



93RD GENERAL ASSEMBLY

State of Illinois

2003 and 2004

Introduced 02/04/04, by David E. Miller

SYNOPSIS AS INTRODUCED:

New Act

20 ILCS 655/5

from Ch. 67 1/2, par. 605

20 ILCS 655/11.2 new

Creates the Illinois Urban Development Authority Act. Creates the Illinois Urban Development Authority. Provides that the Authority shall be governed by an 11-member board. Requires the Authority to make annual reports to certain entities. Sets forth the powers of the Authority. Sets forth the procedures by which the Authority may issue bonds. Contains other provisions. Amends the Illinois Enterprise Zone Act to allow the Authority to designate areas as Enterprise Zones. Effective immediately.

LRB093 20043 AMC 46653 b

FISCAL NOTE ACT
MAY APPLY

A BILL FOR

1 AN ACT concerning urban development.

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 Illinois Urban Development Authority Act.

6 Section 2. Findings. The General Assembly hereby
7 determines and declares that:

8 (1) the economic burdens resulting from involuntary
9 unemployment fall in part upon the State in the form of
10 increased need for public assistance, reduced tax
11 revenues, and increased resources devoted to crime
12 prevention and incarceration and that the unemployed
13 worker and his or her family may migrate outside the State
14 to find work and such migration will reduced the tax
15 revenues of local governments and the State of Illinois,
16 thereby endangering their financial ability to support
17 necessary governmental services for their remaining
18 inhabitants;

19 (2) the State has a responsibility to help create a
20 favorable climate for new and improved job opportunities
21 for all of its citizens, especially in areas with high
22 economic distress, by encouraging the development of
23 commercial and service businesses and industrial and
24 manufacturing plants and creating job opportunities;

25 (3) the State has a responsibility to increase and
26 improve post-release employment opportunities for
27 ex-offenders and reduce recidivism rates through the
28 combined resources and expertise of providers of workforce
29 development, supportive services, and private enterprises;

30 (4) a lack of decent housing contributes to urban
31 blight, crime, anti-social behavior, disease, a higher
32 need for public assistance, reduced tax revenues, and the

1 migration of workers and their families away from areas
2 that fail to offer adequate, decent, affordable housing;

3 (5) decent, affordable housing is a necessary
4 ingredient of life affording each citizen basic human
5 dignity, a sense of self worth, confidence, and a firm
6 foundation upon which to build a family and educate
7 children; and

8 (6) in order to foster civic and neighborhood pride,
9 citizens require access to educational institutions,
10 recreation, parks and open spaces, entertainment and
11 sports, a reliable transportation network, cultural
12 facilities, and theaters.

13 It is hereby declared to be the policy of the State of
14 Illinois, in the interest of promoting industrial, commercial,
15 residential, jobs, service, transportation, and facilities,
16 thereby reducing the evils attendant upon unemployment, crime,
17 and recidivism and enhancing the public health, safety, morals,
18 happiness, and general welfare of this State specifically by
19 making available through the Illinois Urban Development
20 Authority, funds for industrial projects, commercial projects,
21 and housing projects to a municipality with a municipal poverty
22 rate greater than 3% in excess of the statewide average.

23 Section 3. Definitions. The following terms, whenever used
24 or referred to in this Act, shall have the following meanings,
25 except in such instances where the context may clearly indicate
26 otherwise:

27 "Authority" means the Illinois Urban Development Authority
28 created by this Act.

29 "Board" means the Illinois Urban Development Authority
30 Board of Directors.

31 "Bonds" shall include bonds, notes, or other evidence of
32 indebtedness.

33 "Commercial project" means any project, including but not
34 limited to one or more buildings and other structures,
35 improvements, machinery, and equipment whether or not on the

1 same site or sites now existing or hereafter acquired, suitable
2 for use by any retail or wholesale concern, distributorship, or
3 agency, any cultural facilities of a for-profit or
4 not-for-profit type including but not limited to educational,
5 theatrical, recreational and entertainment, sports facilities,
6 racetracks, stadiums, convention centers, exhibition halls,
7 arenas, opera houses and theaters, waterfront improvements,
8 swimming pools, boat storage, moorage, docking facilities,
9 restaurants, coliseums, sports training facilities, parking
10 facilities, terminals, hotels and motels, gymnasiums, medical
11 facilities, and port facilities.

12 "Costs incurred in connection with the development,
13 construction, acquisition, or improvement of a project" means
14 the cost of purchase and construction of all lands and
15 improvements in connection with a project and equipment and
16 other property, rights, easements, and franchises acquired
17 that are deemed necessary for such construction; financing
18 charges; interest costs with respect to bonds, notes, and other
19 evidences of indebtedness of the Authority prior to and during
20 construction and for a period of 6 months thereafter;
21 engineering and legal expenses; the costs of plans,
22 specifications, surveys, and estimates of costs and other
23 expenses necessary or incident to determining the feasibility
24 or practicability of any project, together with such other
25 expenses as may be necessary or incident to the financing,
26 insuring, acquisition, and construction of a specific project
27 and the placing of the same in operation.

28 "Financial aid" means the expenditure of Authority funds or
29 funds provided by the Authority through the issuance of its
30 revenue bonds, notes, or other evidences of indebtedness for
31 the development, construction, acquisition, or improvement of
32 a project.

33 "Governmental agency" means any federal, State or local
34 governmental body, and any agency or instrumentality thereof,
35 corporate or otherwise.

36 "Governor" means the Governor of the State of Illinois.

1 "Housing project" or "residential project" includes a
2 specific work or improvement undertaken to provide dwelling
3 accommodations, including the acquisition, construction,
4 leasing, or rehabilitation of lands, buildings, and community
5 facilities and in connection therewith to provide nonhousing
6 facilities which are an integral part of a planned large-scale
7 project or new community.

8 "Industrial project" means (1) a capital project,
9 including one or more buildings and other structures,
10 improvements, machinery, and equipment whether or not on the
11 same site or sites now existing or hereafter acquired, suitable
12 for use by any manufacturing, industrial, research,
13 transportation, or commercial enterprise including but not
14 limited to use as a factory, mill, processing plant, assembly
15 plant, packaging plant, fabricating plant, office building,
16 industrial distribution center, warehouse, repair, overhaul or
17 service facility, freight terminal, research facility, test
18 facility, railroad facility, solid waste and wastewater
19 treatment and disposal sites and other pollution control
20 facilities, resource or waste reduction, recovery, treatment
21 and disposal facilities, and including also the sites thereof
22 and other rights in land therefor whether improved or
23 unimproved, site preparation and landscaping and all
24 appurtenances and facilities incidental thereto such as
25 utilities, access roads, railroad sidings, truck docking and
26 similar facilities, parking facilities, dockage, wharfage,
27 railroad roadbed, track, trestle, depot, terminal, switching,
28 and signaling equipment or related equipment and other
29 improvements necessary or convenient thereto; or (2) any land,
30 buildings, machinery or equipment comprising an addition to or
31 renovation, rehabilitation or improvement of any existing
32 capital project.

33 "Lease agreement" means an agreement whereby a project
34 acquired by the Authority by purchase, gift, or lease is leased
35 to any person or corporation that will use or cause the project
36 to be used as a project as defined in this Act upon terms

1 providing for lease rental payments at least sufficient to pay
2 when due all principal of and interest and premium, if any, on
3 any bonds, notes or other evidences of indebtedness of the
4 Authority issued with respect to such project, providing for
5 the maintenance, insurance, and operation of the project on
6 terms satisfactory to the Authority, and providing for
7 disposition of the project upon termination of the lease term,
8 including purchase options or abandonment of the premises, with
9 such other terms as may be deemed desirable by the Authority.
10 The Authority may, directly or indirectly, lease or otherwise
11 transfer property the Authority owns to another and such leased
12 property shall remain tax exempt.

13 "Loan agreement" means any agreement pursuant to which the
14 Authority agrees to loan the proceeds of its bonds, notes, or
15 other evidences of indebtedness issued with respect to a
16 project to any person or corporation that will use or cause the
17 project to be used as a project as defined in this Act upon
18 terms providing for loan repayment installments at least
19 sufficient to pay when due all principal and interest and
20 premium, if any, on any bonds, notes, or other evidences of
21 indebtedness of the Authority issued with respect to the
22 project, providing for maintenance, insurance, and operation
23 of the project on terms satisfactory to the Authority and
24 providing for other matters as may be deemed advisable by the
25 Authority.

26 "Municipal poverty rate" is the percentage of total
27 population of the municipality having income levels below the
28 poverty level as determined by the Authority based upon the
29 most recent data released by the United States Census Bureau
30 before the beginning of such calendar year.

31 "Occupational license" means a license issued by the
32 Illinois Gaming Board to a person or entity to perform an
33 occupation which the Illinois Gaming Board has identified as
34 requiring a license to engage in riverboat, dockside, or
35 land-based gambling in Illinois.

36 "Person" means any natural person, firm, partnership,

1 corporation, both domestic and foreign, company, association,
2 or joint stock association and includes any trustee, receiver,
3 assignee, or personal representative thereof.

4 "Project" means an industrial, housing, residential,
5 commercial, or service project, or any combination thereof,
6 provided that all uses shall fall within one of those
7 categories. Any project, of any nature whatsoever, shall
8 automatically include all site improvements and new
9 construction involving sidewalks, sewers, solid waste and
10 wastewater treatment and disposal sites and other pollution
11 control facilities, resource or waste reduction, recovery,
12 treatment and disposal facilities, parks, open spaces,
13 wildlife sanctuaries, streets, highways, and runways.

14 "Revenue bond" means any bond issued by the Authority the
15 principal and interest of which is payable solely from revenues
16 or income derived from any project or activity of the
17 Authority.

18 Section 4. Illinois Urban Development Authority. There is
19 hereby created a political subdivision, body politic and
20 corporate by the name of Illinois Urban Development Authority.
21 The exercise by the Authority of the powers conferred by law
22 shall be an essential public function. The governing powers of
23 the Authority shall be vested in a body consisting of 11
24 members appointed as follows: one member appointed by the Mayor
25 of the City of Chicago; one member appointed by the President
26 of the Cook County Board; 4 members appointed by the Governor
27 who are residents of a municipality, other than a municipality
28 with a population greater than 1,000,000, whose municipal
29 poverty rate is greater than 3% in excess of the statewide
30 average; 2 members appointed by the Governor that have an
31 expertise, skill, and experience in labor relations; and 3
32 members appointed by the Governor that have an expertise,
33 skill, and experience operating a business that is certified by
34 the State of Illinois as a Disadvantaged Business Enterprise,
35 Minority Business Enterprise, or Women Business Enterprise.

1 Six members shall constitute a quorum. However, when a
2 quorum of members of the Authority is physically present at the
3 meeting site, other Authority members may participate in and
4 act at any meeting through the use of a conference telephone or
5 other communications equipment by means of which all persons
6 participating in the meeting can hear each other. Participation
7 in such meeting shall constitute attendance and presence in
8 person at the meeting of the person or persons so
9 participating. The Chairman of the Authority shall be elected
10 by the Authority. All board members shall be persons of
11 recognized ability and experience in one or more of the
12 following areas: economic development, finance, banking,
13 industrial development, small business management, real estate
14 development, community development, venture finance,
15 construction, and labor relations.

16 The terms of all members of the Authority shall begin 30
17 days after the effective date of this Act. Of the 11 members
18 first appointed pursuant to this Act, 4 shall serve until the
19 third Monday in January 2005, 4 shall serve until the third
20 Monday in January 2006, and 3 shall serve until the third
21 Monday in January 2007. All board members shall hold office for
22 a term of 4 years commencing the third Monday in January of the
23 year in which their term commences, except in case of an
24 appointment to fill a vacancy. In case of vacancy in the office
25 when the Senate is not in session, the Governor may make a
26 temporary appointment until the next meeting of the Senate when
27 he shall nominate such person to fill such office, and any
28 person so nominated who is confirmed by the Senate, shall hold
29 his office during the remainder of the term and until his
30 successor shall be appointed and qualified. If the Senate is
31 not in session, the Governor may make temporary appointments in
32 the case of vacancies.

33 Members of the Authority shall not be entitled to
34 compensation for their services as members but shall be
35 entitled to reimbursement for all necessary expenses incurred
36 in connection with the performance of their duties as members.

1 The Governor may remove any member of the Authority in case of
2 incompetency, neglect of duty, or malfeasance in office, after
3 service on the member of a copy of the written charges against
4 the member and an opportunity to be publicly heard in person or
5 by counsel in the his or her defense upon not less than 10
6 days' notice.

7 The members of the Authority shall appoint an Executive
8 Director, who must be a person knowledgeable in the areas of
9 financial markets and instruments and the financing of business
10 enterprises, to hold office at the pleasure of the members. The
11 Executive Director shall be the chief administrative and
12 operational officer of the Authority and shall direct and
13 supervise its administrative affairs and general management
14 and perform such other duties as may be prescribed from time to
15 time by the members and shall receive compensation fixed by the
16 Authority. The Executive Director or any committee of the
17 members may carry out any responsibilities of the members as
18 the members by resolution may delegate. The Executive Director
19 shall attend all meetings of the Authority; however, no action
20 of the Authority shall be invalid on account of the absence of
21 the Executive Director from a meeting. The Authority may engage
22 the services of such other agents and employees, including
23 attorneys, appraisers, engineers, accountants, credit
24 analysts, and other consultants, as it may deem advisable and
25 may prescribe their duties and fix their compensation.

26 The Authority shall determine the municipal poverty rate
27 and the statewide average municipal poverty rate annually by
28 using the most recent data released by the United States Census
29 Bureau before the beginning of each calendar year. The
30 Authority shall have the sole and exclusive authority to
31 determine the municipal poverty rate and the statewide average
32 municipal poverty rate and to determine whether a
33 municipality's poverty rate is greater than 3% in excess of the
34 statewide average so long as the determination is based on the
35 most recent data released by the United States Census Bureau.

1 Section 5. Conflicts of interest.

2 (a) No member of the Authority or officer, agent, or
3 employee thereof shall, in the member's own name or in the name
4 of a nominee, be an officer, director, or hold an ownership
5 interest of more than 7.5% in any person, association, trust,
6 corporation, partnership, or other entity which is, in its own
7 name or in the name of a nominee, a party to a contract or
8 agreement upon which the member or officer, agent or employee
9 may be called upon to act or vote.

10 (b) With respect to any direct or any indirect interest,
11 other than an interest prohibited in subsection (a), in a
12 contract or agreement upon which the member or officer, agent
13 or employee may be called upon to act or vote, a member of the
14 Authority or officer, agent, or employee thereof must disclose
15 the interest to the secretary of the Authority prior to the
16 taking of final action by the Authority concerning the contract
17 or agreement and shall disclose the nature and extent of the
18 interest and his or her acquisition thereof, which shall be
19 publicly acknowledged by the Authority and entered upon the
20 minutes of the Authority. If a member of the Authority or
21 officer, agent, or employee thereof holds such an interest then
22 the member shall refrain from any further official involvement
23 in regard to the contract or agreement, from voting on any
24 matter pertaining to the contract or agreement, and from
25 communicating with other members of the Authority or its
26 officers, agents, and employees concerning the contract or
27 agreement. Notwithstanding any other provision of law, any
28 contract or agreement entered into in conformity with this
29 subsection shall not be void or invalid by reason of the
30 interest described in this subsection, nor shall any person
31 disclosing an interest and refraining from further official
32 involvement as provided in this subsection be guilty of an
33 offense, be removed from office, or be subject to any other
34 penalty on account of the interest.

35 (c) Any contract or agreement made in violation of
36 subsections (a) or (b) shall be null and void, whether or not

1 the contract performance has been authorized, and shall give
2 rise to no action against the Authority. No real estate to
3 which a member or employee of the Authority holds legal title
4 or in which a member or employee of the Authority has any
5 beneficial interest, including any interest in a land trust,
6 shall be purchased by the Authority or by a nonprofit
7 corporation or limited-profit entity for a development to be
8 financed under this Act.

9 All members and employees of the Authority shall file
10 annually with the Authority a record of all real estate in this
11 State to which the member or employee holds legal title or in
12 which the member or employee has any beneficial interest,
13 including any interest in a land trust. In the event it is
14 later disclosed that the Authority has purchased real estate in
15 which a member or employee had an interest, that purchase shall
16 be voidable by the Authority and the member or employee
17 involved shall be disqualified from membership in or employment
18 by the Authority.

19 Section 6. Records and reports of the Authority. The
20 secretary shall keep a record of the proceedings of the
21 Authority. The treasurer of the Authority shall be custodian of
22 all Authority funds, and shall be bonded in such amount as the
23 other members of the Authority may designate. The accounts and
24 bonds of the Authority shall be set up and maintained in a
25 manner approved by the Auditor General, and the Authority shall
26 file with the Auditor General a certified annual report within
27 120 days after the close of its fiscal year. The Authority
28 shall also file with the Governor, the Secretary of the Senate,
29 the Clerk of the House of Representatives, and the Illinois
30 Commission on Intergovernmental Cooperation, by March 1 of each
31 year, a written report covering its activities and any
32 activities of any instrumentality corporation established
33 under this Act for the previous fiscal year. In its report to
34 be filed by March 1, 2005, the Authority shall present an
35 economic development strategy for all municipalities with a

1 municipal poverty rate greater than 3% in excess of the
2 Statewide average, the Authority shall make modifications in
3 the economic development strategy for the 4 years beginning on
4 the next ensuing July 1, to reflect changes in economic
5 conditions or other factors, including the policies of the
6 Authority and the State of Illinois. It shall also present an
7 economic development strategy for the fifth year beginning
8 after the next ensuing July 1. The strategy shall recommend
9 specific legislative and administrative action by the State,
10 the Authority, units of local government, or other governmental
11 agencies. These recommendations may include, but are not
12 limited to, new programs, modifications to existing programs,
13 credit enhancements for bonds issued by the Authority, and
14 amendments to this Act. When filed, the report shall be a
15 public record and open for inspection at the offices of the
16 Authority during normal business hours.

17 Section 7. Approval of official acts. All official acts of
18 the Authority shall require the approval of at least 6 members.

19 Section 8. Powers of the Authority.

20 (a) The Authority possesses all the powers of a body
21 corporate necessary and convenient to accomplish the purposes
22 of this Act, including, without limitation, except as defined
23 in Section 9.1 of the Act, the following:

24 (1) To enter into loans, contracts, agreements, and
25 mortgages in any matter connected with any of its corporate
26 purposes and to invest its funds.

27 (2) To sue and be sued.

28 (3) To employ agents and employees necessary to carry
29 out its purposes.

30 (4) To have and use a common seal and to alter the same
31 at its discretion.

32 (5) To adopt all needful ordinances, resolutions,
33 by-laws, rules, and regulations for the conduct of its
34 business and affairs and for the management and use of the

1 projects developed, constructed, acquired, and improved in
2 furtherance of its purposes.

3 (6) To designate the fiscal year for the Authority.

4 (7) To accept and expend appropriations.

5 (8) To maintain an office or offices at such place as
6 the Authority may designate.

7 (9) To employ, either as regular employees or as
8 independent contractors, such consultants, engineers,
9 architects, accountants, attorneys, financial experts,
10 construction experts and personnel, superintendents,
11 managers, and other professional personnel as may be
12 necessary in the judgment of the Authority and to fix their
13 compensation.

14 (10) To acquire, hold, lease, use, encumber, transfer,
15 or dispose of real and personal property.

16 (11) To enter into contracts of any kind and execute
17 all instruments necessary or convenient with respect to its
18 carrying out the powers in this Act to accomplish the
19 purposes of the Authority.

20 (12) To fix and revise from time to time and to charge
21 and collect rates, rents, fees, or other charges for the
22 use of facilities or for services rendered in connection
23 with the facilities.

24 (13) To borrow money from any source for any corporate
25 purpose, including working capital for its operations,
26 reserve funds, or the payment of interest, to mortgage,
27 pledge, or otherwise encumber the property or funds of the
28 Authority, and to contract with or engage the services of
29 any person in connection with any financing, including
30 financial institutions, issuers of letters of credit, or
31 insurers.

32 (14) To issue bonds or notes under this Act.

33 (15) To receive and accept from any source, private or
34 public, contributions, gifts, or grants of money or
35 property.

36 (16) To make loans from proceeds or funds otherwise

1 available to the extent necessary or appropriate to
2 accomplish the purposes of the Authority.

3 (17) To exercise all the corporate powers granted to
4 Illinois corporations under the Business Corporation Act
5 of 1983, except to the extent that any of these powers are
6 inconsistent with those of a body politic and corporate of
7 the State.

8 (18) To have and exercise all powers and be subject to
9 all duties usually incident to boards of directors of
10 corporations.

11 (19) To do all things necessary or convenient to carry
12 out the powers granted by this Act.

13 (b) The Authority shall not issue any bonds relating to the
14 financing of a project located within the planning and
15 subdivision control jurisdiction of any municipality or county
16 unless notice, including a description of the proposed project
17 and the financing therefor, is submitted to the corporate
18 authorities of the municipality or, in the case of a proposed
19 project in an unincorporated area, to the county board.

20 (c) If any of the powers set forth in this Act are
21 exercised within the jurisdictional limits of any
22 municipality, all ordinances of the municipality shall remain
23 in full force and effect and shall be controlling.

24 Section 9. Bonds and notes.

25 (a) The Authority may, at any time and from time to time,
26 issue bonds and notes for any corporate purpose, including the
27 establishment of reserves and the payment of interest. In this
28 Act the term "bonds" includes notes of any kind, interim
29 certificates, refunding bonds, or any other evidence of
30 obligation.

31 The bonds of any issue shall be payable solely from the
32 property or receipts of the Authority, including, without
33 limitation: (i) fees, charges, or other revenues payable to the
34 Authority; (ii) payments by financial institutions, insurance
35 companies, or others under letters or lines of credit, policies

1 of insurance, or purchase agreements; (iii) investment
2 earnings from funds or accounts maintained under a bond
3 resolution or trust agreement; (iv) proceeds of refunding
4 bonds; and (v) any and all appropriations authorized by the
5 General Assembly.

6 Bonds shall be authorized by a resolution of the Authority
7 and may be secured by a trust agreement by and between the
8 Authority and a corporate trustee or trustees, which may be any
9 trust company or bank having the powers of a trust company
10 within or without the State. Bonds shall:

11 (1) be issued at, above, or below par value, for cash
12 or other valuable consideration, and mature at time or
13 times, whether as serial bonds or as term bonds or both,
14 not exceeding 35 years from their respective date of issue;
15 however, the length of the term of the bond should bear a
16 reasonable relationship to the value life of the item
17 financed;

18 (2) bear interest at the fixed or variable rate or
19 rates determined by the method provided in the resolution
20 or trust agreement;

21 (3) be payable at a time or times, in the denominations
22 and form, either coupon or registered or both, and carry
23 the registration and privileges as to conversion and for
24 the replacement of mutilated, lost, or destroyed bonds as
25 the resolution or trust agreement may provide;

26 (4) be payable in lawful money of the United States at
27 a designated place;

28 (5) be subject to the terms of purchase, payment,
29 redemption, refunding, or refinancing that the resolution
30 or trust agreement provides;

31 (6) be executed by the manual or facsimile signatures
32 of the officers of the Authority designated by the
33 Authority, which signatures shall be valid at delivery even
34 for one who has ceased to hold office; and

35 (7) be sold in the manner and upon the terms determined
36 by the Authority.

1 (b) Any resolution or trust agreement may contain
2 provisions which shall be a part of the contract with the
3 holders of the bonds as to the following:

4 (1) Pledging, assigning, or directing the use,
5 investment or disposition of receipts of the Authority or
6 proceeds or benefits of any contract and conveying or
7 otherwise securing any property or property rights.

8 (2) The setting aside of loan funding deposits, debt
9 service reserves, capitalized interest accounts, cost of
10 issuance accounts and sinking funds, and the regulations,
11 investment, and disposition thereof.

12 (3) Limitations on the purpose to which or the
13 investments in which the proceeds of the sale of any issue
14 of bonds may be applied and restrictions to investment of
15 revenues or bond proceeds in government obligations for
16 which principal and interest are unconditionally
17 guaranteed by the United States of America.

18 (4) Limitations on the issue of additional bonds, the
19 terms upon which additional bonds may be issued and
20 secured, and the terms upon which additional bonds may rank
21 on a parity with or be subordinate or superior to other
22 bonds.

23 (5) The refunding or refinancing of outstanding bonds.

24 (6) The procedure, if any, by which the terms of any
25 contract with bondholders may be altered or amended, the
26 amount of bonds and holders of which must consent thereto,
27 and the manner in which consent must be given.

28 (7) Defining the acts or omissions that constitute a
29 default in the duties of the Authority to holders of bonds
30 and providing the rights or remedies of the holders in the
31 event of a default which may include provisions restricting
32 individual right of action by bondholders.

33 (8) Providing for guarantees, pledges of property,
34 letters of credit, or other security, or insurance for the
35 benefit of bondholders.

36 (9) Any other matter relating to the bonds that the

1 Authority determines appropriate.

2 (c) No member of the Authority nor any person executing the
3 bonds shall be liable personally on the bonds or subject to any
4 personal liability by reason of the issuance of the bonds.

5 (d) The Authority may enter into agreements with agents,
6 banks, insurers, or others for the purpose of enhancing the
7 marketability of or as security for its bonds.

8 (e) A pledge by the Authority of revenues as security for
9 an issue of bonds shall be valid and binding from the time the
10 pledge is made.

11 The revenues pledged shall immediately be subject to the
12 lien of the pledge without any physical delivery or further
13 act, and the lien of any pledge shall be valid and binding
14 against any person having any claim of any kind in tort,
15 contract, or otherwise against the Authority, irrespective of
16 whether the person has notice.

17 No resolution, trust agreement or financing statement,
18 continuation statement, or other instrument adopted or entered
19 into by the Authority need be filed or recorded in any public
20 record other than the records of the Authority in order to
21 perfect the lien against third persons, regardless of any
22 contrary provision of law.

23 (f) The Authority may issue bonds to refund any of its
24 bonds then outstanding, including the payment of any redemption
25 premium and any interest accrued or to accrue to the earliest
26 or any subsequent date of redemption, purchase, or maturity of
27 the bonds. Refunding bonds may be issued for the public
28 purposes of realizing savings in the effective costs of debt
29 service, directly or through a debt restructuring, for
30 alleviating impending or actual default and may be issued in
31 one or more series in an amount in excess of that of the bonds
32 to be refunded.

33 (g) Bonds or notes of the Authority may be sold by the
34 Authority through the process of competitive bid or negotiated
35 sale.

36 (h) At no time shall the total outstanding bonds and notes

1 of the Authority exceed \$500 million exclusive of bonds issued
2 to refund outstanding bonds.

3 (i) The bonds and notes of the Authority shall not be debts
4 of the State, any unit of local government, or any political
5 subdivision of the State other than the Authority.

6 Section 9.1. Limitation.

7 (a) The Authority may issue its bonds or notes (including
8 refunding bond or notes) only if the financed project is
9 situated within the territorial jurisdiction of a municipality
10 with a municipal poverty rate greater than 3% in excess of the
11 statewide average.

12 (b) If a project is situated in 2 or more municipalities
13 where one municipality has a municipal poverty rate greater
14 than 3% in excess of the Statewide average and the other does
15 not, the project shall be deemed to be within the municipality
16 with a municipal poverty rate greater than 3% in excess of the
17 Statewide average.

18 Section 10. Legality for investment. Any financial
19 institution, investment company, insurance company, or
20 association and any personal representative, guardian,
21 trustee, or other fiduciary, may legally invest any monies
22 belonging to them or within their control in any bonds issued
23 by the Authority.

24 Section 11. Tax exemption. The Authority shall not be
25 required to pay any taxes or assessments of any kind whatsoever
26 and its bonds, their transfer, the interest payable on them,
27 and any income derived from them shall be exempt at the time of
28 issuance and at all times from every kind and nature of
29 taxation by this State or by any of its political subdivisions,
30 municipal corporations, or public agencies of any kind, except
31 for estate, transfer, and inheritance taxes as provided in
32 Section 12.

33 For purposes of Section 250 of the Illinois Income Tax Act,

1 the exemption of the income from bonds issued by the Authority
2 shall terminate after all of the bonds have been paid. The
3 amount of such income that shall be added and then subtracted
4 on the Illinois income tax return of a taxpayer, under Section
5 203 of the Illinois Income Tax Act, from federal adjusted gross
6 income or federal taxable income in computing Illinois base
7 income shall be the interest net of any bond premium
8 amortization.

9 Section 12. Additional powers and duties.

10 (a) The Authority may, but need not, acquire title to any
11 project with respect to which it exercises its authority.

12 (b) The Authority shall have the power to enter into
13 intergovernmental agreements with the State of Illinois, the
14 United States government and any agency or instrumentality of
15 the United States, any unit of local government, or any other
16 unit of government to the extent allowed by Article VII,
17 Section 10 of the Illinois Constitution and the
18 Intergovernmental Cooperation Act.

19 (c) The Authority shall have the power to share employees
20 with other units of government, including agencies of the
21 United States, agencies of the State of Illinois, and agencies
22 or personnel of any unit of local government.

23 (d) The Authority shall have the power to exercise powers
24 and issue bonds as if it were a municipality so authorized in
25 Divisions 12.1, 74, 74.1, 74.3, 74.4, and 74.5 of Article 11 of
26 the Illinois Municipal Code.

27 Section 13. Fees and charges. The Authority may collect
28 fees and charges in connection with its loans, commitments, and
29 servicing and may provide technical assistance in the
30 development of the region.

31 Section 90. The Illinois Enterprise Zone Act is amended by
32 changing Section 5 and by adding Section 11.2 as follows:

1 (20 ILCS 655/5) (from Ch. 67 1/2, par. 605)

2 Sec. 5. Initiation of Enterprise Zones by Municipality or
3 County.

4 (a) Except as provided in Section 11.2, no ~~No~~ area may be
5 designated as an enterprise zone except pursuant to an
6 initiating ordinance adopted in accordance with this Section.

7 (b) A county or municipality may by ordinance designate an
8 area within its jurisdiction as an enterprise zone, subject to
9 the certification of the Department in accordance with this
10 Act, if:

11 (i) the area is qualified in accordance with Section 4; and

12 (ii) the county or municipality has conducted at least one
13 public hearing within the proposed zone area on the question of
14 whether to create the zone, what local plans, tax incentives
15 and other programs should be established in connection with the
16 zone, and what the boundaries of the zone should be; public
17 notice of such hearing shall be published in at least one
18 newspaper of general circulation within the zone area, not more
19 than 20 days nor less than 5 days before the hearing.

20 (c) An ordinance designating an area as an enterprise zone
21 shall set forth:

22 (i) a precise description of the area comprising the zone,
23 either in the form of a legal description or by reference to
24 roadways, lakes and waterways, and township, county
25 boundaries;

26 (ii) a finding that the zone area meets the qualifications
27 of Section 4;

28 (iii) provisions for any tax incentives or reimbursement
29 for taxes, which pursuant to state and federal law apply to
30 business enterprises within the zone at the election of the
31 designating county or municipality, and which are not
32 applicable throughout the county or municipality;

33 (iv) a designation of the area as an enterprise zone,
34 subject to the approval of the Department in accordance with
35 this Act;

36 (v) the duration or term of the enterprise zone.

1 (d) This Section does not prohibit a municipality or county
2 from extending additional tax incentives or reimbursement for
3 business enterprises in Enterprise Zones or throughout their
4 territory by separate ordinance.

5 (e) No county or municipality located within the Metro East
6 Mass Transit District which adopts an ordinance designating an
7 area within the District as an Enterprise Zone shall provide
8 for any exemption, deduction, credit, refund or abatement of
9 any taxes imposed by the Metro East Mass Transit District Board
10 of Trustees under Section 5.01 of the "Local Mass Transit
11 District Act", approved July 21, 1959, as amended.

12 (f) The Department shall encourage applications from all
13 areas of the State and shall actively solicit applications from
14 those counties with populations of less than 300,000.

15 (Source: P.A. 85-870.)

16 (20 ILCS 655/11.2 new)

17 Sec. 11.2. The Illinois Urban Development Authority. The
18 Illinois Urban Development Authority may by resolution
19 designate any portion of the State as an Enterprise Zone under
20 this Act in addition to any other Enterprise Zones that may be
21 created under this Act. The designated area shall have all the
22 privileges and rights of an Enterprise Zone under this Act, but
23 shall not be counted in determining the number of Enterprise
24 Zones to be created in any year under this Act.

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