



Rep. Al Riley

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LRB100 09021 RJF 24127 a

1 AMENDMENT TO HOUSE BILL 3005

2 AMENDMENT NO. \_\_\_\_\_. Amend House Bill 3005 by replacing  
3 everything after the enacting clause with the following:

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

1 specified, first-lien conventional residential Illinois  
2 mortgages that are underwritten, insured, guaranteed, or  
3 purchased by the Federal Home Loan Mortgage Corporation or in  
4 Affordable Housing Program Trust Fund Bonds or Notes as defined  
5 in and issued pursuant to the Illinois Housing Development Act.  
6 All such obligations shall be considered as cash and may be  
7 delivered over as cash by a State Treasurer to his successor.

8 The State Treasurer may, with the approval of the Governor,  
9 purchase any state bonds with any money in the State Treasury  
10 that has been set aside and held for the payment of the  
11 principal of and interest on the bonds. The bonds shall be  
12 considered as cash and may be delivered over as cash by the  
13 State Treasurer to his successor.

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

1 Corporation.

2 The State Treasurer may not invest State money in any  
3 savings and loan or building and loan association unless a  
4 commitment by the savings and loan (or building and loan)  
5 association, executed by the president or chief executive  
6 officer of that association, is submitted in the following  
7 form:

8 The ..... Savings and Loan (or Building  
9 and Loan) Association pledges not to reject arbitrarily  
10 mortgage loans for residential properties within any  
11 specific part of the community served by the savings and  
12 loan (or building and loan) association because of the  
13 location of the property. The savings and loan (or building  
14 and loan) association also pledges to make loans available  
15 on low and moderate income residential property throughout  
16 the community within the limits of its legal restrictions  
17 and prudent financial practices.

18 The State Treasurer may, with the approval of the Governor,  
19 invest or reinvest, ~~at a price not to exceed par,~~ any State  
20 money in the treasury that is not needed for current  
21 expenditures due or about to become due, or any money in the  
22 State Treasury that has been set aside and held for the payment  
23 of the principal of and interest on any State bonds, in bonds  
24 issued by counties or municipal corporations of the State of  
25 Illinois. In the case of a default on a bond issued by a  
26 municipal corporation or county of the State of Illinois with

1 which State money in the Treasury was invested, the Treasurer  
2 may, after giving notice to the municipal corporation or  
3 county, certify to the Comptroller the amounts of the defaulted  
4 bonds, in accordance with any applicable rules of the  
5 Comptroller, and the Comptroller must deduct and remit to the  
6 Treasury the certified amounts or a portion of those amounts  
7 from the following proportions of payments of State funds to  
8 the municipality or county:

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

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

15 (3) in the third year after default and for each year  
16 thereafter until the total invested amount is repaid, the  
17 total amount of any payments of State funds to the  
18 municipal corporation or county.

19 The State Treasurer may, with the approval of the Governor,  
20 invest or reinvest any State money in the Treasury which is not  
21 needed for current expenditure, due or about to become due, or  
22 any money in the State Treasury which has been set aside and  
23 held for the payment of the principal of and the interest on  
24 any State bonds, in participations in loans, the principal of  
25 which participation is fully guaranteed by an agency or  
26 instrumentality of the United States government; provided,

1 however, that such loan participations are represented by  
2 certificates issued only by banks which are incorporated under  
3 the laws of this State or any other state or under the laws of  
4 the United States, and such banks, but not the loan  
5 participation certificates, are insured by the Federal Deposit  
6 Insurance Corporation.

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 any of the following:

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

17 (2) Bonds, notes, debentures, or other similar  
18 obligations of the United States of America, its agencies,  
19 and instrumentalities.

20 (2.5) Bonds, notes, debentures, or other similar  
21 obligations of a foreign government, other than the  
22 Republic of the Sudan, that are guaranteed by the full  
23 faith and credit of that government as to principal and  
24 interest, but only if the foreign government has not  
25 defaulted and has met its payment obligations in a timely  
26 manner on all similar obligations for a period of at least

1 25 years immediately before the time of acquiring those  
2 obligations.

3 (3) Interest-bearing savings accounts,  
4 interest-bearing certificates of deposit, interest-bearing  
5 time deposits, or any other investments constituting  
6 direct obligations of any bank as defined by the Illinois  
7 Banking Act.

8 (4) Interest-bearing accounts, certificates of  
9 deposit, or any other investments constituting direct  
10 obligations of any savings and loan associations  
11 incorporated under the laws of this State or any other  
12 state or under the laws of the United States.

13 (5) Dividend-bearing share accounts, share certificate  
14 accounts, or class of share accounts of a credit union  
15 chartered under the laws of this State or the laws of the  
16 United States; provided, however, the principal office of  
17 the credit union must be located within the State of  
18 Illinois.

19 (6) Bankers' acceptances of banks whose senior  
20 obligations are rated in the top 2 rating categories by 2  
21 national rating agencies and maintain that rating during  
22 the term of the investment.

23 (7) Short-term obligations of either corporations or  
24 limited liability companies organized in the United States  
25 with assets exceeding \$500,000,000 if (i) the obligations  
26 are rated at the time of purchase at one of the 3 highest

1 classifications established by at least 2 standard rating  
2 services and mature not later than 270 days from the date  
3 of purchase, (ii) the purchases do not exceed 10% of the  
4 corporation's or the limited liability company's  
5 outstanding obligations, (iii) no more than one-third of  
6 the public agency's funds are invested in short-term  
7 obligations of either corporations or limited liability  
8 companies, and (iv) the corporation or the limited  
9 liability company has not been placed on the list of  
10 restricted companies by the Illinois Investment Policy  
11 Board under Section 1-110.16 of the Illinois Pension Code.

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

1 the Illinois Pension Code. The authorization of the  
2 Treasurer to invest in new obligations under this paragraph  
3 shall expire on June 30, 2019.

4 (8) Money market mutual funds registered under the  
5 Investment Company Act of 1940, provided that the portfolio  
6 of the money market mutual fund is limited to obligations  
7 described in this Section and to agreements to repurchase  
8 such obligations.

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

12 (10) Repurchase agreements of government securities  
13 having the meaning set out in the Government Securities Act  
14 of 1986, as now or hereafter amended or succeeded, subject  
15 to the provisions of that Act and the regulations issued  
16 thereunder.

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

19 For purposes of this Section, "agencies" of the United  
20 States Government includes:

21 (i) the federal land banks, federal intermediate  
22 credit banks, banks for cooperatives, federal farm credit  
23 banks, or any other entity authorized to issue debt  
24 obligations under the Farm Credit Act of 1971 (12 U.S.C.  
25 2001 et seq.) and Acts amendatory thereto;

26 (ii) the federal home loan banks and the federal home



1 loan mortgage corporation;

2 (iii) the Commodity Credit Corporation; and

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

4 The Treasurer may, with the approval of the Governor, lend  
5 any securities acquired under this Act. However, securities may  
6 be lent under this Section only in accordance with Federal  
7 Financial Institution Examination Council guidelines and only  
8 if the securities are collateralized at a level sufficient to  
9 assure the safety of the securities, taking into account market  
10 value fluctuation. The securities may be collateralized by cash  
11 or collateral acceptable under Sections 11 and 11.1.

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

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

15 (70 ILCS 3605/12a) (from Ch. 111 2/3, par. 312a)

16 Sec. 12a. (a) In addition to other powers provided in  
17 Section 12b, the Authority may issue its notes from time to  
18 time, in anticipation of tax receipts of the Regional  
19 Transportation Authority allocated to the Authority or of other  
20 revenues or receipts of the Authority, in order to provide  
21 money for the Authority to cover any cash flow deficit which  
22 the Authority anticipates incurring. Provided, however, that  
23 no such notes may be issued unless the annual cost thereof is  
24 incorporated in a budget or revised budget of the Authority

1 which has been approved by the Regional Transportation  
2 Authority. Any such notes are referred to as "Working Cash  
3 Notes". Provided further that, the board shall not issue and  
4 have outstanding or demand and direct that the Board of the  
5 Regional Transportation Authority issue and have outstanding  
6 more than an aggregate of \$40,000,000 in Working Cash Notes. No  
7 Working Cash Notes shall be issued for a term of longer than 18  
8 months. Proceeds of Working Cash Notes may be used to pay day  
9 to day operating expenses of the Authority, consisting of  
10 wages, salaries and fringe benefits, professional and  
11 technical services (including legal, audit, engineering and  
12 other consulting services), office rental, furniture, fixtures  
13 and equipment, insurance premiums, claims for self-insured  
14 amounts under insurance policies, public utility obligations  
15 for telephone, light, heat and similar items, travel expenses,  
16 office supplies, postage, dues, subscriptions, public hearings  
17 and information expenses, fuel purchases, and payments of  
18 grants and payments under purchase of service agreements for  
19 operations of transportation agencies, prior to the receipt by  
20 the Authority from time to time of funds for paying such  
21 expenses. Proceeds of the Working Cash Notes shall not be used  
22 (i) to increase or provide a debt service reserve fund for any  
23 bonds or notes other than Working Cash Notes of the same  
24 Series, or (ii) to pay principal of or interest or redemption  
25 premium on any capital bonds or notes, whether as such amounts  
26 become due or by earlier redemption, issued by the Authority or

1 a transportation agency to construct or acquire public  
2 transportation facilities, or to provide funds to purchase such  
3 capital bonds or notes.

4 (b) The ordinance providing for the issuance of any such  
5 notes shall fix the date or dates of maturity, the dates on  
6 which interest is payable, any sinking fund account or reserve  
7 fund account provisions and all other details of such notes and  
8 may provide for such covenants or agreements necessary or  
9 desirable with regard to the issue, sale and security of such  
10 notes. The Authority shall determine and fix the rate or rates  
11 of interest of its notes issued under this Act in an ordinance  
12 adopted by the Board prior to the issuance thereof, none of  
13 which rates of interest shall exceed that permitted in the Bond  
14 Authorization Act ~~"An Act to authorize public corporations to~~  
15 ~~issue bonds, other evidences of indebtedness and tax~~  
16 ~~anticipation warrants subject to interest rate limitations set~~  
17 ~~forth therein", approved May 26, 1970, as now or hereafter~~  
18 ~~amended~~. Interest may be payable annually or semi-annually, or  
19 at such other times as determined by the Board. Notes issued  
20 under this Section may be issued as serial or term obligations,  
21 shall be of such denomination or denominations and form,  
22 including interest coupons to be attached thereto, be executed  
23 in such manner, shall be payable at such place or places and  
24 bear such date as the Board shall fix by the ordinance  
25 authorizing such note and shall mature at such time or times,  
26 within a period not to exceed 18 months from the date of issue,

1 and may be redeemable prior to maturity with or without  
2 premium, at the option of the Board, upon such terms and  
3 conditions as the Board shall fix by the ordinance authorizing  
4 the issuance of such notes. The Board may provide for the  
5 registration of notes in the name of the owner as to the  
6 principal alone or as to both principal and interest, upon such  
7 terms and conditions as the Board may determine. The ordinance  
8 authorizing notes may provide for the exchange of such notes  
9 which are fully registered, as to both principal and interest,  
10 with notes which are registerable as to principal only. All  
11 notes issued under this Section by the Board shall be sold at a  
12 price which may be at a premium or discount but such that the  
13 interest cost (excluding any redemption premium) to the Board  
14 of the proceeds of an issue of such notes, computed to stated  
15 maturity according to standard tables of bond values, shall not  
16 exceed that permitted in the Bond Authorization Act ~~"An Act to~~  
17 ~~authorize public corporations to issue bonds, other evidences~~  
18 ~~of indebtedness and tax anticipation warrants subject to~~  
19 ~~interest rate limitations set forth therein", approved May 26,~~  
20 ~~1970, as now or hereafter amended.~~ Such notes shall be sold at  
21 such time or times as the Board shall determine. The notes may  
22 be sold either upon competitive bidding or by negotiated sale  
23 (without any requirement of publication of intention to  
24 negotiate the sale of such notes), as the Board shall determine  
25 by ordinance adopted with the affirmative votes of at least 4  
26 Directors. In case any officer whose signature appears on any

1 notes or coupons authorized pursuant to this Section shall  
2 cease to be such officer before delivery of such notes, such  
3 signature shall nevertheless be valid and sufficient for all  
4 purposes, the same as if such officer had remained in office  
5 until such delivery. Neither the Directors of the Regional  
6 Transportation Authority, the Directors of the Authority nor  
7 any person executing any bonds or notes thereof shall be liable  
8 personally on any such bonds or notes or coupons by reason of  
9 the issuance thereof.

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

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

1 such fund and accounts or the payment of such notes. Such  
2 ordinance may also provide limitations on the issuance of  
3 additional notes of the Authority. No such notes of the  
4 Authority shall constitute a debt of the State of Illinois.

5 (d) The ordinance of the Board authorizing the issuance of  
6 any notes may provide additional security for such notes by  
7 providing for appointment of a corporate trustee (which may be  
8 any trust company or bank having the powers of a trust company  
9 within the State) with respect to such notes. The ordinance  
10 shall prescribe the rights, duties and powers of the trustee to  
11 be exercised for the benefit of the Authority and the  
12 protection of the holders of such notes. The ordinance may  
13 provide for the trustee to hold in trust, invest and use  
14 amounts in funds and accounts created as provided by the  
15 ordinance with respect to the notes. The ordinance shall  
16 provide that amounts so paid to the trustee which are not  
17 required to be deposited, held or invested in funds and  
18 accounts created by the ordinance with respect to notes or used  
19 for paying notes to be paid by the trustee to the Authority.

20 (e) Any notes of the Authority issued pursuant to this  
21 Section shall constitute a contract between the Authority and  
22 the holders from time to time of such notes. In issuing any  
23 note, the Board may include in the ordinance authorizing such  
24 issue a covenant as part of the contract with the holders of  
25 the notes, that as long as such obligations are outstanding, it  
26 shall make such deposits, as provided in paragraph (c) of this

1 Section. A certified copy of the ordinance authorizing the  
2 issuance of any such obligations shall be filed at or prior to  
3 the issuance of such obligations with the Regional  
4 Transportation Authority, Comptroller of the State of Illinois  
5 and the Illinois Department of Revenue.

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

26 (g) The Board shall not at any time issue, sell or deliver



1 any Interim Financing Notes pursuant to this Section which will  
2 cause it to have issued and outstanding at any time in excess  
3 of \$40,000,000 of Working Cash Notes. Notes which are being  
4 paid or retired by such issuance, sale or delivery of notes,  
5 and notes for which sufficient funds have been deposited with  
6 the paying agency of such notes to provide for payment of  
7 principal and interest thereon or to provide for the redemption  
8 thereof, all pursuant to the ordinance authorizing the issuance  
9 of such notes, shall not be considered to be outstanding for  
10 the purposes of this paragraph.

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

15 (i) In addition to any other authority granted by law, the  
16 State Treasurer may, with the approval of the Governor, invest  
17 or reinvest, at a price not to exceed par, any State money in  
18 the State Treasury which is not needed for current expenditures  
19 due or about to become due in Interim Financing Notes. In the  
20 case of a default on an Interim Financing Note issued by the  
21 Chicago Transit Authority with which State money in the  
22 Treasury was invested, the Treasurer may, after giving notice  
23 to the Authority, certify to the Comptroller the amounts of the  
24 defaulted Interim Financing Note, in accordance with any  
25 applicable rules of the Comptroller, and the Comptroller must  
26 deduct and remit to the Treasury the certified amounts or a

1 portion of those amounts from the following proportions of  
2 payments of State funds to the Authority:

3 (1) in the first year after default, one-third of the  
4 total amount of any payments of State funds to the  
5 Authority;

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

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

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

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

16 (70 ILCS 3615/4.04) (from Ch. 111 2/3, par. 704.04)

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

18 (a) The Authority shall have the continuing power to borrow  
19 money and to issue its negotiable bonds or notes as provided in  
20 this Section. Unless otherwise indicated in this Section, the  
21 term "notes" also includes bond anticipation notes, which are  
22 notes which by their terms provide for their payment from the  
23 proceeds of bonds thereafter to be issued. Bonds or notes of  
24 the Authority may be issued for any or all of the following

1 purposes: to pay costs to the Authority or a Service Board of  
2 constructing or acquiring any public transportation facilities  
3 (including funds and rights relating thereto, as provided in  
4 Section 2.05 of this Act); to repay advances to the Authority  
5 or a Service Board made for such purposes; to pay other  
6 expenses of the Authority or a Service Board incident to or  
7 incurred in connection with such construction or acquisition;  
8 to provide funds for any transportation agency to pay principal  
9 of or interest or redemption premium on any bonds or notes,  
10 whether as such amounts become due or by earlier redemption,  
11 issued prior to the date of this amendatory Act by such  
12 transportation agency to construct or acquire public  
13 transportation facilities or to provide funds to purchase such  
14 bonds or notes; and to provide funds for any transportation  
15 agency to construct or acquire any public transportation  
16 facilities, to repay advances made for such purposes, and to  
17 pay other expenses incident to or incurred in connection with  
18 such construction or acquisition; and to provide funds for  
19 payment of obligations, including the funding of reserves,  
20 under any self-insurance plan or joint self-insurance pool or  
21 entity.

22 In addition to any other borrowing as may be authorized by  
23 this Section, the Authority may issue its notes, from time to  
24 time, in anticipation of tax receipts of the Authority or of  
25 other revenues or receipts of the Authority, in order to  
26 provide money for the Authority or the Service Boards to cover

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

24 Notwithstanding any other provision of this Act, any  
25 amounts necessary to pay principal of and interest on any  
26 Working Cash Notes issued at the demand and direction of a

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

1           (b) The ordinance providing for the issuance of any such  
2 bonds or notes shall fix the date or dates of maturity, the  
3 dates on which interest is payable, any sinking fund account or  
4 reserve fund account provisions and all other details of such  
5 bonds or notes and may provide for such covenants or agreements  
6 necessary or desirable with regard to the issue, sale and  
7 security of such bonds or notes. The rate or rates of interest  
8 on its bonds or notes may be fixed or variable and the  
9 Authority shall determine or provide for the determination of  
10 the rate or rates of interest of its bonds or notes issued  
11 under this Act in an ordinance adopted by the Authority prior  
12 to the issuance thereof, none of which rates of interest shall  
13 exceed that permitted in the Bond Authorization Act. Interest  
14 may be payable at such times as are provided for by the Board.  
15 Bonds and notes issued under this Section may be issued as  
16 serial or term obligations, shall be of such denomination or  
17 denominations and form, including interest coupons to be  
18 attached thereto, be executed in such manner, shall be payable  
19 at such place or places and bear such date as the Authority  
20 shall fix by the ordinance authorizing such bond or note and  
21 shall mature at such time or times, within a period not to  
22 exceed forty years from the date of issue, and may be  
23 redeemable prior to maturity with or without premium, at the  
24 option of the Authority, upon such terms and conditions as the  
25 Authority shall fix by the ordinance authorizing the issuance  
26 of such bonds or notes. No bond anticipation note or any

1 renewal thereof shall mature at any time or times exceeding 5  
2 years from the date of the first issuance of such note. The  
3 Authority may provide for the registration of bonds or notes in  
4 the name of the owner as to the principal alone or as to both  
5 principal and interest, upon such terms and conditions as the  
6 Authority may determine. The ordinance authorizing bonds or  
7 notes may provide for the exchange of such bonds or notes which  
8 are fully registered, as to both principal and interest, with  
9 bonds or notes which are registerable as to principal only. All  
10 bonds or notes issued under this Section by the Authority other  
11 than those issued in exchange for property or for bonds or  
12 notes of the Authority shall be sold at a price which may be at  
13 a premium or discount but such that the interest cost  
14 (excluding any redemption premium) to the Authority of the  
15 proceeds of an issue of such bonds or notes, computed to stated  
16 maturity according to standard tables of bond values, shall not  
17 exceed that permitted in the Bond Authorization Act. The  
18 Authority shall notify the Governor's Office of Management and  
19 Budget and the State Comptroller at least 30 days before any  
20 bond sale and shall file with the Governor's Office of  
21 Management and Budget and the State Comptroller a certified  
22 copy of any ordinance authorizing the issuance of bonds at or  
23 before the issuance of the bonds. After December 31, 1994, any  
24 such bonds or notes shall be sold to the highest and best  
25 bidder on sealed bids as the Authority shall deem. As such  
26 bonds or notes are to be sold the Authority shall advertise for

1 proposals to purchase the bonds or notes which advertisement  
2 shall be published at least once in a daily newspaper of  
3 general circulation published in the metropolitan region at  
4 least 10 days before the time set for the submission of bids.  
5 The Authority shall have the right to reject any or all bids.  
6 Notwithstanding any other provisions of this Section, Working  
7 Cash Notes or bonds or notes to provide funds for  
8 self-insurance or a joint self-insurance pool or entity may be  
9 sold either upon competitive bidding or by negotiated sale  
10 (without any requirement of publication of intention to  
11 negotiate the sale of such Notes), as the Board shall determine  
12 by ordinance adopted with the affirmative votes of at least 9  
13 Directors. In case any officer whose signature appears on any  
14 bonds, notes or coupons authorized pursuant to this Section  
15 shall cease to be such officer before delivery of such bonds or  
16 notes, such signature shall nevertheless be valid and  
17 sufficient for all purposes, the same as if such officer had  
18 remained in office until such delivery. Neither the Directors  
19 of the Authority nor any person executing any bonds or notes  
20 thereof shall be liable personally on any such bonds or notes  
21 or coupons by reason of the issuance thereof.

22 (c) All bonds or notes of the Authority issued pursuant to  
23 this Section shall be general obligations of the Authority to  
24 which shall be pledged the full faith and credit of the  
25 Authority, as provided in this Section. Such bonds or notes  
26 shall be secured as provided in the authorizing ordinance,



1 which may, notwithstanding any other provision of this Act,  
2 include in addition to any other security, a specific pledge or  
3 assignment of and lien on or security interest in any or all  
4 tax receipts of the Authority and on any or all other revenues  
5 or moneys of the Authority from whatever source, which may by  
6 law be utilized for debt service purposes and a specific pledge  
7 or assignment of and lien on or security interest in any funds  
8 or accounts established or provided for by the ordinance of the  
9 Authority authorizing the issuance of such bonds or notes. Any  
10 such pledge, assignment, lien or security interest for the  
11 benefit of holders of bonds or notes of the Authority shall be  
12 valid and binding from the time the bonds or notes are issued  
13 without any physical delivery or further act and shall be valid  
14 and binding as against and prior to the claims of all other  
15 parties having claims of any kind against the Authority or any  
16 other person irrespective of whether such other parties have  
17 notice of such pledge, assignment, lien or security interest.  
18 The obligations of the Authority incurred pursuant to this  
19 Section shall be superior to and have priority over any other  
20 obligations of the Authority.

21 The Authority may provide in the ordinance authorizing the  
22 issuance of any bonds or notes issued pursuant to this Section  
23 for the creation of, deposits in, and regulation and  
24 disposition of sinking fund or reserve accounts relating to  
25 such bonds or notes. The ordinance authorizing the issuance of  
26 any bonds or notes pursuant to this Section may contain

1 provisions as part of the contract with the holders of the  
2 bonds or notes, for the creation of a separate fund to provide  
3 for the payment of principal and interest on such bonds or  
4 notes and for the deposit in such fund from any or all the tax  
5 receipts of the Authority and from any or all such other moneys  
6 or revenues of the Authority from whatever source which may by  
7 law be utilized for debt service purposes, all as provided in  
8 such ordinance, of amounts to meet the debt service  
9 requirements on such bonds or notes, including principal and  
10 interest, and any sinking fund or reserve fund account  
11 requirements as may be provided by such ordinance, and all  
12 expenses incident to or in connection with such fund and  
13 accounts or the payment of such bonds or notes. Such ordinance  
14 may also provide limitations on the issuance of additional  
15 bonds or notes of the Authority. No such bonds or notes of the  
16 Authority shall constitute a debt of the State of Illinois.  
17 Nothing in this Act shall be construed to enable the Authority  
18 to impose any ad valorem tax on property.

19 (d) The ordinance of the Authority authorizing the issuance  
20 of any bonds or notes may provide additional security for such  
21 bonds or notes by providing for appointment of a corporate  
22 trustee (which may be any trust company or bank having the  
23 powers of a trust company within the state) with respect to  
24 such bonds or notes. The ordinance shall prescribe the rights,  
25 duties and powers of the trustee to be exercised for the  
26 benefit of the Authority and the protection of the holders of

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

22 (e) Any bonds or notes of the Authority issued pursuant to  
23 this Section shall constitute a contract between the Authority  
24 and the holders from time to time of such bonds or notes. In  
25 issuing any bond or note, the Authority may include in the  
26 ordinance authorizing such issue a covenant as part of the

1 contract with the holders of the bonds or notes, that as long  
2 as such obligations are outstanding, it shall make such  
3 deposits, as provided in paragraph (c) of this Section. It may  
4 also so covenant that it shall impose and continue to impose  
5 taxes, as provided in Section 4.03 of this Act and in addition  
6 thereto as subsequently authorized by law, sufficient to make  
7 such deposits and pay the principal and interest and to meet  
8 other debt service requirements of such bonds or notes as they  
9 become due. A certified copy of the ordinance authorizing the  
10 issuance of any such obligations shall be filed at or prior to  
11 the issuance of such obligations with the Comptroller of the  
12 State of Illinois and the Illinois Department of Revenue.

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

1 as provided in this Act, or the use of such funds, so as to  
2 impair the terms of any such contract. The Authority is  
3 authorized to include these pledges and agreements of the State  
4 in any contract with the holders of bonds or notes issued  
5 pursuant to this Section.

6 (g) (1) Except as provided in subdivisions (g) (2) and (g) (3)  
7 of Section 4.04 of this Act, the Authority shall not at any  
8 time issue, sell or deliver any bonds or notes (other than  
9 Working Cash Notes) pursuant to this Section 4.04 which will  
10 cause it to have issued and outstanding at any time in excess  
11 of \$800,000,000 of such bonds and notes (other than Working  
12 Cash Notes). The Authority shall not issue, sell, or deliver  
13 any Working Cash Notes pursuant to this Section that will cause  
14 it to have issued and outstanding at any time in excess of  
15 \$100,000,000. However, the Authority may issue, sell, and  
16 deliver additional Working Cash Notes before July 1, 2018 that  
17 are over and above and in addition to the \$100,000,000  
18 authorization such that the outstanding amount of these  
19 additional Working Cash Notes does not exceed at any time  
20 \$300,000,000. Bonds or notes which are being paid or retired by  
21 such issuance, sale or delivery of bonds or notes, and bonds or  
22 notes for which sufficient funds have been deposited with the  
23 paying agency of such bonds or notes to provide for payment of  
24 principal and interest thereon or to provide for the redemption  
25 thereof, all pursuant to the ordinance authorizing the issuance  
26 of such bonds or notes, shall not be considered to be

1 outstanding for the purposes of this subsection.

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

6 \$100,000,000 is authorized to be issued on or after  
7 January 1, 1990;

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

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

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

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

16 the aggregate total authorization of bonds and notes  
17 for Strategic Capital Improvement Projects as of January 1,  
18 1994, shall be \$500,000,000.

19 The Authority is also authorized to issue, sell, and  
20 deliver bonds or notes in such amounts as are necessary to  
21 provide for the refunding or advance refunding of bonds or  
22 notes issued for Strategic Capital Improvement Projects under  
23 this subdivision (g) (2), provided that no such refunding bond  
24 or note shall mature later than the final maturity date of the  
25 series of bonds or notes being refunded, and provided further  
26 that the debt service requirements for such refunding bonds or

1 notes in the current or any future fiscal year shall not exceed  
2 the debt service requirements for that year on the refunded  
3 bonds or notes.

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

8 \$260,000,000 is authorized to be issued on or after  
9 January 1, 2000;

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

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

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

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

18 the aggregate total authorization of bonds and notes  
19 for Strategic Capital Improvement Projects pursuant to  
20 this paragraph (3) as of January 1, 2004 shall be  
21 \$1,300,000,000.

22 The Authority is also authorized to issue, sell, and  
23 deliver bonds or notes in such amounts as are necessary to  
24 provide for the refunding or advance refunding of bonds or  
25 notes issued for Strategic Capital Improvement projects under  
26 this subdivision (g)(3), provided that no such refunding bond

1 or note shall mature later than the final maturity date of the  
2 series of bonds or notes being refunded, and provided further  
3 that the debt service requirements for such refunding bonds or  
4 notes in the current or any future fiscal year shall not exceed  
5 the debt service requirements for that year on the refunded  
6 bonds or notes.

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

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

25 (1) in the first year after default, one-third of the  
26 total amount of any payments of State funds to the



1       Authority;

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

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

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

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