3 total amount of any payments of State funds to the  
4 municipal corporation or county;

5 (2) in the second year after default, two-thirds of the  
6 total amount of any payments of State funds to the  
7 municipal corporation or county; and

8 (3) in the third year after default and for each year  
9 thereafter until the total invested amount is repaid, the  
10 total amount of any payments of State funds to the  
11 municipal corporation or county.

12 The State Treasurer may, with the approval of the Governor,  
13 invest or reinvest any State money in the Treasury which is not  
14 needed for current expenditure, due or about to become due, or  
15 any money in the State Treasury which has been set aside and  
16 held for the payment of the principal of and the interest on  
17 any State bonds, in participations in loans, the principal of  
18 which participation is fully guaranteed by an agency or  
19 instrumentality of the United States government; provided,  
20 however, that such loan participations are represented by  
21 certificates issued only by banks which are incorporated under  
22 the laws of this State or any other state or under the laws of  
23 the United States, and such banks, but not the loan  
24 participation certificates, are insured by the Federal Deposit  
25 Insurance Corporation.

26 The State Treasurer may, with the approval of the Governor,

1 invest or reinvest any State money in the Treasury that is not  
2 needed for current expenditure, due or about to become due, or  
3 any money in the State Treasury that has been set aside and  
4 held for the payment of the principal of and the interest on  
5 any State bonds, in any of the following:

6 (1) Bonds, notes, certificates of indebtedness,  
7 Treasury bills, or other securities now or hereafter issued  
8 that are guaranteed by the full faith and credit of the  
9 United States of America as to principal and interest.

10 (2) Bonds, notes, debentures, or other similar  
11 obligations of the United States of America, its agencies,  
12 and instrumentalities.

13 (2.5) Bonds, notes, debentures, or other similar  
14 obligations of a foreign government, other than the  
15 Republic of the Sudan, that are guaranteed by the full  
16 faith and credit of that government as to principal and  
17 interest, but only if the foreign government has not  
18 defaulted and has met its payment obligations in a timely  
19 manner on all similar obligations for a period of at least  
20 25 years immediately before the time of acquiring those  
21 obligations.

22 (3) Interest-bearing savings accounts,  
23 interest-bearing certificates of deposit, interest-bearing  
24 time deposits, or any other investments constituting  
25 direct obligations of any bank as defined by the Illinois  
26 Banking Act.

1           (4) Interest-bearing accounts, certificates of  
2 deposit, or any other investments constituting direct  
3 obligations of any savings and loan associations  
4 incorporated under the laws of this State or any other  
5 state or under the laws of the United States.

6           (5) Dividend-bearing share accounts, share certificate  
7 accounts, or class of share accounts of a credit union  
8 chartered under the laws of this State or the laws of the  
9 United States; provided, however, the principal office of  
10 the credit union must be located within the State of  
11 Illinois.

12           (6) Bankers' acceptances of banks whose senior  
13 obligations are rated in the top 2 rating categories by 2  
14 national rating agencies and maintain that rating during  
15 the term of the investment.

16           (7) Short-term obligations of either corporations or  
17 limited liability companies organized in the United States  
18 with assets exceeding \$500,000,000 if (i) the obligations  
19 are rated at the time of purchase at one of the 3 highest  
20 classifications established by at least 2 standard rating  
21 services and mature not later than 270 days from the date  
22 of purchase, (ii) the purchases do not exceed 10% of the  
23 corporation's or the limited liability company's  
24 outstanding obligations, (iii) no more than one-third of  
25 the public agency's funds are invested in short-term  
26 obligations of either corporations or limited liability

1 companies, and (iv) the corporation or the limited  
2 liability company has not been placed on the list of  
3 restricted companies by the Illinois Investment Policy  
4 Board under Section 1-110.16 of the Illinois Pension Code.

5 (7.5) Obligations of either corporations or limited  
6 liability companies organized in the United States, that  
7 have a significant presence in this State, with assets  
8 exceeding \$500,000,000 if: (i) the obligations are rated at  
9 the time of purchase at one of the 3 highest  
10 classifications established by at least 2 standard rating  
11 services and mature more than 270 days, but less than 5  
12 years, from the date of purchase; (ii) the purchases do not  
13 exceed 10% of the corporation's or the limited liability  
14 company's outstanding obligations; (iii) no more than 5% of  
15 the public agency's funds are invested in such obligations  
16 of corporations or limited liability companies; and (iv)  
17 the corporation or the limited liability company has not  
18 been placed on the list of restricted companies by the  
19 Illinois Investment Policy Board under Section 1-110.16 of  
20 the Illinois Pension Code. The authorization of the  
21 Treasurer to invest in new obligations under this paragraph  
22 shall expire on June 30, 2019.

23 (8) Money market mutual funds registered under the  
24 Investment Company Act of 1940, provided that the portfolio  
25 of the money market mutual fund is limited to obligations  
26 described in this Section and to agreements to repurchase

1 such obligations.

2 (9) The Public Treasurers' Investment Pool created  
3 under Section 17 of the State Treasurer Act or in a fund  
4 managed, operated, and administered by a bank.

5 (10) Repurchase agreements of government securities  
6 having the meaning set out in the Government Securities Act  
7 of 1986, as now or hereafter amended or succeeded, subject  
8 to the provisions of that Act and the regulations issued  
9 thereunder.

10 (11) Investments made in accordance with the  
11 Technology Development Act.

12 For purposes of this Section, "agencies" of the United  
13 States Government includes:

14 (i) the federal land banks, federal intermediate  
15 credit banks, banks for cooperatives, federal farm credit  
16 banks, or any other entity authorized to issue debt  
17 obligations under the Farm Credit Act of 1971 (12 U.S.C.  
18 2001 et seq.) and Acts amendatory thereto;

19 (ii) the federal home loan banks and the federal home  
20 loan mortgage corporation;

21 (iii) the Commodity Credit Corporation; and

22 (iv) any other agency created by Act of Congress.

23 The Treasurer may, with the approval of the Governor, lend  
24 any securities acquired under this Act. However, securities may  
25 be lent under this Section only in accordance with Federal  
26 Financial Institution Examination Council guidelines and only

1 if the securities are collateralized at a level sufficient to  
2 assure the safety of the securities, taking into account market  
3 value fluctuation. The securities may be collateralized by cash  
4 or collateral acceptable under Sections 11 and 11.1.

5 (Source: P.A. 99-856, eff. 8-19-16.)

6 Section 10. The Metropolitan Transit Authority Act is  
7 amended by changing Section 12a as follows:

8 (70 ILCS 3605/12a) (from Ch. 111 2/3, par. 312a)

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

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

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

1 may provide for such covenants or agreements necessary or  
2 desirable with regard to the issue, sale and security of such  
3 notes. The Authority shall determine and fix the rate or rates  
4 of interest of its notes issued under this Act in an ordinance  
5 adopted by the Board prior to the issuance thereof, none of  
6 which rates of interest shall exceed that permitted in the Bond  
7 Authorization Act ~~"An Act to authorize public corporations to~~  
8 ~~issue bonds, other evidences of indebtedness and tax~~  
9 ~~anticipation warrants subject to interest rate limitations set~~  
10 ~~forth therein", approved May 26, 1970, as now or hereafter~~  
11 ~~amended~~. Interest may be payable annually or semi-annually, or  
12 at such other times as determined by the Board. Notes issued  
13 under this Section may be issued as serial or term obligations,  
14 shall be of such denomination or denominations and form,  
15 including interest coupons to be attached thereto, be executed  
16 in such manner, shall be payable at such place or places and  
17 bear such date as the Board shall fix by the ordinance  
18 authorizing such note and shall mature at such time or times,  
19 within a period not to exceed 18 months from the date of issue,  
20 and may be redeemable prior to maturity with or without  
21 premium, at the option of the Board, upon such terms and  
22 conditions as the Board shall fix by the ordinance authorizing  
23 the issuance of such notes. The Board may provide for the  
24 registration of notes in the name of the owner as to the  
25 principal alone or as to both principal and interest, upon such  
26 terms and conditions as the Board may determine. The ordinance

1 authorizing notes may provide for the exchange of such notes  
2 which are fully registered, as to both principal and interest,  
3 with notes which are registerable as to principal only. All  
4 notes issued under this Section by the Board shall be sold at a  
5 price which may be at a premium or discount but such that the  
6 interest cost (excluding any redemption premium) to the Board  
7 of the proceeds of an issue of such notes, computed to stated  
8 maturity according to standard tables of bond values, shall not  
9 exceed that permitted in the Bond Authorization Act ~~"An Act to~~  
10 ~~authorize public corporations to issue bonds, other evidences~~  
11 ~~of indebtedness and tax anticipation warrants subject to~~  
12 ~~interest rate limitations set forth therein", approved May 26,~~  
13 ~~1970, as now or hereafter amended.~~ Such notes shall be sold at  
14 such time or times as the Board shall determine. The notes may  
15 be sold either upon competitive bidding or by negotiated sale  
16 (without any requirement of publication of intention to  
17 negotiate the sale of such notes), as the Board shall determine  
18 by ordinance adopted with the affirmative votes of at least 4  
19 Directors. In case any officer whose signature appears on any  
20 notes or coupons authorized pursuant to this Section shall  
21 cease to be such officer before delivery of such notes, such  
22 signature shall nevertheless be valid and sufficient for all  
23 purposes, the same as if such officer had remained in office  
24 until such delivery. Neither the Directors of the Regional  
25 Transportation Authority, the Directors of the Authority nor  
26 any person executing any bonds or notes thereof shall be liable

1 personally on any such bonds or notes or coupons by reason of  
2 the issuance thereof.

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

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

24 (d) The ordinance of the Board authorizing the issuance of  
25 any notes may provide additional security for such notes by  
26 providing for appointment of a corporate trustee (which may be

1 any trust company or bank having the powers of a trust company  
2 within the State) with respect to such notes. The ordinance  
3 shall prescribe the rights, duties and powers of the trustee to  
4 be exercised for the benefit of the Authority and the  
5 protection of the holders of such notes. The ordinance may  
6 provide for the trustee to hold in trust, invest and use  
7 amounts in funds and accounts created as provided by the  
8 ordinance with respect to the notes. The ordinance shall  
9 provide that amounts so paid to the trustee which are not  
10 required to be deposited, held or invested in funds and  
11 accounts created by the ordinance with respect to notes or used  
12 for paying notes to be paid by the trustee to the Authority.

13 (e) Any notes of the Authority issued pursuant to this  
14 Section shall constitute a contract between the Authority and  
15 the holders from time to time of such notes. In issuing any  
16 note, the Board may include in the ordinance authorizing such  
17 issue a covenant as part of the contract with the holders of  
18 the notes, that as long as such obligations are outstanding, it  
19 shall make such deposits, as provided in paragraph (c) of this  
20 Section. A certified copy of the ordinance authorizing the  
21 issuance of any such obligations shall be filed at or prior to  
22 the issuance of such obligations with the Regional  
23 Transportation Authority, Comptroller of the State of Illinois  
24 and the Illinois Department of Revenue.

25 (f) The State of Illinois pledges to and agrees with the  
26 holders of the notes of the Authority issued pursuant to this

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

19 (g) The Board shall not at any time issue, sell or deliver  
20 any Interim Financing Notes pursuant to this Section which will  
21 cause it to have issued and outstanding at any time in excess  
22 of \$40,000,000 of Working Cash Notes. Notes which are being  
23 paid or retired by such issuance, sale or delivery of notes,  
24 and notes for which sufficient funds have been deposited with  
25 the paying agency of such notes to provide for payment of  
26 principal and interest thereon or to provide for the redemption

1       thereof, all pursuant to the ordinance authorizing the issuance  
2       of such notes, shall not be considered to be outstanding for  
3       the purposes of this paragraph.

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

8           (i) In addition to any other authority granted by law, the  
9       State Treasurer may, with the approval of the Governor, invest  
10      or reinvest, at a price not to exceed par, any State money in  
11      the State Treasury which is not needed for current expenditures  
12      due or about to become due in Interim Financing Notes. In the  
13      case of a default on an Interim Financing Note issued by the  
14      Chicago Transit Authority with which State money in the  
15      Treasury was invested, the Treasurer may, after giving notice  
16      to the Authority, certify to the Comptroller the amounts of the  
17      defaulted Interim Financing Note, in accordance with any  
18      applicable rules of the Comptroller, and the Comptroller must  
19      deduct and remit to the Treasury the certified amounts or a  
20      portion of those amounts from the following proportions of  
21      payments of State funds to the Authority:

22           (1) in the first year after default, one-third of the  
23      total amount of any payments of State funds to the  
24      Authority;

25           (2) in the second year after default, two-thirds of the  
26      total amount of any payments of State funds to the

1       Authority; and  
2               (3) in the third year after default and for each year  
3       thereafter until the total invested amount is repaid, the  
4       total amount of any payments of State funds to the  
5       Authority.

6       (Source: P.A. 96-328, eff. 8-11-09; revised 9-22-16.)

7               Section 15. The Regional Transportation Authority Act is  
8       amended by changing Section 4.04 as follows:

9               (70 ILCS 3615/4.04) (from Ch. 111 2/3, par. 704.04)

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

11              (a) The Authority shall have the continuing power to borrow  
12       money and to issue its negotiable bonds or notes as provided in  
13       this Section. Unless otherwise indicated in this Section, the  
14       term "notes" also includes bond anticipation notes, which are  
15       notes which by their terms provide for their payment from the  
16       proceeds of bonds thereafter to be issued. Bonds or notes of  
17       the Authority may be issued for any or all of the following  
18       purposes: to pay costs to the Authority or a Service Board of  
19       constructing or acquiring any public transportation facilities  
20       (including funds and rights relating thereto, as provided in  
21       Section 2.05 of this Act); to repay advances to the Authority  
22       or a Service Board made for such purposes; to pay other  
23       expenses of the Authority or a Service Board incident to or  
24       incurred in connection with such construction or acquisition;

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

15 In addition to any other borrowing as may be authorized by  
16 this Section, the Authority may issue its notes, from time to  
17 time, in anticipation of tax receipts of the Authority or of  
18 other revenues or receipts of the Authority, in order to  
19 provide money for the Authority or the Service Boards to cover  
20 any cash flow deficit which the Authority or a Service Board  
21 anticipates incurring. Any such notes are referred to in this  
22 Section as "Working Cash Notes". No Working Cash Notes shall be  
23 issued for a term of longer than 24 months. Proceeds of Working  
24 Cash Notes may be used to pay day to day operating expenses of  
25 the Authority or the Service Boards, consisting of wages,  
26 salaries and fringe benefits, professional and technical

1 services (including legal, audit, engineering and other  
2 consulting services), office rental, furniture, fixtures and  
3 equipment, insurance premiums, claims for self-insured amounts  
4 under insurance policies, public utility obligations for  
5 telephone, light, heat and similar items, travel expenses,  
6 office supplies, postage, dues, subscriptions, public hearings  
7 and information expenses, fuel purchases, and payments of  
8 grants and payments under purchase of service agreements for  
9 operations of transportation agencies, prior to the receipt by  
10 the Authority or a Service Board from time to time of funds for  
11 paying such expenses. In addition to any Working Cash Notes  
12 that the Board of the Authority may determine to issue, the  
13 Suburban Bus Board, the Commuter Rail Board or the Board of the  
14 Chicago Transit Authority may demand and direct that the  
15 Authority issue its Working Cash Notes in such amounts and  
16 having such maturities as the Service Board may determine.

17 Notwithstanding any other provision of this Act, any  
18 amounts necessary to pay principal of and interest on any  
19 Working Cash Notes issued at the demand and direction of a  
20 Service Board or any Working Cash Notes the proceeds of which  
21 were used for the direct benefit of a Service Board or any  
22 other Bonds or Notes of the Authority the proceeds of which  
23 were used for the direct benefit of a Service Board shall  
24 constitute a reduction of the amount of any other funds  
25 provided by the Authority to that Service Board. The Authority  
26 shall, after deducting any costs of issuance, tender the net

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

20 (b) The ordinance providing for the issuance of any such  
21 bonds or notes shall fix the date or dates of maturity, the  
22 dates on which interest is payable, any sinking fund account or  
23 reserve fund account provisions and all other details of such  
24 bonds or notes and may provide for such covenants or agreements  
25 necessary or desirable with regard to the issue, sale and  
26 security of such bonds or notes. The rate or rates of interest

1 on its bonds or notes may be fixed or variable and the  
2 Authority shall determine or provide for the determination of  
3 the rate or rates of interest of its bonds or notes issued  
4 under this Act in an ordinance adopted by the Authority prior  
5 to the issuance thereof, none of which rates of interest shall  
6 exceed that permitted in the Bond Authorization Act. Interest  
7 may be payable at such times as are provided for by the Board.  
8 Bonds and notes issued under this Section may be issued as  
9 serial 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 Authority  
13 shall fix by the ordinance authorizing such bond or note and  
14 shall mature at such time or times, within a period not to  
15 exceed forty years from the date of issue, and may be  
16 redeemable prior to maturity with or without premium, at the  
17 option of the Authority, upon such terms and conditions as the  
18 Authority shall fix by the ordinance authorizing the issuance  
19 of such bonds or notes. No bond anticipation note or any  
20 renewal thereof shall mature at any time or times exceeding 5  
21 years from the date of the first issuance of such note. The  
22 Authority may provide for the registration of bonds or notes in  
23 the name of the owner as to the principal alone or as to both  
24 principal and interest, upon such terms and conditions as the  
25 Authority may determine. The ordinance authorizing bonds or  
26 notes may provide for the exchange of such bonds or notes which

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

1 self-insurance or a joint self-insurance pool or entity may be  
2 sold either upon competitive bidding or by negotiated sale  
3 (without any requirement of publication of intention to  
4 negotiate the sale of such Notes), as the Board shall determine  
5 by ordinance adopted with the affirmative votes of at least 9  
6 Directors. In case any officer whose signature appears on any  
7 bonds, notes or coupons authorized pursuant to this Section  
8 shall cease to be such officer before delivery of such bonds or  
9 notes, such signature shall nevertheless be valid and  
10 sufficient for all purposes, the same as if such officer had  
11 remained in office until such delivery. Neither the Directors  
12 of the Authority nor any person executing any bonds or notes  
13 thereof shall be liable personally on any such bonds or notes  
14 or coupons by reason of the issuance thereof.

15 (c) All bonds or notes of the Authority issued pursuant to  
16 this Section shall be general obligations of the Authority to  
17 which shall be pledged the full faith and credit of the  
18 Authority, as provided in this Section. Such bonds or notes  
19 shall be secured as provided in the authorizing ordinance,  
20 which may, notwithstanding any other provision of this Act,  
21 include in addition to any other security, a specific pledge or  
22 assignment of and lien on or security interest in any or all  
23 tax receipts of the Authority and on any or all other revenues  
24 or moneys of the Authority from whatever source, which may by  
25 law be utilized for debt service purposes and a specific pledge  
26 or assignment of and lien on or security interest in any funds

1 or accounts established or provided for by the ordinance of the  
2 Authority authorizing the issuance of such bonds or notes. Any  
3 such pledge, assignment, lien or security interest for the  
4 benefit of holders of bonds or notes of the Authority shall be  
5 valid and binding from the time the bonds or notes are issued  
6 without any physical delivery or further act and shall be valid  
7 and binding as against and prior to the claims of all other  
8 parties having claims of any kind against the Authority or any  
9 other person irrespective of whether such other parties have  
10 notice of such pledge, assignment, lien or security interest.  
11 The obligations of the Authority incurred pursuant to this  
12 Section shall be superior to and have priority over any other  
13 obligations of the Authority.

14 The Authority may provide in the ordinance authorizing the  
15 issuance of any bonds or notes issued pursuant to this Section  
16 for the creation of, deposits in, and regulation and  
17 disposition of sinking fund or reserve accounts relating to  
18 such bonds or notes. The ordinance authorizing the issuance of  
19 any bonds or notes pursuant to this Section may contain  
20 provisions as part of the contract with the holders of the  
21 bonds or notes, for the creation of a separate fund to provide  
22 for the payment of principal and interest on such bonds or  
23 notes and for the deposit in such fund from any or all the tax  
24 receipts of the Authority and from any or all such other moneys  
25 or revenues of the Authority from whatever source which may by  
26 law be utilized for debt service purposes, all as provided in

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

12 (d) The ordinance of the Authority authorizing the issuance  
13 of any bonds or notes may provide additional security for such  
14 bonds or notes by providing for appointment of a corporate  
15 trustee (which may be any trust company or bank having the  
16 powers of a trust company within the state) with respect to  
17 such bonds or notes. The ordinance shall prescribe the rights,  
18 duties and powers of the trustee to be exercised for the  
19 benefit of the Authority and the protection of the holders of  
20 such bonds or notes. The ordinance may provide for the trustee  
21 to hold in trust, invest and use amounts in funds and accounts  
22 created as provided by the ordinance with respect to the bonds  
23 or notes. The ordinance may provide for the assignment and  
24 direct payment to the trustee of any or all amounts produced  
25 from the sources provided in Section 4.03 and Section 4.09 of  
26 this Act and provided in Section 6z-17 of "An Act in relation

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

15 (e) Any bonds or notes of the Authority issued pursuant to  
16 this Section shall constitute a contract between the Authority  
17 and the holders from time to time of such bonds or notes. In  
18 issuing any bond or note, the Authority may include in the  
19 ordinance authorizing such issue a covenant as part of the  
20 contract with the holders of the bonds or notes, that as long  
21 as such obligations are outstanding, it shall make such  
22 deposits, as provided in paragraph (c) of this Section. It may  
23 also so covenant that it shall impose and continue to impose  
24 taxes, as provided in Section 4.03 of this Act and in addition  
25 thereto as subsequently authorized by law, sufficient to make  
26 such deposits and pay the principal and interest and to meet

1 other debt service requirements of such bonds or notes as they  
2 become due. A certified copy of the ordinance authorizing the  
3 issuance of any such obligations shall be filed at or prior to  
4 the issuance of such obligations with the Comptroller of the  
5 State of Illinois and the Illinois Department of Revenue.

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

25 (g) (1) Except as provided in subdivisions (g) (2) and (g) (3)  
26 of Section 4.04 of this Act, the Authority shall not at any

1 time issue, sell or deliver any bonds or notes (other than  
2 Working Cash Notes) pursuant to this Section 4.04 which will  
3 cause it to have issued and outstanding at any time in excess  
4 of \$800,000,000 of such bonds and notes (other than Working  
5 Cash Notes). The Authority shall not issue, sell, or deliver  
6 any Working Cash Notes pursuant to this Section that will cause  
7 it to have issued and outstanding at any time in excess of  
8 \$100,000,000. However, the Authority may issue, sell, and  
9 deliver additional Working Cash Notes before July 1, 2018 that  
10 are over and above and in addition to the \$100,000,000  
11 authorization such that the outstanding amount of these  
12 additional Working Cash Notes does not exceed at any time  
13 \$300,000,000. Bonds or notes which are being paid or retired by  
14 such issuance, sale or delivery of bonds or notes, and bonds or  
15 notes for which sufficient funds have been deposited with the  
16 paying agency of such bonds or 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 bonds or notes, shall not be considered to be  
20 outstanding for the purposes of this subsection.

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

25 \$100,000,000 is authorized to be issued on or after  
26 January 1, 1990;

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

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

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

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

9           the aggregate total authorization of bonds and notes  
10          for Strategic Capital Improvement Projects as of January 1,  
11          1994, shall be \$500,000,000.

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

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

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

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

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

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

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

11          the aggregate total authorization of bonds and notes  
12          for Strategic Capital Improvement Projects pursuant to  
13          this paragraph (3) as of January 1, 2004 shall be  
14          \$1,300,000,000.

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

26          (h) The Authority, subject to the terms of any agreements

1 with noteholders or bond holders as may then exist, shall have  
2 power, out of any funds available therefor, to purchase notes  
3 or bonds of the Authority, which shall thereupon be cancelled.

4 (i) In addition to any other authority granted by law, the  
5 State Treasurer may, with the approval of the Governor, invest  
6 or reinvest, at a price not to exceed par, any State money in  
7 the State Treasury which is not needed for current expenditures  
8 due or about to become due in Working Cash Notes. In the case  
9 of a default on a Working Cash Note issued by the Regional  
10 Transportation Authority with which State money in the Treasury  
11 was invested, the Treasurer may, after giving notice to the  
12 Authority, certify to the Comptroller the amounts of the  
13 defaulted Working Cash Note, in accordance with any applicable  
14 rules of the Comptroller, and the Comptroller must deduct and  
15 remit to the Treasury the certified amounts or a portion of  
16 those amounts from the following proportions of payments of  
17 State funds to the Authority:

18 (1) in the first year after default, one-third of the  
19 total amount of any payments of State funds to the  
20 Authority;

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

24 (3) in the third year after default and for each year  
25 thereafter until the total invested amount is repaid, the  
26 total amount of any payments of State funds to the

1           Authority.

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

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