

1 AN ACT concerning economic recovery.

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

4 Section 1. Short title. This Act may be cited as the
5 Economic Recovery Act.

6 Section 5. Legislative intent. It is hereby declared to
7 be the purpose of this Act and of the Illinois Economic
8 Recovery Program created by this Act to develop a diversified
9 State economy, to assist business enterprise in obtaining
10 additional sources of financing, to aid this State in
11 achieving the goal of long-term economic growth, to preserve
12 existing jobs, to create new jobs, and to foster export
13 activity.

14 Section 10. Definitions. (Blank.)

15 Section 15. Illinois Economic Recovery Program.

16 (a) There is created a public body corporate and politic
17 that shall be known as the Illinois Economic Recovery
18 Program.

19 (b) The powers and duties of the Program are vested in
20 and shall be exercised by a Board of Directors.

21 (c) The Board shall consist of 7 members, no more than 4
22 of whom may be of the same political party, 5 of whom shall
23 be appointed by the Governor, by and with the consent of the
24 Senate. The Lieutenant Governor, ex officio, or the
25 Lieutenant Governor's designee shall serve as a member of the
26 Board, and the Lieutenant Governor shall appoint one member.
27 If the Governor does not appoint these members by January 1,
28 2004, this appointment power is transferred to the Lieutenant
29 Governor with the advice and consent of the Senate. Three of

1 the appointed Board members shall be current or former
2 commercial or investment bankers. The remaining members shall
3 be representatives of the private sector. No person may be
4 appointed as a member of the Board who is serving as an
5 elected official for the State or an employee of the State or
6 any unit of local government or school district within the
7 State. The Chairman shall be elected annually from the
8 members of the Board. All members shall be residents of the
9 State and shall be knowledgeable in the field of finance. If
10 the Senate is not in session when the first appointments are
11 made, the Governor shall make temporary appointments as in
12 the case of a vacancy. In making the first appointments, the
13 Governor shall designate 3 members to serve until January of
14 2005 and 2 members to serve until January of 2006, or until
15 their successors are appointed and qualified. The member
16 appointed by the Lieutenant Governor shall serve until
17 January of 2007, or until a successor is appointed and
18 qualified. Their successors shall be appointed to serve for
19 3-year terms expiring on the third Monday in January or until
20 their successors are appointed and qualified. Any vacancy
21 occurring on the Board, whether by death, resignation, or
22 otherwise, shall be filled by appointment by the Governor or
23 Lieutenant Governor, as the case may be, in the same manner
24 as original appointments. A member appointed to fill a
25 vacancy shall serve for the remainder of the unexpired term
26 or until his or her successor is qualified.

27 Section 20. Related financial interests. No member of
28 the Board shall be employed by, hold any official relation
29 to, or have any financial interest in any corporation or
30 entity receiving loans, advances, or grants under this Act or
31 in any corporation or entity providing services or materials
32 to the Board or to any economic recovery project financed or
33 assisted under this Act.

1 Section 25. Illinois Economic Recovery Program powers
2 and duties. The Program shall have the powers necessary to or
3 convenient to carry out and effectuate the purposes,
4 objectives, and provisions of this Act, the purposes and
5 objectives of the Program, and the powers delegated by other
6 law including, but not limited to, the power to do the
7 following:

8 (1) Sue and be sued; to have a seal and alter the
9 same at pleasure; to have perpetual succession; to make,
10 execute, and deliver contracts, conveyances, and other
11 instruments necessary or convenient to the exercise of
12 its powers; and to make and amend bylaws.

13 (2) Solicit and accept gifts, grants, loans, and
14 other aids from any person, foundation, or the federal,
15 State, or a local government or any agency of the
16 federal, State, or a local government, or to participate
17 in any other way in any federal, State, or local
18 government program.

19 (3) Procure insurance against any loss in
20 connection with the Program's property, assets, or
21 activities.

22 (4) Invest any money of the Fund at the Program's
23 discretion, in any obligations determined proper by the
24 Program, and name and use depositories for its money. The
25 Board shall perform the custodial and investment
26 functions of the Program.

27 (5) Engage personnel as necessary, and engage the
28 services of private consultants, managers, counsel, and
29 auditors for rendering professional management and
30 technical assistance and advice, payable out of any money
31 of the fund legally available for this purpose.

32 (6) Charge, impose, and collect fees and charges in
33 connection with any transaction and provide for
34 reasonable penalties for delinquent payment of fees or

1 charges.

2 (7) Do all other things necessary or convenient to
3 achieve the objectives and purposes of the Program, this
4 Act, or other laws that relate to the purposes and
5 responsibilities of the Program.

6 (8) The Board shall establish, implement, and
7 operate a Portfolio Risk Insurance Reserve Fund as
8 defined in this Act.

9 Section 30. Annual status report; audit; evaluation
10 procedures. The accounts and the books of the Program shall
11 be set up and maintained in a manner approved by the Auditor
12 General, and the Program shall file with the Auditor General
13 a certified annual report within 120 days after the close of
14 the fiscal year. The Program shall also file with the
15 Governor, the Secretary of the Senate, the Clerk of the House
16 of Representatives, and the Illinois Economic and Fiscal
17 Commission, by March 1 of each year, a written report
18 covering its activities for the previous calendar year, and
19 when so filed, the report shall be a public record and open
20 for inspection at the offices of the Program during normal
21 business hours. The report shall include, but need not be
22 limited to, the following:

23 (1) The name and location of all participating
24 financial institutions under the Program.

25 (2) A record of loan and reserve fund activity in
26 each participating financial institution's account.

27 (3) A list of the number and type of persons or
28 entities, by financial institution, assisted under this
29 Act.

30 (4) The duration, type, amount, and status of loans
31 made, by financial institution, under this Act.

32 (5) A list of loss claims on each participating
33 financial institution's account by name of the person or

1 entity that defaulted on the loan.

2 (6) The projected activities of the Program for the
3 next fiscal year including the amount of financial
4 assistance needed to operate the Program.

5 Section 35. Operations of the Board.

6 (a) As soon as practical after creation of the Program,
7 the Board shall hold a meeting at which the bylaws and
8 schedule of regular meetings shall be adopted. The bylaws and
9 schedule may be amended from time to time at the will of the
10 Board.

11 (b) Initial operating staff and expenses of the Program
12 shall be provided by appropriations lawfully made by the
13 General Assembly. As soon as may be practical, the Board
14 shall provide for its expenses and payment of employees,
15 including salaries and contractual agreements, from its
16 operations from up to one-half of the investment earnings of
17 the Fund. The remainder of the investment earnings on the
18 fund shall be reinvested in the Fund by the Board.

19 Section 40. Portfolio Risk Insurance Reserve Fund;
20 establishment and operation. There is hereby created outside
21 of the State treasury a special fund to be known as the
22 Portfolio Risk Insurance Reserve Fund. The General Assembly
23 shall appropriate from such funds as the General Assembly
24 deems necessary and sufficient to maintain the Fund. The
25 Board shall be the custodian of the Fund.

26 Section 45. Loan Insurance Account; payments into
27 accounts; transfer of money.

28 (a) The Fund shall initially consist of \$10,000,000 or
29 such other amounts appropriated by the General Assembly. The
30 Fund shall be established and managed by the Board and shall
31 consist of an unallocated account and accounts established by

1 participating financial institutions.

2 (b) The Board shall also pay into the Fund any money
3 appropriated or otherwise provided by this State for the
4 purposes of this Act; and any other money made available to
5 the Program for the purposes of this Act from any other
6 source, public or private.

7 (c) Any financial institution, as provided in this Act,
8 may participate in the Illinois Economic Recovery Program
9 upon signing a participation agreement with the Program. A
10 Loan Insurance Account shall be established in the name of
11 each financial institution participating in the Program. The
12 Board may add money to this account from the Fund, the
13 participating financial institution, and persons or entities
14 borrowing from that financial institution under the Illinois
15 Economic Recovery Program. Money may be withdrawn from this
16 account only by the participating financial institution as
17 prescribed in Section 50 or by the Board if a transaction is
18 deemed voidable as prescribed in Section 20. This account is
19 between the Program and the participating financial
20 institution and is not affected by other participating
21 financial institutions.

22 Section 50. Agreements with lenders. The agreements with
23 lenders for participation in the Illinois Economic Recovery
24 Program may include, but need not be limited to, the
25 following:

26 (1) Authorization for the lender to determine,
27 collect, and transmit to the Fund a fee or premium charge
28 based upon the amount of the loan to be covered by the
29 loan insurance account within a specified range
30 established consistent with the purposes and objectives
31 of the Program.

32 (2) Specification of whether the premium charge
33 shall be paid by the lender, the borrower, the Program,

1 or by a combination thereof in specified portions. The
2 premium charges paid by the borrower and the lender may
3 be financed.

4 (3) The procedure by which a lender may make a
5 claim upon the account upon default by the borrower and
6 the conditions under which a claim may be made.

7 (4) The maximum amount of claims a lender may make
8 upon the Fund. That amount may be equal to, greater than,
9 or less than its proportion of the total premiums
10 collected by the Fund.

11 Section 55. Illinois Economic Recovery Fund. There is
12 hereby created in the State treasury a special Fund, which
13 shall be known as the Illinois Economic Recovery Fund, which
14 shall be maintained subject to appropriation for purposes of
15 economic investment in the future economic strength of
16 Illinois.

17 Section 95. The State Finance Act is amended by adding
18 Section 5.595 as follows:

19 (30 ILCS 105/5.595 new)

20 Sec. 5.595. The Illinois Economic Recovery Fund.