

1 AN ACT concerning finance.

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

4 ARTICLE 801  
5 GENERAL PROVISIONS

6 Section 801-1. Short Title. Articles 80 through 845 of  
7 this Act may be cited as the Illinois Finance Authority Act.  
8 References to "this Act" in Articles 801 through 845 are  
9 references to the Illinois Finance Authority Act.

10 Section 801-5. Findings and declaration of policy. The  
11 General Assembly hereby finds, determines and declares:

12 (a) that there are a number of existing State authorities  
13 authorized to issue bonds to alleviate the conditions and  
14 promote the objectives set forth below; and to provide a  
15 stronger, better coordinated development effort, it is  
16 determined to be in the interest of promoting the health,  
17 safety, morals and general welfare of all the people of the  
18 State to consolidate certain of such existing authorities  
19 into one finance authority;

20 (b) that involuntary unemployment affects the health,  
21 safety, morals and general welfare of the people of the State  
22 of Illinois;

23 (c) that the economic burdens resulting from involuntary  
24 unemployment fall in part upon the State in the form of  
25 public assistance and reduced tax revenues, and in the event  
26 the unemployed worker and his family migrate elsewhere to  
27 find work, may also fall upon the municipalities and other  
28 taxing districts within the areas of unemployment in the form  
29 of reduced tax revenues, thereby endangering their financial  
30 ability to support necessary governmental services for their

1 remaining inhabitants;

2 (d) that a vigorous growing economy is the basic source  
3 of job opportunities;

4 (e) that protection against involuntary unemployment, its  
5 economic burdens and the spread of economic stagnation can  
6 best be provided by promoting, attracting, stimulating and  
7 revitalizing industry, manufacturing and commerce in the  
8 State;

9 (f) that the State has a responsibility to help create a  
10 favorable climate for new and improved job opportunities for  
11 its citizens by encouraging the development of commercial  
12 businesses and industrial and manufacturing plants within the  
13 State;

14 (g) that increased availability of funds for construction  
15 of new facilities and the expansion and improvement of  
16 existing facilities for industrial, commercial and  
17 manufacturing facilities will provide for new and continued  
18 employment in the construction industry and alleviate the  
19 burden of unemployment;

20 (h) that in the absence of direct governmental subsidies  
21 the unaided operations of private enterprise do not provide  
22 sufficient resources for residential construction,  
23 rehabilitation, rental or purchase, and that support from  
24 housing related commercial facilities is one means of  
25 stimulating residential construction, rehabilitation, rental  
26 and purchase;

27 (i) that it is in the public interest and the policy of  
28 this State to foster and promote by all reasonable means the  
29 provision of adequate capital markets and facilities for  
30 borrowing money by units of local government, and for the  
31 financing of their respective public improvements and other  
32 governmental purposes within the State from proceeds of bonds  
33 or notes issued by those governmental units; and to assist  
34 local governmental units in fulfilling their needs for those

1 purposes by use of creation of indebtedness;

2 (j) that it is in the public interest and the policy of  
3 this State to the extent possible, to reduce the costs of  
4 indebtedness to taxpayers and residents of this State and to  
5 encourage continued investor interest in the purchase of  
6 bonds or notes of governmental units as sound and preferred  
7 securities for investment; and to encourage governmental  
8 units to continue their independent undertakings of public  
9 improvements and other governmental purposes and the  
10 financing thereof, and to assist them in those activities by  
11 making funds available at reduced interest costs for orderly  
12 financing of those purposes, especially during periods of  
13 restricted credit or money supply, and particularly for those  
14 governmental units not otherwise able to borrow for those  
15 purposes;

16 (k) that in this State the following conditions exist:  
17 (i) an inadequate supply of funds at interest rates  
18 sufficiently low to enable persons engaged in agriculture in  
19 this State to pursue agricultural operations at present  
20 levels; (ii) that such inability to pursue agricultural  
21 operations lessens the supply of agricultural commodities  
22 available to fulfill the needs of the citizens of this State;  
23 (iii) that such inability to continue operations decreases  
24 available employment in the agricultural sector of the State  
25 and results in unemployment and its attendant problems; (iv)  
26 that such conditions prevent the acquisition of an adequate  
27 capital stock of farm equipment and machinery, much of which  
28 is manufactured in this State, therefore impairing the  
29 productivity of agricultural land and, further, causing  
30 unemployment or lack of appropriate increase in employment in  
31 such manufacturing; (v) that such conditions are conducive to  
32 consolidation of acreage of agricultural land with fewer  
33 individuals living and farming on the traditional family  
34 farm; (vi) that these conditions result in a loss in

1 population, unemployment and movement of persons from rural  
2 to urban areas accompanied by added costs to communities for  
3 creation of new public facilities and services; (vii) that  
4 there have been recurrent shortages of funds for agricultural  
5 purposes from private market sources at reasonable rates of  
6 interest; (viii) that these shortages have made the sale and  
7 purchase of agricultural land to family farmers a virtual  
8 impossibility in many parts of the State; (ix) that the  
9 ordinary operations of private enterprise have not in the  
10 past corrected these conditions; and (x) that a stable supply  
11 of adequate funds for agricultural financing is required to  
12 encourage family farmers in an orderly and sustained manner  
13 and to reduce the problems described above;

14 (l) that for the benefit of the people of the State of  
15 Illinois, the conduct and increase of their commerce, the  
16 protection and enhancement of their welfare, the development  
17 of continued prosperity and the improvement of their health  
18 and living conditions it is essential that all the people of  
19 the State be given the fullest opportunity to learn and to  
20 develop their intellectual and mental capacities and skills;  
21 that to achieve these ends it is of the utmost importance  
22 that private institutions of higher education within the  
23 State be provided with appropriate additional means to assist  
24 the people of the State in achieving the required levels of  
25 learning and development of their intellectual and mental  
26 capacities and skills and that cultural institutions within  
27 the State be provided with appropriate additional means to  
28 expand the services and resources which they offer for the  
29 cultural, intellectual, scientific, educational and artistic  
30 enrichment of the people of the State;

31 (m) that in order to foster civic and neighborhood pride,  
32 citizens require access to facilities such as educational  
33 institutions, recreation, parks and open spaces,  
34 entertainment and sports, a reliable transportation network,

1 cultural facilities and theaters and other facilities as  
2 authorized by this Act, and that it is in the best interests  
3 of the State to lower the costs of all such facilities by  
4 providing financing through the State; and

5 (n) that to preserve and protect the health of the  
6 citizens of the State, and lower the costs of health care,  
7 that financing for health facilities should be provided  
8 through the State; and it is hereby declared to be the policy  
9 of the State, in the interest of promoting the health,  
10 safety, morals and general welfare of all the people of the  
11 State, to address the conditions noted above, to increase job  
12 opportunities and to retain existing jobs in the State, by  
13 making available through the Illinois Finance Authority,  
14 hereinafter created, funds for the development, improvement  
15 and creation of industrial, housing, local government,  
16 educational, health, public purpose and other projects; to  
17 issue its bonds and notes to make funds at reduced rates and  
18 on more favorable terms for borrowing by local governmental  
19 units through the purchase of the bonds or notes of the  
20 governmental units; and to make or acquire loans for the  
21 acquisition and development of agricultural facilities; to  
22 provide financing for private institutions of higher  
23 education, cultural institutions, health facilities and other  
24 facilities and projects as authorized by this Act; and to  
25 grant broad powers to the Illinois Finance Authority to  
26 accomplish and to carry out these policies of the State which  
27 are in the public interest of the State and of its taxpayers  
28 and residents.

29 Section 801-10. Definitions. The following terms,  
30 whenever used or referred to in this Act, shall have the  
31 following meanings, except in such instances where the  
32 context may clearly indicate otherwise:

33 (a) The term "Authority" means the Illinois Finance

1 Authority created by this Act.

2 (b) The term "project" means an industrial project,  
3 housing project, public purpose project, higher education  
4 project, health facility project, cultural institution  
5 project, agricultural facility or agribusiness, and "project"  
6 may include any combination of one or more of the foregoing  
7 undertaken jointly by any person with one or more other  
8 persons, but "project" shall not include any facility used or  
9 to be used for sectarian instruction or as a place of  
10 religious worship nor any facility which is used or to be  
11 used primarily in connection with any part of the program of  
12 a school or department of divinity for any religious  
13 denomination or the training of ministers, priests, rabbis or  
14 other professional persons in the field of religion.

15 (c) The term "public purpose project" means any project  
16 or facility including without limitation land, buildings,  
17 structures, machinery, equipment and all other real and  
18 personal property, which is authorized or required by law to  
19 be acquired, constructed, improved, rehabilitated,  
20 reconstructed, replaced or maintained by any unit of  
21 government or any other lawful public purpose which is  
22 authorized or required by law to be undertaken by any unit of  
23 government.

24 (d) The term "industrial project" means the acquisition,  
25 construction, refurbishment, creation, development or  
26 redevelopment of any facility, equipment, machinery, real  
27 property or personal property for use by any instrumentality  
28 of the State or its political subdivisions, for use by any  
29 person or institution, public or private, for profit or not  
30 for profit, or for use in any trade or business including,  
31 but not limited to, any industrial, manufacturing or  
32 commercial enterprise and which is (1) a capital project  
33 including but not limited to: (i) land and any rights  
34 therein, one or more buildings, structures or other

1 improvements, machinery and equipment, whether now existing  
2 or hereafter acquired, and whether or not located on the same  
3 site or sites; (ii) all appurtenances and facilities  
4 incidental to the foregoing, including, but not limited to  
5 utilities, access roads, railroad sidings, track, docking and  
6 similar facilities, parking facilities, dockage, wharfage,  
7 railroad roadbed, track, trestle, depot, terminal, switching  
8 and signaling or related equipment, site preparation and  
9 landscaping; and (iii) all non-capital costs and expenses  
10 relating thereto or (2) any addition to, renovation,  
11 rehabilitation or improvement of a capital project or (3) any  
12 activity or undertaking which the Authority determines will  
13 aid, assist or encourage economic growth, development or  
14 redevelopment within the State or any area thereof, will  
15 promote the expansion, retention or diversification of  
16 employment opportunities within the State or any area thereof  
17 or will aid in stabilizing or developing any industry or  
18 economic sector of the State economy. The term "industrial  
19 project" also means the production of motion pictures.

20 (e) The term "bond" or "bonds" shall include bonds, notes  
21 (including bond, grant or revenue anticipation notes),  
22 certificates and/or other evidences of indebtedness  
23 representing an obligation to pay money, including refunding  
24 bonds.

25 (f) The terms "lease agreement" and "loan agreement"  
26 shall mean: (i) an agreement whereby a project acquired by  
27 the Authority by purchase, gift or lease is leased to any  
28 person, corporation or unit of local government which will  
29 use or cause the project to be used as a project as  
30 heretofore defined upon terms providing for lease rental  
31 payments at least sufficient to pay when due all principal  
32 of, interest and premium, if any, on any bonds of the  
33 Authority issued with respect to such project, providing for  
34 the maintenance, insuring and operation of the project on

1 terms satisfactory to the Authority, providing for  
2 disposition of the project upon termination of the lease  
3 term, including purchase options or abandonment of the  
4 premises, and such other terms as may be deemed desirable by  
5 the Authority, or (ii) any agreement pursuant to which the  
6 Authority agrees to loan the proceeds of its bonds issued  
7 with respect to a project or other funds of the Authority to  
8 any person which will use or cause the project to be used as  
9 a project as heretofore defined upon terms providing for loan  
10 repayment installments at least sufficient to pay when due  
11 all principal of, interest and premium, if any, on any bonds  
12 of the Authority, if any, issued with respect to the project,  
13 and providing for maintenance, insurance and other matters as  
14 may be deemed desirable by the Authority.

15 (g) The term "financial aid" means the expenditure of  
16 Authority funds or funds provided by the Authority through  
17 the issuance of its bonds, notes or other evidences of  
18 indebtedness or from other sources for the development,  
19 construction, acquisition or improvement of a project.

20 (h) The term "person" means an individual, corporation,  
21 unit of government, business trust, estate, trust,  
22 partnership or association, 2 or more persons having a joint  
23 or common interest, or any other legal entity.

24 (i) The term "unit of government" means the federal  
25 government, the State or unit of local government, a school  
26 district, or any agency or instrumentality, office, officer,  
27 department, division, bureau, commission, college or  
28 university thereof.

29 (j) The term "health facility" means: (a) any public or  
30 private institution, place, building, or agency required to  
31 be licensed under the Hospital Licensing Act; (b) any public  
32 or private institution, place, building, or agency required  
33 to be licensed under the Nursing Home Care Act; (c) any  
34 public or licensed private hospital as defined in the Mental



1 Health and Developmental Disabilities Code; (d) any such  
2 facility exempted from such licensure when the Director of  
3 Public Health attests that such exempted facility meets the  
4 statutory definition of a facility subject to licensure; (e)  
5 any other public or private health service institution,  
6 place, building, or agency which the Director of Public  
7 Health attests is subject to certification by the Secretary,  
8 U.S. Department of Health and Human Services under the Social  
9 Security Act, as now or hereafter amended, or which the  
10 Director of Public Health attests is subject to  
11 standard-setting by a recognized public or voluntary  
12 accrediting or standard-setting agency; (f) any public or  
13 private institution, place, building or agency engaged in  
14 providing one or more supporting services to a health  
15 facility; (g) any public or private institution, place,  
16 building or agency engaged in providing training in the  
17 healing arts, including but not limited to schools of  
18 medicine, dentistry, osteopathy, optometry, podiatry,  
19 pharmacy or nursing, schools for the training of x-ray,  
20 laboratory or other health care technicians and schools for  
21 the training of para-professionals in the health care field;  
22 (h) any public or private congregate, life or extended care  
23 or elderly housing facility or any public or private home for  
24 the aged or infirm, including, without limitation, any  
25 Facility as defined in the Life Care Facilities Act; (i) any  
26 public or private mental, emotional or physical  
27 rehabilitation facility or any public or private educational,  
28 counseling, or rehabilitation facility or home, for those  
29 persons with a developmental disability, those who are  
30 physically ill or disabled, the emotionally disturbed, those  
31 persons with a mental illness or persons with learning or  
32 similar disabilities or problems; (j) any public or private  
33 alcohol, drug or substance abuse diagnosis, counseling  
34 treatment or rehabilitation facility, (k) any public or

1 private institution, place, building or agency licensed by  
2 the Department of Children and Family Services or which is  
3 not so licensed but which the Director of Children and Family  
4 Services attests provides child care, child welfare or other  
5 services of the type provided by facilities subject to such  
6 licensure; (l) any public or private adoption agency or  
7 facility; and (m) any public or private blood bank or blood  
8 center. "Health facility" also means a public or private  
9 structure or structures suitable primarily for use as a  
10 laboratory, laundry, nurses or interns residence or other  
11 housing or hotel facility used in whole or in part for staff,  
12 employees or students and their families, patients or  
13 relatives of patients admitted for treatment or care in a  
14 health facility, or persons conducting business with a health  
15 facility, physician's facility, surgicenter, administration  
16 building, research facility, maintenance, storage or utility  
17 facility and all structures or facilities related to any of  
18 the foregoing or required or useful for the operation of a  
19 health facility, including parking or other facilities or  
20 other supporting service structures required or useful for  
21 the orderly conduct of such health facility.

22 (k) The term "participating health institution" means a  
23 private corporation or association or public entity of this  
24 State, authorized by the laws of this State to provide or  
25 operate a health facility as defined in this Act and which,  
26 pursuant to the provisions of this Act, undertakes the  
27 financing, construction or acquisition of a project or  
28 undertakes the refunding or refinancing of obligations,  
29 loans, indebtedness or advances as provided in this Act.

30 (l) The term "health facility project", means a specific  
31 health facility work or improvement to be financed or  
32 refinanced (including without limitation through  
33 reimbursement of prior expenditures), acquired, constructed,  
34 enlarged, remodeled, renovated, improved, furnished, or

1 equipped, with funds provided in whole or in part hereunder,  
2 any accounts receivable, working capital, liability or  
3 insurance cost or operating expense financing or refinancing  
4 program of a health facility with or involving funds provided  
5 in whole or in part hereunder, or any combination thereof.

6 (m) The term "bond resolution" means the resolution or  
7 resolutions authorizing the issuance of, or providing terms  
8 and conditions related to, bonds issued under this Act and  
9 includes, where appropriate, any trust agreement, trust  
10 indenture, indenture of mortgage or deed of trust providing  
11 terms and conditions for such bonds.

12 (n) The term "property" means any real, personal or mixed  
13 property, whether tangible or intangible, or any interest  
14 therein, including, without limitation, any real estate,  
15 leasehold interests, appurtenances, buildings, easements,  
16 equipment, furnishings, furniture, improvements, machinery,  
17 rights of way, structures, accounts, contract rights or any  
18 interest therein.

19 (o) The term "revenues" means, with respect to any  
20 project, the rents, fees, charges, interest, principal  
21 repayments, collections and other income or profit derived  
22 therefrom.

23 (p) The term "higher education project" means, in the  
24 case of a private institution of higher education, an  
25 educational facility to be acquired, constructed, enlarged,  
26 remodeled, renovated, improved, furnished, or equipped, or  
27 any combination thereof.

28 (q) The term "cultural institution project" means, in the  
29 case of a cultural institution, a cultural facility to be  
30 acquired, constructed, enlarged, remodeled, renovated,  
31 improved, furnished, or equipped, or any combination thereof.

32 (r) The term "educational facility" means any property  
33 located within the State constructed or acquired before or  
34 after the effective date of this Act, which is or will be, in

1 whole or in part, suitable for the instruction, feeding,  
2 recreation or housing of students, the conducting of research  
3 or other work of a private institution of higher education,  
4 the use by a private institution of higher education in  
5 connection with any educational, research or related or  
6 incidental activities then being or to be conducted by it, or  
7 any combination of the foregoing, including, without  
8 limitation, any such property suitable for use as or in  
9 connection with any one or more of the following: an academic  
10 facility, administrative facility, agricultural facility,  
11 assembly hall, athletic facility, auditorium, boating  
12 facility, campus, communication facility, computer facility,  
13 continuing education facility, classroom, dining hall,  
14 dormitory, exhibition hall, fire fighting facility, fire  
15 prevention facility, food service and preparation facility,  
16 gymnasium, greenhouse, health care facility, hospital,  
17 housing, instructional facility, laboratory, library,  
18 maintenance facility, medical facility, museum, offices,  
19 parking area, physical education facility, recreational  
20 facility, research facility, stadium, storage facility,  
21 student union, study facility, theatre or utility. An  
22 educational facility shall not include any property used or  
23 to be used for sectarian instruction or study or as a place  
24 for devotional activities or religious worship nor any  
25 property which is used or to be used primarily in connection  
26 with any part of the program of a school or department of  
27 divinity for any religious denomination.

28 (s) The term "cultural facility" means any property  
29 located within the State constructed or acquired before or  
30 after the effective date of this Act, which is or will be, in  
31 whole or in part, suitable for the particular purposes or  
32 needs of a cultural institution, including, without  
33 limitation, any such property suitable for use as or in  
34 connection with any one or more of the following: an

1 administrative facility, aquarium, assembly hall, auditorium,  
2 botanical garden, exhibition hall, gallery, greenhouse,  
3 library, museum, scientific laboratory, theater or zoological  
4 facility, and shall also include, without limitation, books,  
5 works of art or music, animal, plant or aquatic life or other  
6 items for display, exhibition or performance. The term  
7 "cultural facility" includes buildings on the National  
8 Register of Historic Places which are owned or operated by  
9 nonprofit entities. A cultural facility shall not include any  
10 property used or to be used for sectarian instruction or  
11 study or as a place for devotional activities or religious  
12 worship nor any property which is used or to be used  
13 primarily in connection with any part of the program of a  
14 school or department of divinity for any religious  
15 denomination.

16 (t) "Private institution of higher education" means a  
17 not-for-profit educational institution which is not owned by  
18 the State or any political subdivision, agency,  
19 instrumentality, district or municipality thereof, which is  
20 authorized by law to provide a program of education beyond  
21 the high school level and which:

22 (1) Admits as regular students only individuals  
23 having a certificate of graduation from a high school, or  
24 the recognized equivalent of such a certificate;

25 (2) Provides an educational program for which it  
26 awards a bachelor's degree, or provides an educational  
27 program, admission into which is conditioned upon the  
28 prior attainment of a bachelor's degree or its  
29 equivalent, for which it awards a postgraduate degree, or  
30 provides not less than a 2-year program which is  
31 acceptable for full credit toward such a degree, or  
32 offers a 2-year program in engineering, mathematics, or  
33 the physical or biological sciences which is designed to  
34 prepare the student to work as a technician and at a

1 semiprofessional level in engineering, scientific, or  
2 other technological fields which require the  
3 understanding and application of basic engineering,  
4 scientific, or mathematical principles or knowledge;

5 (3) Is accredited by a nationally recognized  
6 accrediting agency or association or, if not so  
7 accredited, is an institution whose credits are accepted,  
8 on transfer, by not less than 3 institutions which are so  
9 accredited, for credit on the same basis as if  
10 transferred from an institution so accredited, and holds  
11 an unrevoked certificate of approval under the Private  
12 College Act from the Board of Higher Education, or is  
13 qualified as a "degree granting institution" under the  
14 Academic Degree Act; and

15 (4) Does not discriminate in the admission of  
16 students on the basis of race, color or creed. "Private  
17 institution of higher education" also includes any  
18 "academic institution".

19 (u) The term "academic institution" means any  
20 not-for-profit institution which is not owned by the State or  
21 any political subdivision, agency, instrumentality, district  
22 or municipality thereof, which institution engages in, or  
23 facilitates academic, scientific, educational or professional  
24 research or learning in a field or fields of study taught at  
25 a private institution of higher education. Academic  
26 institutions include, without limitation, libraries,  
27 archives, academic, scientific, educational or professional  
28 societies, institutions, associations or foundations having  
29 such purposes. Academic institution does not include any  
30 school or any institution primarily engaged in religious or  
31 sectarian activities.

32 (v) The term "cultural institution" means any  
33 not-for-profit institution which is not owned by the State or  
34 any political subdivision, agency, instrumentality, district

1 or municipality thereof, which institution engages in the  
2 cultural, intellectual, scientific, educational or artistic  
3 enrichment of the people of the State. Cultural institutions  
4 include, without limitation, aquaria, botanical societies,  
5 historical societies, libraries, museums, performing arts  
6 associations or societies, scientific societies and  
7 zoological societies. Cultural institution does not include  
8 any institution primarily engaged in religious or sectarian  
9 activities.

10 (w) The term "affiliate" means, with respect to financing  
11 of an agricultural facility or an agribusiness, any lender,  
12 any person, firm or corporation controlled by, or under  
13 common control with, such lender, and any person, firm or  
14 corporation controlling such lender.

15 (x) The term "agricultural facility" means land, any  
16 building or other improvement thereon or thereto, and any  
17 personal properties deemed necessary or suitable for use,  
18 whether or not now in existence, in farming, ranching, the  
19 production of agricultural commodities (including, without  
20 limitation, the products of aquaculture, hydroponics and  
21 silviculture) or the treating, processing or storing of such  
22 agricultural commodities when such activities are customarily  
23 engaged in by farmers as a part of farming.

24 (y) The term "lender" with respect to financing of an  
25 agricultural facility or an agribusiness, means any federal  
26 or State chartered bank, Federal Land Bank, Production Credit  
27 Association, Bank for Cooperatives, federal or State  
28 chartered savings and loan association or building and loan  
29 association, Small Business Investment Company or any other  
30 institution qualified within this State to originate and  
31 service loans, including, but without limitation to,  
32 insurance companies, credit unions and mortgage loan  
33 companies. "Lender" also means a wholly owned subsidiary of a  
34 manufacturer, seller or distributor of goods or services that

1 makes loans to businesses or individuals, commonly known as a  
2 "captive finance company".

3 (z) The term "agribusiness" means any sole  
4 proprietorship, limited partnership, co-partnership, joint  
5 venture, corporation or cooperative which operates or will  
6 operate a facility located within the State of Illinois that  
7 is related to the processing of agricultural commodities  
8 (including, without limitation, the products of aquaculture,  
9 hydroponics and silviculture) or the manufacturing,  
10 production or construction of agricultural buildings,  
11 structures, equipment, implements, and supplies, or any other  
12 facilities or processes used in agricultural production.  
13 Agribusiness includes but is not limited to the following:

14 (1) grain handling and processing, including grain  
15 storage, drying, treatment, conditioning, mailing and  
16 packaging;

17 (2) seed and feed grain development and processing;

18 (3) fruit and vegetable processing, including  
19 preparation, canning and packaging;

20 (4) processing of livestock and livestock products,  
21 dairy products, poultry and poultry products, fish or  
22 apiarian products, including slaughter, shearing,  
23 collecting, preparation, canning and packaging;

24 (5) fertilizer and agricultural chemical  
25 manufacturing, processing, application and supplying;

26 (6) farm machinery, equipment and implement  
27 manufacturing and supplying;

28 (7) manufacturing and supplying of agricultural  
29 commodity processing machinery and equipment, including  
30 machinery and equipment used in slaughter, treatment,  
31 handling, collecting, preparation, canning or packaging  
32 of agricultural commodities;

33 (8) farm building and farm structure manufacturing,  
34 construction and supplying;



1           (9) construction, manufacturing, implementation,  
2           supplying or servicing of irrigation, drainage and soil  
3           and water conservation devices or equipment;

4           (10) fuel processing and development facilities that  
5           produce fuel from agricultural commodities or byproducts;

6           (11) facilities and equipment for processing and  
7           packaging agricultural commodities specifically for  
8           export;

9           (12) facilities and equipment for forestry product  
10          processing and supplying, including sawmilling  
11          operations, wood chip operations, timber harvesting  
12          operations, and manufacturing of prefabricated buildings,  
13          paper, furniture or other goods from forestry products;

14          (13) facilities and equipment for research and  
15          development of products, processes and equipment for the  
16          production, processing, preparation or packaging of  
17          agricultural commodities and byproducts.

18          (aa) The term "asset" with respect to financing of any  
19          agricultural facility or any agribusiness, means, but is not  
20          limited to the following: cash crops or feed on hand;  
21          livestock held for sale; breeding stock; marketable bonds and  
22          securities; securities not readily marketable; accounts  
23          receivable; notes receivable; cash invested in growing crops;  
24          net cash value of life insurance; machinery and equipment;  
25          cars and trucks; farm and other real estate including life  
26          estates and personal residence; value of beneficial interests  
27          in trusts; government payments or grants; and any other  
28          assets.

29          (bb) The term "liability" with respect to financing of  
30          any agricultural facility or any agribusiness shall include,  
31          but not be limited to the following: accounts payable; notes  
32          or other indebtedness owed to any source; taxes; rent;  
33          amounts owed on real estate contracts or real estate  
34          mortgages; judgments; accrued interest payable; and any other

1 liability.

2 (cc) The term "Predecessor Authorities" means those  
3 authorities as described in Section 845-75.

4 (dd) The term "housing project" means a specific work or  
5 improvement undertaken to provide residential dwelling  
6 accommodations, including the acquisition, construction or  
7 rehabilitation of lands, buildings and community facilities  
8 and in connection therewith to provide nonhousing facilities  
9 which are part of the housing project, including land,  
10 buildings, improvements, equipment and all ancillary  
11 facilities for use for offices, stores, retirement homes,  
12 hotels, financial institutions, service, health care,  
13 education, recreation or research establishments, or any  
14 other commercial purpose which are or are to be related to a  
15 housing development.

16 Section 801-15. There is hereby created a body politic  
17 and corporate to be known as the Illinois Finance Authority.  
18 The exercise of the powers conferred by law shall be an  
19 essential public function. The Authority shall consist of 15  
20 members, who shall be appointed by the Governor, with the  
21 advice and consent of the Senate. Upon the appointment of the  
22 Board and every 2 years thereafter, the chairperson of the  
23 Authority shall be selected by the Governor to serve as  
24 chairperson for two years. Appointments to the Authority  
25 shall be persons of recognized ability and experience in one  
26 or more of the following areas: economic development,  
27 finance, banking, industrial development, small business  
28 management, real estate development, housing, health  
29 facilities financing, local government financing, community  
30 development, venture finance, construction and labor  
31 relations. At the time of appointment, the Governor shall  
32 designate 5 members to serve until the third Monday in July  
33 2005, 5 members to serve until the third Monday in July 2006

1 and 5 members to serve until the third Monday in July 2007.  
2 Thereafter, appointments shall be for 3-year terms. A member  
3 shall serve until his or her successor shall be appointed and  
4 have qualified for office by filing the oath and bond.  
5 Members of the Authority shall not be entitled to  
6 compensation for their services as members, but shall be  
7 entitled to reimbursement for all necessary expenses incurred  
8 in connection with the performance of their duties as  
9 members. The Governor may remove any member of the Authority  
10 in case of incompetence, neglect of duty, or malfeasance in  
11 office, after service on him of a copy of the written charges  
12 against him and an opportunity to be publicly heard in person  
13 or by counsel in his own defense upon not less than 10 days'  
14 notice. From nominations received from the Governor, the  
15 members of the Authority shall appoint an Executive Director  
16 who shall be a person knowledgeable in the areas of financial  
17 markets and instruments, to hold office for a one-year term.  
18 The Executive Director shall be the chief administrative and  
19 operational officer of the Authority and shall direct and  
20 supervise its administrative affairs and general management  
21 and perform such other duties as may be prescribed from time  
22 to time by the members and shall receive compensation fixed  
23 by the Authority. The Executive Director or any committee of  
24 the members may carry out such responsibilities of the  
25 members as the members by resolution may delegate. The  
26 Executive Director shall attend all meetings of the  
27 Authority; however, no action of the Authority shall be  
28 invalid on account of the absence of the Executive Director  
29 from a meeting. The Authority may engage the services of such  
30 other agents and employees, including attorneys, appraisers,  
31 engineers, accountants, credit analysts and other  
32 consultants, as it may deem advisable and may prescribe their  
33 duties and fix their compensation. The Authority may appoint  
34 Advisory Councils to (1) assist in the formulation of policy

1 goals and objectives, (2) assist in the coordination of the  
2 delivery of services, (3) assist in establishment of funding  
3 priorities for the various activities of the Authority, and  
4 (4) target the activities of the Authority to specific  
5 geographic regions. There may be an Advisory Council on  
6 Economic Development. The Advisory Council shall consist of  
7 no more than 12 members, who shall serve at the pleasure of  
8 the Authority. Members of the Advisory Council shall receive  
9 no compensation for their services, but may be reimbursed for  
10 expenses incurred with their service on the Advisory Council.

11 Section 801-25. All official acts of the Authority shall  
12 require the approval of at least 8 members. All meetings of  
13 the Authority and the Advisory Councils shall be conducted in  
14 accordance with the Open Meetings Act. All meetings shall be  
15 conducted at a single location within this State among  
16 members physically present at this location. The Auditor  
17 General shall conduct financial audits and program audits of  
18 the Authority, in accordance with the Illinois State Auditing  
19 Act.

20 Section 801-30. The Authority possesses all the powers as  
21 a body corporate necessary and convenient to accomplish the  
22 purposes of this Act, including, without any intended  
23 limitation upon the general powers hereby conferred, the  
24 following:

25 (a) to enter into loans, contracts, agreements and  
26 mortgages in any manner connected with any of its corporate  
27 purposes and to invest its funds;

28 (b) to sue and be sued;

29 (c) to employ agents and employees and independent  
30 contractors necessary to carry out its purposes and to fix  
31 their compensation, benefits and terms and conditions of  
32 their employment;

1 (d) to have and use a common seal and to alter the same  
2 at pleasure;

3 (e) to adopt all needful ordinances, resolutions, bylaws,  
4 rules and regulations for the conduct of its business and  
5 affairs and for the management and use of the projects  
6 developed, constructed, acquired and improved in furtherance  
7 of its purposes;

8 (f) to have and exercise all powers and be subject to all  
9 duties otherwise necessary to effectuate the purposes of this  
10 Act. If any of the powers set forth in this Act are exercised  
11 within the jurisdictional limits of any municipality, all  
12 ordinances of the municipality shall remain in full force and  
13 effect and shall be controlling.

14 Section 801-40. In addition to the powers otherwise  
15 authorized by law and in addition to the foregoing general  
16 corporate powers, the Authority shall also have the following  
17 additional specific powers to be exercised in furtherance of  
18 the purposes of this Act.

19 (a) The Authority shall have power (i) to accept grants,  
20 loans or appropriations from the federal government or the  
21 State, or any agency or instrumentality thereof, to be used  
22 for the operating expenses of the Authority, or for any  
23 purposes of the Authority, including the making of direct  
24 loans of such funds with respect to projects, and (ii) to  
25 enter into any agreement with the federal government or the  
26 State, or any agency or instrumentality thereof, in  
27 relationship to such grants, loans or appropriations.

28 (b) The Authority shall have power to procure and enter  
29 into contracts for any type of insurance and indemnity  
30 agreements covering loss or damage to property from any  
31 cause, including loss of use and occupancy, or covering any  
32 other insurable risk.

33 (c) The Authority shall have the continuing power to

1 issue bonds for its corporate purposes. Bonds may be issued  
2 by the Authority in one or more series and may provide for  
3 the payment of any interest deemed necessary on such bonds,  
4 of the costs of issuance of such bonds, of any premium on any  
5 insurance, or of the cost of any guarantees, letters of  
6 credit or other similar documents, may provide for the  
7 funding of the reserves deemed necessary in connection with  
8 such bonds, and may provide for the refunding or advance  
9 refunding of any bonds or for accounts deemed necessary in  
10 connection with any purpose of the Authority. The bonds may  
11 bear interest payable at any time or times and at any rate or  
12 rates, notwithstanding any other provision of law to the  
13 contrary, and such rate or rates may be established by an  
14 index or formula which may be implemented or established by  
15 persons appointed or retained therefor by the Authority, or  
16 may bear no interest or may bear interest payable at maturity  
17 or upon redemption prior to maturity, may bear such date or  
18 dates, may be payable at such time or times and at such place  
19 or places, may mature at any time or times not later than 40  
20 years from the date of issuance, may be sold at public or  
21 private sale at such time or times and at such price or  
22 prices, may be secured by such pledges, reserves, guarantees,  
23 letters of credit, insurance contracts or other similar  
24 credit support or liquidity instruments, may be executed in  
25 such manner, may be subject to redemption prior to maturity,  
26 may provide for the registration of the bonds, and may be  
27 subject to such other terms and conditions all as may be  
28 provided by the resolution or indenture authorizing the  
29 issuance of such bonds. The holder or holders of any bonds  
30 issued by the Authority may bring suits at law or proceedings  
31 in equity to compel the performance and observance by any  
32 person or by the Authority or any of its agents or employees  
33 of any contract or covenant made with the holders of such  
34 bonds and to compel such person or the Authority and any of

1 its agents or employees to perform any duties required to be  
2 performed for the benefit of the holders of any such bonds by  
3 the provision of the resolution authorizing their issuance,  
4 and to enjoin such person or the Authority and any of its  
5 agents or employees from taking any action in conflict with  
6 any such contract or covenant. Notwithstanding the form and  
7 tenor of any such bonds and in the absence of any express  
8 recital on the face thereof that it is non-negotiable, all  
9 such bonds shall be negotiable instruments. Pending the  
10 preparation and execution of any such bonds, temporary bonds  
11 may be issued as provided by the resolution. The bonds shall  
12 be sold by the Authority in such manner as it shall  
13 determine. The bonds may be secured as provided in the  
14 authorizing resolution by the receipts, revenues, income and  
15 other available funds of the Authority and by any amounts  
16 derived by the Authority from the loan agreement or lease  
17 agreement with respect to the project or projects; and bonds  
18 may be issued as general obligations of the Authority payable  
19 from such revenues, funds and obligations of the Authority as  
20 the bond resolution shall provide, or may be issued as  
21 limited obligations with a claim for payment solely from such  
22 revenues, funds and obligations as the bond resolution shall  
23 provide. The Authority may grant a specific pledge or  
24 assignment of and lien on or security interest in such  
25 rights, revenues, income, or amounts and may grant a specific  
26 pledge or assignment of and lien on or security interest in  
27 any reserves, funds or accounts established in the resolution  
28 authorizing the issuance of bonds. Any such pledge,  
29 assignment, lien or security interest for the benefit of the  
30 holders of the Authority's bonds shall be valid and binding  
31 from the time the bonds are issued without any physical  
32 delivery or further act, and shall be valid and binding as  
33 against and prior to the claims of all other parties having  
34 claims against the Authority or any other person irrespective

1 of whether the other parties have notice of the pledge,  
2 assignment, lien or security interest. As evidence of such  
3 pledge, assignment, lien and security interest, the Authority  
4 may execute and deliver a mortgage, trust agreement,  
5 indenture or security agreement or an assignment thereof. A  
6 remedy for any breach or default of the terms of any such  
7 agreement by the Authority may be by mandamus proceedings in  
8 any court of competent jurisdiction to compel the performance  
9 and compliance therewith, but the agreement may prescribe by  
10 whom or on whose behalf such action may be instituted. It is  
11 expressly understood that the Authority may, but need not,  
12 acquire title to any project with respect to which it  
13 exercises its authority.

14 (d) With respect to the powers granted by this Act, the  
15 Authority may adopt rules and regulations prescribing the  
16 procedures by which persons may apply for assistance under  
17 this Act. Nothing herein shall be deemed to preclude the  
18 Authority, prior to the filing of any formal application,  
19 from conducting preliminary discussions and investigations  
20 with respect to the subject matter of any prospective  
21 application.

22 (e) The Authority shall have power to acquire by  
23 purchase, lease, gift or otherwise any property or rights  
24 therein from any person useful for its purposes, whether  
25 improved for the purposes of any prospective project, or  
26 unimproved. The Authority may also accept any donation of  
27 funds for its purposes from any such source. The Authority  
28 shall have no independent power of condemnation but may  
29 acquire any property or rights therein obtained upon  
30 condemnation by any other authority, governmental entity or  
31 unit of local government with such power.

32 (f) The Authority shall have power to develop, construct  
33 and improve either under its own direction, or through  
34 collaboration with any approved applicant, or to acquire



1 through purchase or otherwise, any project, using for such  
2 purpose the proceeds derived from the sale of its bonds or  
3 from governmental loans or grants, and to hold title in the  
4 name of the Authority to such projects.

5 (g) The Authority shall have power to lease pursuant to a  
6 lease agreement any project so developed and constructed or  
7 acquired to the approved tenant on such terms and conditions  
8 as may be appropriate to further the purposes of this Act and  
9 to maintain the credit of the Authority. Any such lease may  
10 provide for either the Authority or the approved tenant to  
11 assume initially, in whole or in part, the costs of  
12 maintenance, repair and improvements during the leasehold  
13 period. In no case, however, shall the total rentals from any  
14 project during any initial leasehold period or the total loan  
15 repayments to be made pursuant to any loan agreement, be less  
16 than an amount necessary to return over such lease or loan  
17 period (1) all costs incurred in connection with the  
18 development, construction, acquisition or improvement of the  
19 project and for repair, maintenance and improvements thereto  
20 during the period of the lease or loan; provided, however,  
21 that the rentals or loan repayments need not include costs  
22 met through the use of funds other than those obtained by the  
23 Authority through the issuance of its bonds or governmental  
24 loans; (2) a reasonable percentage additive to be agreed upon  
25 by the Authority and the borrower or tenant to cover a  
26 properly allocable portion of the Authority's general  
27 expenses, including, but not limited to, administrative  
28 expenses, salaries and general insurance, and (3) an amount  
29 sufficient to pay when due all principal of, interest and  
30 premium, if any on, any bonds issued by the Authority with  
31 respect to the project. The portion of total rentals payable  
32 under clause (3) of this subsection (g) shall be deposited in  
33 such special accounts, including all sinking funds,  
34 acquisition or construction funds, debt service and other

1 funds as provided by any resolution, mortgage or trust  
2 agreement of the Authority pursuant to which any bond is  
3 issued.

4 (h) The Authority has the power, upon the termination of  
5 any leasehold period of any project, to sell or lease for a  
6 further term or terms such project on such terms and  
7 conditions as the Authority shall deem reasonable and  
8 consistent with the purposes of the Act. The net proceeds  
9 from all such sales and the revenues or income from such  
10 leases shall be used to satisfy any indebtedness of the  
11 Authority with respect to such project and any balance may be  
12 used to pay any expenses of the Authority or be used for the  
13 further development, construction, acquisition or improvement  
14 of projects. In the event any project is vacated by a tenant  
15 prior to the termination of the initial leasehold period, the  
16 Authority shall sell or lease the facilities of the project  
17 on the most advantageous terms available. The net proceeds of  
18 any such disposition shall be treated in the same manner as  
19 the proceeds from sales or the revenues or income from leases  
20 subsequent to the termination of any initial leasehold  
21 period.

22 (i) The Authority shall have the power to make loans to  
23 persons to finance a project, to enter into loan agreements  
24 with respect thereto, and to accept guarantees from persons  
25 of its loans or the resultant evidences of obligations of the  
26 Authority.

27 (j) The Authority may fix, determine, charge and collect  
28 any premiums, fees, charges, costs and expenses, including,  
29 without limitation, any application fees, commitment fees,  
30 program fees, financing charges or publication fees from any  
31 person in connection with its activities under this Act.

32 (k) In addition to the funds established as provided  
33 herein, the Authority shall have the power to create and  
34 establish such reserve funds and accounts as may be necessary

1 or desirable to accomplish its purposes under this Act and to  
2 deposit its available monies into the funds and accounts.

3 (l) At the request of the governing body of any unit of  
4 local government, the Authority is authorized to market such  
5 local government's revenue bond offerings by preparing bond  
6 issues for sale, advertising for sealed bids, receiving bids  
7 at its offices, making the award to the bidder that offers  
8 the most favorable terms or arranging for negotiated  
9 placements or underwritings of such securities. The Authority  
10 may, at its discretion, offer for concurrent sale the revenue  
11 bonds of several local governments. Sales by the Authority of  
12 revenue bonds under this Section shall in no way imply State  
13 guarantee of such debt issue. The Authority may require such  
14 financial information from participating local governments as  
15 it deems necessary in order to carry out the purposes of this  
16 subsection (l).

17 (m) The Authority may make grants to any county to which  
18 Division 5-37 of the Counties Code is applicable to assist in  
19 the financing of capital development, construction and  
20 renovation of new or existing facilities for hospitals and  
21 health care facilities under that Act. Such grants may only  
22 be made from funds appropriated for such purposes from the  
23 Build Illinois Bond Fund or the Build Illinois Purposes Fund.

24 (n) The Authority may establish an urban development  
25 action grant program for the purpose of assisting  
26 municipalities in Illinois which are experiencing severe  
27 economic distress to help stimulate economic development  
28 activities needed to aid in economic recovery. The Authority  
29 shall determine the types of activities and projects for  
30 which the urban development action grants may be used,  
31 provided that such projects and activities are broadly  
32 defined to include all reasonable projects and activities the  
33 primary objectives of which are the development of viable  
34 urban communities, including decent housing and a suitable

1 living environment, and expansion of economic opportunity,  
2 principally for persons of low and moderate incomes. The  
3 Authority shall enter into grant agreements from monies  
4 appropriated for such purposes from the Build Illinois Bond  
5 Fund or the Build Illinois Purposes Fund. The Authority shall  
6 monitor the use of the grants, and shall provide for audits  
7 of the funds as well as recovery by the Authority of any  
8 funds determined to have been spent in violation of this  
9 subsection (n) or any rule or regulation promulgated  
10 hereunder. The Authority shall provide technical assistance  
11 with regard to the effective use of the urban development  
12 action grants. The Authority shall file an annual report to  
13 the General Assembly concerning the progress of the grant  
14 program.

15 (o) The Authority may establish a Housing Partnership  
16 Program whereby the Authority provides zero-interest loans to  
17 municipalities for the purpose of assisting in the financing  
18 of projects for the rehabilitation of affordable multi-family  
19 housing for low and moderate income residents. The Authority  
20 may provide such loans only upon a municipality's providing  
21 evidence that it has obtained private funding for the  
22 rehabilitation project. The Authority shall provide 3 State  
23 dollars for every 7 dollars obtained by the municipality from  
24 sources other than the State of Illinois. The loans shall be  
25 made from monies appropriated for such purpose from the Build  
26 Illinois Bond Fund or the Build Illinois Purposes Fund. The  
27 total amount of loans available under the Housing Partnership  
28 Program shall not exceed \$30,000,000. State loan monies under  
29 this subsection shall be used only for the acquisition and  
30 rehabilitation of existing buildings containing 4 or more  
31 dwelling units. The terms of any loan made by the  
32 municipality under this subsection shall require repayment of  
33 the loan to the municipality upon any sale or other transfer  
34 of the project.

1           (p) The Authority may award grants to universities and  
2 research institutions, research consortiums and other  
3 not-for-profit entities for the purposes of: remodeling or  
4 otherwise physically altering existing laboratory or research  
5 facilities, expansion or physical additions to existing  
6 laboratory or research facilities, construction of new  
7 laboratory or research facilities or acquisition of modern  
8 equipment to support laboratory or research operations  
9 provided that such grants (i) be used solely in support of  
10 project and equipment acquisitions which enhance technology  
11 transfer, and (ii) not constitute more than 60 percent of the  
12 total project or acquisition cost.

13           (q) Grants may be awarded by the Authority to units of  
14 local government for the purpose of developing the  
15 appropriate infrastructure or defraying other costs to the  
16 local government in support of laboratory or research  
17 facilities provided that such grants may not exceed 40% of  
18 the cost to the unit of local government.

19           (r) The Authority may establish a Direct Loan Program to  
20 make loans to individuals, partnerships or corporations for  
21 the purpose of an industrial project, as defined in Section  
22 801-10 of this Act. For the purposes of such program and not  
23 by way of limitation on any other program of the Authority,  
24 the Authority shall have the power to issue bonds, notes, or  
25 other evidences of indebtedness including commercial paper  
26 for purposes of providing a fund of capital from which it may  
27 make such loans. The Authority shall have the power to use  
28 any appropriations from the State made especially for the  
29 Authority's Direct Loan Program for additional capital to  
30 make such loans or for the purposes of reserve funds or  
31 pledged funds which secure the Authority's obligations of  
32 repayment of any bond, note or other form of indebtedness  
33 established for the purpose of providing capital for which it  
34 intends to make such loans under the Direct Loan Program. For

1 the purpose of obtaining such capital, the Authority may also  
2 enter into agreements with financial institutions and other  
3 persons for the purpose of selling loans and developing a  
4 secondary market for such loans. Loans made under the Direct  
5 Loan Program may be in an amount not to exceed \$300,000 and  
6 shall be made for a portion of an industrial project which  
7 does not exceed 50% of the total project. No loan may be made  
8 by the Authority unless approved by the affirmative vote of  
9 at least 8 members of the board. The Authority shall  
10 establish procedures and publish rules which shall provide  
11 for the submission, review, and analysis of each direct loan  
12 application and which shall preserve the ability of each  
13 board member to reach an individual business judgment  
14 regarding the propriety of making each direct loan. The  
15 collective discretion of the board to approve or disapprove  
16 each loan shall be unencumbered. The Authority may establish  
17 and collect such fees and charges, determine and enforce such  
18 terms and conditions, and charge such interest rates as it  
19 determines to be necessary and appropriate to the successful  
20 administration of the Direct Loan Program. The Authority may  
21 require such interests in collateral and such guarantees as  
22 it determines are necessary to protect the Authority's  
23 interest in the repayment of the principal and interest of  
24 each loan made under the Direct Loan Program.

25 (s) The Authority may guarantee private loans to third  
26 parties up to a specified dollar amount in order to promote  
27 economic development in this State.

28 (t) The Authority may adopt rules and regulations as may  
29 be necessary or advisable to implement the powers conferred  
30 by this Act.

31 (u) The Authority shall have the power to issue bonds,  
32 notes or other evidences of indebtedness, which may be used  
33 to make loans to units of local government which are  
34 authorized to enter into loan agreements and other documents

1 and to issue bonds, notes and other evidences of indebtedness  
2 for the purpose of financing the protection of storm sewer  
3 outfalls, the construction of adequate storm sewer outfalls,  
4 and the provision for flood protection of sanitary sewage  
5 treatment plans, in counties that have established a  
6 stormwater management planning committee in accordance with  
7 Section 5-1062 of the Counties Code. Any such loan shall be  
8 made by the Authority pursuant to the provisions of Section  
9 820-5 to 820-60 of this Act. The unit of local government  
10 shall pay back to the Authority the principal amount of the  
11 loan, plus annual interest as determined by the Authority.  
12 The Authority shall have the power, subject to appropriations  
13 by the General Assembly, to subsidize or buy down a portion  
14 of the interest on such loans, up to 4% per annum.

15 (v) The Authority may accept security interests as  
16 provided in Sections 11-3 and 11-3.3 of the Illinois Public  
17 Aid Code.

18 (w) Moral Obligation. In the event that the Authority  
19 determines that monies of the Authority will not be  
20 sufficient for the payment of the principal of and interest  
21 on its bonds during the next State fiscal year, the  
22 Chairperson, as soon as practicable, shall certify to the  
23 Governor the amount required by the Authority to enable it to  
24 pay such principal of and interest on the bonds. The Governor  
25 shall submit the amount so certified to the General Assembly  
26 as soon as practicable, but no later than the end of the  
27 current State fiscal year. This subsection shall apply only  
28 to any bonds or notes as to which the Authority shall have  
29 determined, in the resolution authorizing the issuance of the  
30 bonds or notes, that this subsection shall apply. Whenever  
31 the Authority makes such a determination, that fact shall be  
32 plainly stated on the face of the bonds or notes and that  
33 fact shall also be reported to the Governor. In the event of  
34 a withdrawal of moneys from a reserve fund established with

1 respect to any issue or issues of bonds of the Authority to  
 2 pay principal or interest on those bonds, the Chairperson of  
 3 the Authority, as soon as practicable, shall certify to the  
 4 Governor the amount required to restore the reserve fund to  
 5 the level required in the resolution or indenture securing  
 6 those bonds. The Governor shall submit the amount so  
 7 certified to the General Assembly as soon as practicable, but  
 8 no later than the end of the current State fiscal year. The  
 9 Authority shall obtain written approval from the Governor for  
 10 any bonds and notes to be issued under this Section. In  
 11 addition to any other bonds authorized to be issued under  
 12 Sections 825-60, 825-65(e), 830-25 and 845-5, the principal  
 13 amount of Authority bonds outstanding issued under this  
 14 Section 801-40(w) or under 20 ILCS 3850/1-80 or 30 ILCS  
 15 360/2-6(c), which have been assumed by the Authority, shall  
 16 not exceed \$150,000,000.

17 Section 801-45. Property Taxation. The property of the  
 18 Authority and its respective income and operations, shall be  
 19 exempt from taxation.

20 ARTICLE 805

21 INDUSTRIAL REVENUE BOND INSURANCE FUND

22 Section 805-5. Findings and Declaration of Policy. It is  
 23 hereby found and declared that a continuing need exists to  
 24 maintain and develop the State's economy; that there are  
 25 significant barriers in the capital markets inhibiting the  
 26 issuance by the Authority of industrial revenue bonds to  
 27 assist in financing industrial projects in the State,  
 28 particularly for smaller firms; and that the establishment of  
 29 the Industrial Revenue Bond Insurance Fund and the exercise  
 30 by the Authority of the powers granted in this Article will  
 31 promote economic development by widening the market for the



1 Authority's revenue bonds.

2 Section 805-10. Definitions. The following terms,  
3 whenever used or referred to in this Article, shall have the  
4 following meanings ascribed to them, except where the context  
5 clearly requires otherwise:

6 (a) "Financial Institution" means a financial institution  
7 which is a trust company, a bank, a savings bank, a credit  
8 union, an investment bank, a broker, an investment trust, a  
9 pension fund, a building and loan association, a savings and  
10 loan association, an insurance company, or any other  
11 institution acceptable to the Authority, authorized to do  
12 business in the State and approved by the Authority to insure  
13 bonds or loans for industrial projects authorized by this  
14 Act.

15 (b) "Participating lender" means any trust company, bank,  
16 savings bank, credit union, investment bank, broker,  
17 investment trust, pension fund, building and loan  
18 association, savings and loan association, insurance company  
19 or other institution approved by the Authority which assumes  
20 a portion of the risk on a loan for an industrial project as  
21 provided in Section 805-30 of this Act.

22 Section 805-15. Industrial Project Insurance Fund. There  
23 is created the Industrial Project Insurance Fund, hereafter  
24 referred to in Sections 805-15 through 805-50 of this Act as  
25 the "Fund". The Treasurer shall have custody of the Fund,  
26 which shall be held outside of the State treasury, except  
27 that custody may be transferred to and held by any bank,  
28 trust company or other fiduciary with whom the Authority  
29 executes a trust agreement as authorized by paragraph (h) of  
30 Section 805-20 of this Act. Any portion of the Fund against  
31 which a charge has been made, shall be held for the benefit  
32 of the holders of the loans or bonds insured under Section

1 805-20 of this Act. There shall be deposited in the Fund such  
2 amounts, including but not limited to:

3 (a) All receipts of bond and loan insurance premiums;

4 (b) All proceeds of assets of whatever nature received by  
5 the Authority as a result of default or delinquency with  
6 respect to insured loans or bonds with respect to which  
7 payments from the Fund have been made, including proceeds  
8 from the sale, disposal, lease or rental of real or personal  
9 property which the Authority may receive under the provisions  
10 of this Article but excluding the proceeds of insurance  
11 hereunder;

12 (c) All receipts from any applicable contract or  
13 agreement entered into by the Authority under paragraph (b)  
14 of Section 805-20 of this Act;

15 (d) Any State appropriations, transfers of  
16 appropriations, or transfers of general obligation bond  
17 proceeds or other monies made available to the Fund. Amounts  
18 in the Fund shall be used in accordance with the provisions  
19 of this Article to satisfy any valid insurance claim payable  
20 therefrom and may be used for any other purpose determined by  
21 the Authority in accordance with insurance contract or  
22 contracts with financial institutions entered into pursuant  
23 to this Act, including without limitation protecting the  
24 interest of the Authority in industrial projects during  
25 periods of loan delinquency or upon loan default through the  
26 purchase of industrial projects in foreclosure proceedings or  
27 in lieu of foreclosure or through any other means. Such  
28 amounts may also be used to pay administrative costs and  
29 expenses reasonably allocable to the activities in connection  
30 with the Fund and to pay taxes, maintenance, insurance,  
31 security and any other costs and expenses of bidding for,  
32 acquiring, owning, carrying and disposing of industrial  
33 projects which were financed with the proceeds of insured  
34 bonds or loans. In the case of a default in payment with

1 respect to any loan, mortgage or other agreement so insured,  
2 the amount of the default shall immediately, and at all times  
3 during the continuance of such default, and to the extent  
4 provided in any applicable agreement, constitute a charge on  
5 the Fund. Any amounts in the Fund not currently needed to  
6 meet the obligations of the Fund may be invested as provided  
7 by law in obligations designated by the Authority, and all  
8 income from such investments shall become part of the Fund.  
9 In making such investments, the Authority shall act with the  
10 care, skill, diligence and prudence under the circumstances  
11 of a prudent person acting in a like capacity in the conduct  
12 of an enterprise of like character and with like aims. It  
13 shall diversify such investments of the Authority so as to  
14 minimize the risk of large losses, unless under the  
15 circumstances it is clearly not prudent to do so. Any amounts  
16 in the Fund not needed to meet the obligations of the Fund  
17 may be transferred to the Credit Enhancement Development Fund  
18 of the Authority pursuant to resolution of the members of the  
19 Authority.

20 Section 805-20. Powers and Duties; Industrial Project  
21 Insurance Program. The Authority has the power:

22 (a) To insure and make advance commitments to insure all  
23 or any part of the payments required on the bonds issued or a  
24 loan made to finance any environmental facility under the  
25 Illinois Environmental Facilities Financing Act or for any  
26 industrial project upon such terms and conditions as the  
27 Authority may prescribe in accordance with this Article. The  
28 insurance provided by the Authority shall be payable solely  
29 from the Fund created by Section 805-15 and shall not  
30 constitute a debt or pledge of the full faith and credit of  
31 the State, the Authority, or any political subdivision  
32 thereof;

33 (b) To enter into insurance contracts, letters of credit

1 or any other agreements or contracts with financial  
2 institutions with respect to the Fund and any bonds or loans  
3 insured thereunder. Any such agreement or contract may  
4 contain terms and provisions necessary or desirable in  
5 connection with the program, subject to the requirements  
6 established by this Act, including without limitation terms  
7 and provisions relating to loan documentation, review and  
8 approval procedures, origination and servicing rights and  
9 responsibilities, default conditions, procedures and  
10 obligations with respect to insurance contracts made under  
11 this Act. The agreements or contracts may be executed on an  
12 individual, group or master contract basis with financial  
13 institutions;

14 (c) To charge reasonable fees to defray the cost of  
15 obtaining letters of credit or other similar documents, other  
16 than insurance contracts under paragraph (b). Any such fees  
17 shall be payable by such person, in such amounts and at such  
18 times as the Authority shall determine, and the amount of the  
19 fees need not be uniform among the various bonds or loans  
20 insured;

21 (d) To fix insurance premiums for the insurance of  
22 payments under the provisions of this Article. Such premiums  
23 shall be computed as determined by the Authority. Any  
24 premiums for the insurance of loan payments under the  
25 provisions of this Act shall be payable by such person, in  
26 such amounts and at such times as the Authority shall  
27 determine, and the amount of the premiums need not be uniform  
28 among the various bonds or loans insured;

29 (e) To establish application fees and prescribe  
30 application, notification, contract and insurance forms,  
31 rules and regulations it deems necessary or appropriate;

32 (f) To make loans and to issue bonds secured by insurance  
33 or other agreements authorized by paragraphs (a) and (b) of  
34 this Section 805-20 and to issue bonds secured by loans that

1 are guaranteed by the federal government or agencies thereof;

2 (g) To issue a single bond issue, or a series of bond  
3 issues, for a group of industrial projects, a group of  
4 corporations, or a group of business entities or any  
5 combination thereof insured by insurance or backed by any  
6 other agreement authorized by paragraphs (a) and (b) of this  
7 Section or secured by loans that are guaranteed by the  
8 federal government or agencies thereof;

9 (h) To enter into trust agreements for the management of  
10 the Fund created under Section 805-15 of this Act; and

11 (i) To exercise such other powers as are necessary or  
12 incidental to the foregoing.

13 Section 805-25. Insurance Contracts; Claim  
14 Responsibility. Any contract of insurance made by the  
15 Authority with a lender or bondholder or for the benefit  
16 thereof under this Act shall provide that claims payable  
17 under such contract shall be paid from any amounts available  
18 in the Fund and from any amounts available under the terms of  
19 any applicable contract or agreement with other financial  
20 institutions, in such order of priority as the Authority  
21 shall deem appropriate. The obligation of the Authority to  
22 make payments under any such contract shall be limited solely  
23 to the amounts provided in such contract and shall not  
24 constitute a debt or liability of the State, the Authority or  
25 any subdivision thereof. Any insurance contract or other  
26 agreement with a lender or bondholder or for the benefit  
27 thereof and any rule or regulation of the Authority  
28 implementing the insurance program may contain such other  
29 terms, provisions or conditions as the Authority deems  
30 necessary or appropriate, including, without limitation,  
31 those relating to the payment of insurance premiums, the  
32 giving of notice, claim procedures, the sources of payment  
33 for claims, the priority of competing claims for payment, the

1 release or termination of loan security and borrower  
2 liability, the timing of payment, the maintenance and  
3 disposition of industrial projects and the use of amounts  
4 received during periods of delinquency or upon default, and  
5 any other provisions concerning the rights of insured parties  
6 or conditions to the payment of insurance claims.

7 Section 805-30. Applications for Insured Industrial  
8 Project Loans; Procedures. Applications received by the  
9 Authority shall be forwarded to a credit review committee  
10 consisting of 3 persons experienced in industrial financing  
11 selected by the Authority for a review and report concerning  
12 the advisability of approving the proposed insurance. The  
13 review and report shall include facts about the company's  
14 history, job opportunities, stability of employment,  
15 financial condition and structure, income statements, market  
16 prospects and management, and any other facts material to the  
17 insurance request. The report shall include a reasoned  
18 opinion as to whether providing the insurance would tend to  
19 fulfill the purposes of the Authority and the insurance  
20 program. The report shall be advisory in nature only. Payment  
21 shall be made to the members of the committee selected by the  
22 Authority on a reasonable consultant basis, as the Authority  
23 may determine. The credit review committee shall be of such  
24 composition, act for such time and have such powers as shall  
25 be specified in the agreement or agreements establishing its  
26 existence and, to the extent so specified, shall act for the  
27 Authority in matters concerning the insurance program  
28 authorized by Sections 805-5 through 805-45 of this Act. The  
29 Authority shall, on the basis of the application, the report  
30 of the credit review committee, the information provided by  
31 the local or regional industrial development agency, and any  
32 other appropriate information, prepare a report concerning  
33 the creditworthiness of the proposed borrower, the loan

1 record of the participating lender, the financial commitment  
2 of the participating lender, the manner in which the proposed  
3 industrial project will advance the economy of the State and  
4 the soundness of the proposed loan. The Fund, or any portion  
5 thereof against which a charge has been made, shall be held  
6 for the benefit of the holders of the bonds or loans insured  
7 under Section 805-20 of this Act, as provided by agreement  
8 between the Authority and such holders. The Authority shall  
9 be satisfied that the Fund is protected by adequate security  
10 on all bonds or loans insured by the Authority.

11 Section 805-35. Loan Approval Standards. Before approving  
12 any bond or loan insurance under this Act, the Authority  
13 shall find that any loan insured by or to be made from the  
14 proceeds of bonds insured by the Authority under this Act  
15 shall:

16 (a) Be made for an industrial project or any  
17 environmental facility under the Illinois Environmental  
18 Facilities Financing Act;

19 (b) Be made to a borrower approved by the Authority as  
20 responsible and creditworthy;

21 (c) Be reviewed for insurance by the credit review  
22 committee established by the Authority pursuant to this Act;

23 (d) In the case of real property, be secured by a first  
24 mortgage on the property, or by any other security  
25 satisfactory to the Authority to secure payment of the loans,  
26 and have a maturity date not later than 25 years after the  
27 date of the loan;

28 (e) In the case of machinery and equipment, be secured by  
29 a first security interest in the machinery and equipment, or  
30 by any other security satisfactory to the Authority to secure  
31 payment of the loan, and have a maturity date not later than  
32 12 years from the date of the loan;

33 (f) Contain complete amortization provisions satisfactory

1 to the Authority;

2 (g) Be in such principal amount and form, and contain  
3 such terms and provisions with respect to property insurance,  
4 repairs, alterations, payment of taxes and assessments,  
5 delinquency charges, default remedies, additional security  
6 and other matters as the Authority shall determine;

7 (h) Be made only after the Authority has made a  
8 determination that, in its sole opinion, the loan has the  
9 potential to provide or retain substantial employment in  
10 relation to the principal amount of the loan to be insured,  
11 which employment, so far as feasible, may be expected to be  
12 of residents of areas of critical labor surplus;

13 (i) Be made only after the Authority has made a  
14 determination that, in its sole opinion, adequate provision  
15 is being or will be made to meet any increased demand upon  
16 community public facilities that will likely result from the  
17 project; and

18 (j) Be made only after the Authority has made a  
19 determination that, in its sole opinion, the public interest  
20 is adequately protected by the terms of the loan and of the  
21 insurance contract or other agreements. Any contract of  
22 insurance executed by the Authority under this Act shall be  
23 conclusive evidence of eligibility for such insurance, and  
24 the validity of any contract of insurance so executed or of  
25 an advance commitment to insure shall be incontestable in the  
26 hands of a borrower or bondholder from the date of execution  
27 and delivery of the contract or commitment, except for fraud,  
28 or misrepresentation on the part of the borrower and, as to  
29 commitments to insure, noncompliance with the commitment or  
30 Authority rules or regulations in force at the time of  
31 issuance of the commitment. Nothing in this Act shall be  
32 construed as creating any rights of a competitor of an  
33 approved borrower or any applicant whose application is  
34 denied by the Authority to challenge any application which is



1 accepted by the Authority and any loan, contract of insurance  
2 or other agreement executed in connection therewith.

3 Section 805-40. Investments in Insured Debts of the  
4 Authority. The State and all counties, municipalities and  
5 other public corporations, political subdivisions and public  
6 bodies, and public officers of any thereof, all banks,  
7 bankers, trust companies, savings banks and institutions,  
8 building and loan associations, savings and loan  
9 associations, investment companies and other persons carrying  
10 on a banking business, all insurance companies, insurance  
11 associations and other persons carrying on an insurance  
12 business and all executors, administrators, guardians,  
13 trustees and other fiduciaries may legally invest any sinking  
14 funds, moneys or other funds belonging to them or within  
15 their control in any bonds, loans or extension of credit  
16 which are the subject of insurance pursuant to this Article,  
17 it being the purpose of this Section to authorize the  
18 investment of such bonds, loans or extension of credit of all  
19 sinking, insurance, retirement, compensation, pension and  
20 trust funds, whether owned or controlled by private or public  
21 persons or officers; provided, however, that nothing  
22 contained in this Section may be construed as relieving any  
23 persons from any duty of exercising reasonable care in  
24 selecting securities for purchase or investment. The bonds  
25 and any loan or extension of credit which are the subject of  
26 insurance pursuant to this Article are also hereby made  
27 securities which may properly and legally be deposited with  
28 and received by all public officers and bodies of the State  
29 or any agency or political subdivisions thereof and all  
30 municipalities and public corporations for any purpose for  
31 which the deposit of bonds is now or may hereafter be  
32 authorized by law.

1           Section 805-45. Cooperation with Local Industrial  
2 Development Agencies. When the Authority receives an  
3 application from a potential insured loan borrower, it shall  
4 promptly notify the local industrial development agency of  
5 that fact in writing if such an agency exists in the  
6 municipality or county where such industrial project is  
7 proposed to be financed; or the corporate authorities in such  
8 municipality where no such agency exists. The Authority shall  
9 provide the local industrial development agency with any  
10 available information that the agency needs to prepare a  
11 recommendation concerning the advisability of the industrial  
12 project and its impact, economic and otherwise, on the  
13 community and the State. Such application shall include a  
14 written authorization by the applicant that such notification  
15 and information be made available to such agency or  
16 municipality to the extent that such information is not  
17 deemed to be confidential under Section 805-50 of this Act.  
18 The Authority shall not consider any application that does  
19 not include such written authorization. The Authority shall  
20 encourage financial participation by local industrial  
21 development agencies by giving priority consideration to  
22 insured loan applicants from areas serviced by those agencies  
23 that have demonstrated a commitment to economic development.

24           Section 805-50. Documentary material concerning trade  
25 secrets; Commercial or financial information;  
26 Confidentiality. Any documentary materials or data made or  
27 received by any member, agent, or employee of the Authority  
28 or the credit review committees, to the extent that such  
29 materials or data consist of trade secrets, commercial or  
30 financial information regarding the operation of any  
31 enterprise conducted by an applicant for, or recipient of,  
32 any form of assistance which the Authority is empowered to  
33 render under this Article, or regarding the competitive

1 position of such enterprise in a particular field of  
2 endeavor, shall not be deemed public records.

3 ARTICLE 810

4 VENTURE INVESTMENT FUND

5 Section 810-5. Findings and Declaration of Policy. It is  
6 hereby found and declared that a continuing need exists to  
7 maintain and develop the State's economy; that assisting and  
8 encouraging economic development through private enterprise  
9 will help to create and maintain employment and governmental  
10 revenues and is an important function of the State; that the  
11 availability of seed capital and equity capital is an  
12 important inducement to enterprises to remain, locate and  
13 expand in the State; that there exists in the State gaps in  
14 the availability of capital for the development and  
15 exploitation of new technologies, products, processes and  
16 inventions and that this shortage has resulted and will  
17 continue to result in a shortfall in the development of new  
18 enterprises and employment in Illinois; that the  
19 establishment of the Illinois Venture Investment Fund and the  
20 exercise by the Authority of the powers granted in Sections  
21 810-5 through 810-40 of this Act will promote economic  
22 development resulting in increased employment and public  
23 revenues; and that the provisions of this Act are hereby  
24 declared to be in the public interest and for the public  
25 benefit.

26 Section 810-10. Definitions. The following terms,  
27 whenever used or referred to in this Article, shall have the  
28 following meanings ascribed to them, except where the context  
29 clearly requires otherwise:

30 (a) "Co-venture investment" means a venture capital or  
31 seed capital investment by the Authority in qualified

1 securities of an enterprise that is made after or in  
2 conjunction with one or more professional investors that have  
3 or are making equity investments in that enterprise, as  
4 provided in this Act. A direct investment made by the  
5 Authority may later be treated as a co-venture upon such  
6 investment made by a professional investor.

7 (b) "Direct investment" means a venture capital or seed  
8 capital investment by the Authority in qualified securities  
9 of an enterprise in which no professional investor or seed  
10 capital investor is also making an equity investment.

11 (c) "Enterprise" means an individual, corporation,  
12 partnership, joint venture, trust, estate, or unincorporated  
13 association.

14 (d) "Professional investor" means any bank, bank holding  
15 company, savings institution, trust company, credit union,  
16 insurance company, investment company registered under the  
17 Federal Investment Company Act of 1940, pension or  
18 profit-sharing trust or other financial institution or  
19 institutional buyer, licensee under the Federal Small  
20 Business Investment Act of 1958, or any person, partnership,  
21 or other entity whose principal business is making venture  
22 capital investments and whose net worth exceeds \$250,000.

23 (e) "Qualified security" means any note, stock,  
24 convertible security, treasury stock, bond, debenture,  
25 evidence of indebtedness, limited partnership interest,  
26 certificate of interest or participation in any  
27 profit-sharing agreement, pre-organization certificate or  
28 subscription, transferable share, investment contract,  
29 certificate of deposit for a security, certificate of  
30 interest or participation in a patent or application  
31 therefor, or in royalty or other payments under a patent or  
32 application, or, in general, any interest or instrument  
33 commonly known as a "security" or any certificate for,  
34 receipt for, guarantee of, or option, warrant, or right to

1 subscribe to or purchase any of the foregoing.

2 (f) "Seed capital" means financing in the form of  
3 investments in qualified securities that is provided for  
4 applied research, development, testing, and initial marketing  
5 of a technology, product, process, or invention and  
6 associated working capital.

7 (g) "Seed capital investor" means any person,  
8 partnership, corporation, trust, or other entity making a  
9 seed capital investment.

10 (h) "Director" means the person designated by the  
11 Authority to manage the activities associated with the  
12 Illinois Venture Investment Fund.

13 (i) "Venture capital" means financing in the form of  
14 investments in qualified securities that is provided for the  
15 capital needs of a company that is developing a new  
16 technology, product, process, or invention.

17 Section 810-15. Illinois Venture Investment Fund. There  
18 is created the Illinois Venture Investment Fund, hereafter  
19 referred to in this Article as the "Fund". The Treasurer of  
20 the Authority shall have custody of the Fund, which shall be  
21 held outside of the State treasury. The Authority is  
22 authorized to accept any and all grants, loans, including  
23 loans from State public employee pension funds, as authorized  
24 by this Act or any other statute, subsidies, matching funds,  
25 reimbursements, appropriations, transfers of appropriations,  
26 federal grant monies, income derived from investments, or  
27 other things of value from the federal or state governments  
28 or any agency of any other state or from any institution,  
29 person, firm or corporation, public or private, for deposit  
30 in the Fund. The Authority is authorized to use monies  
31 deposited in the Fund expressly for the purposes specified in  
32 and according to the procedures established by Sections  
33 810-20 through 810-40 of this Act. The Authority may appoint

1 a Director to manage the activities associated with the Fund.  
2 Such Director shall receive compensation as determined by the  
3 Authority.

4 Section 810-20. Powers and Duties; Illinois Venture  
5 Investment Fund Limits. The Authority shall invest and  
6 reinvest the Fund and the income, thereof, in the following  
7 ways:

8 (a) To make a direct investment in qualified securities  
9 issued by enterprises and to dispose of those securities  
10 within 10 years after the date of the direct investment as  
11 determined by the Authority for the purpose of providing  
12 venture capital or seed capital, provided that the investment  
13 shall not exceed 49% of the estimated cost of development,  
14 testing, and initial production and marketing and associated  
15 working capital for the technology, product, process, or  
16 invention, or \$750,000, whichever is less;

17 (b) To enter into written agreements or contracts  
18 (including limited partnership agreements) with one or more  
19 professional investors or one or more seed capital investors,  
20 if any, for the purpose of establishing a pool of funds to be  
21 used exclusively as venture capital or seed capital  
22 investments. The Authority shall not invest more than  
23 \$2,000,000 in a single pool of funds or affiliated pools of  
24 funds. The agreement or contract shall provide for the pool  
25 of funds to be managed by a professional investor. The  
26 manager may be the general partner of a limited partnership  
27 of which the Authority is a limited partner. The agreement or  
28 contract may provide for reimbursement of expenses of, and  
29 payment of a fee to, the manager. The agreement or contract  
30 may also provide for payment to the manager of a percentage,  
31 not to exceed 40% (computed on an annual basis), of cash and  
32 other property payable to the Authority as its pro-rata share  
33 of distributions to investors in the pool of funds, provided

1 that (i) no amount shall be received by the manager upon sale  
2 or other disposition of qualified investments in enterprises  
3 until recovery by the Authority of its investment and upon  
4 liquidation or withdrawal of the Authority from the pool of  
5 funds, the manager shall be obligated to refund any amount  
6 received by it from such percentage if necessary to allow the  
7 Authority to recover its investment or (ii) the terms of  
8 payment of cash and other property to the Authority are no  
9 less favorable to the Authority than payments to other seed  
10 capital investors (other than the manager) who are parties to  
11 the agreement or contract.

12 (c) To make co-venture investments by entering into  
13 agreements with one or more professional investors or one or  
14 more seed capital investors, if any, who have formally agreed  
15 to invest at least 50% as much as the Authority invests in  
16 the enterprise, for the purpose of providing venture capital  
17 or seed capital; but no more than \$1,000,000 shall be  
18 invested by the Authority in the qualified securities of a  
19 single enterprise. A total of not more than \$1,500,000 may be  
20 invested in the securities of a single enterprise, if the  
21 Authority shall find, after the initial investment by the  
22 Authority, that additional investments in the enterprise are  
23 necessary to protect or enhance the initial investment of the  
24 Authority. Each co-venture investment agreement shall provide  
25 that the Authority will recover its investment before or  
26 simultaneously with any distribution to participating  
27 professional investors or seed capital investors. The  
28 Authority and participating professional investors and seed  
29 capital investors shall share ratably in the profits earned  
30 in any form on the co-venture investment, but the Authority  
31 may, at its discretion, agree to pay to a participating  
32 professional investor a percentage, not to exceed 40%  
33 (computed on an annual basis), of cash and other property  
34 payable to the Authority as its pro-rata share of

1 distributions to investors in the pool of funds, provided  
2 that (i) no amount shall be received by the participating  
3 professional investor upon sale or other disposition of  
4 qualified investments in the enterprises until recovery by  
5 the Authority of its investment and upon liquidation or  
6 withdrawal of the Authority from the pool of funds, the  
7 participating professional investor shall be obligated to  
8 refund any amount received by it from such percentage if  
9 necessary to allow the Authority to recover its investment or  
10 (ii) the terms of payment of cash and other property to the  
11 Authority are no less favorable to the Authority than  
12 payments to other seed capital investors or professional  
13 investors (other than the professional investor) who are  
14 parties to the agreement or contract;

15 (d) To purchase qualified securities of certified  
16 development corporations created under Section 503 of the  
17 federal Small Business Administration Act, including the  
18 Illinois Small Business Growth Corporation, for the purpose  
19 of making loans to enterprises that have the potential to  
20 create substantial employment within the State per dollar  
21 invested by the Authority, provided that the investment does  
22 not exceed 25% of the total investment in each corporation at  
23 the time the investment is approved by the Authority.  
24 Investment by the Authority in the Illinois Small Business  
25 Growth Corporation is not limited by the foregoing provision;

26 (e) To purchase qualified securities of small business  
27 investment companies and minority enterprise small business  
28 investment corporations certified by the federal Small  
29 Business Administration which are committed to making 60% of  
30 their investments in the State, provided that investments  
31 from the Fund do not exceed 25% of the total investment in  
32 these entities at the time the investment is approved by the  
33 Authority;

34 (f) To make the investments of any funds held in reserves



1 or sinking funds, or any funds not required for immediate  
2 disbursement, as may be lawful investments for fiduciaries in  
3 the State;

4 (g) To facilitate and promote the acquisition and  
5 revitalization of existing manufacturing enterprises by  
6 developing and maintaining a list of firms, or divisions  
7 thereof, located within the State that are available for  
8 purchase, merger, or acquisition. The list shall be made  
9 available at such charges as the Authority may determine to  
10 all interested persons and institutions upon request. No firm  
11 shall appear on the list without its prior written  
12 permission. The list may contain such additional financial,  
13 technical, market and other information as may be supplied by  
14 the listed firm. The Authority shall bear no responsibility  
15 for the accuracy of the information contained on the list,  
16 and each listed firm shall hold the Authority harmless  
17 against any claim of inaccuracy. Enterprises supported by  
18 investments from the Fund shall receive consideration by the  
19 Authority in the allocation of loans to be insured or loans  
20 to be made from the proceeds of bonds to be insured by the  
21 Industrial Revenue Bond Insurance Fund established under this  
22 Article, and the Authority shall coordinate its activities  
23 under the 2 programs.

24 Section 810-25. Direct and Co-venture Investments. An  
25 enterprise seeking a direct investment from the Illinois  
26 Venture Investment Fund shall file an application with the  
27 Authority along with an applicable fee to be determined by  
28 the Authority. A valid application shall contain a business  
29 plan, including a description of the enterprise and its  
30 management, a statement of the amount, timing, and projected  
31 use of the capital required, a statement concerning the  
32 feasibility of the proposed technology, product, process, or  
33 invention, its state of development and likelihood of

1 commercial success, a statement of the potential economic  
2 impact of the enterprise on the State, including the number,  
3 location, and types of jobs expected to be created, and such  
4 other information as the Authority shall require. In addition  
5 to the foregoing, the Authority shall approve an application  
6 for a direct investment and shall approve a co-venture  
7 investment only after it has made the following findings:

8 (a) The enterprise has a reasonable chance of success;

9 (b) If the application is for a direct investment,  
10 Authority participation is necessary to the success of the  
11 enterprise because conventional, private funding is  
12 unavailable in the traditional capital markets, or because  
13 funding has been offered on terms that would substantially  
14 hinder the success of the enterprise;

15 (c) The technology, product, process, or invention for  
16 which the investment is being made is feasible, has the  
17 potential to achieve commercial success and the enterprise  
18 has the potential to create substantial employment within the  
19 State per dollar invested and that this employment, so far as  
20 feasible, may be expected to be for residents of areas of  
21 critical labor surplus;

22 (d) The entrepreneur, investors, shareholders, and other  
23 founders of the enterprise have already made or are obligated  
24 to make a substantial financial and time commitment to the  
25 enterprise;

26 (e) The securities to be purchased are qualified  
27 securities;

28 (f) The Authority determines that the possible gains on  
29 the investment are at least commensurate with the risk of  
30 loss and that there is a reasonable possibility that the  
31 Authority will recoup its investment, within 10 years after  
32 the investment or such other time period as negotiated by the  
33 Authority, through the receipt of interest payments,  
34 dividends, capital gains, or other distribution of profits,

1 or royalties on investments made by the Authority; and

2 (g) Binding commitments have been made to the Authority  
3 by the enterprise for adequate reporting of financial data to  
4 the Authority and any participating professional investors or  
5 seed capital investors. The report shall include an annual  
6 audit of the books of the enterprise by an independent  
7 certified public accountant if the Authority so requires. The  
8 Authority and any participating professional investors or  
9 seed capital investors shall secure sufficient contractual  
10 rights from the enterprise as the Authority shall consider  
11 prudent to protect the investment of the Authority,  
12 including, at the discretion of the Authority and without  
13 limitation, a right of access to financial and other records  
14 of the enterprise. The Authority's interest in qualified  
15 securities from investments shall not represent more than 49%  
16 of the voting stock of any single enterprise at the time of  
17 purchase after giving effect to the conversion of all  
18 outstanding convertible securities of the enterprise. In the  
19 event of severe financial difficulty that in the judgment of  
20 the Authority threatens the investment of the Authority  
21 therein, a greater percentage of those securities may be  
22 owned or acquired by the Authority.

23 Section 810-30. Investment in Pools of Funds. Proposals  
24 for the establishment of pools of funds under paragraph (b)  
25 of Section 810-20 of this Act shall be submitted on a form,  
26 contain the information, and be accompanied by a fee as  
27 prescribed by the Authority. The Authority shall not enter  
28 into any agreement or contract under paragraph (b) of Section  
29 810-20 of this Act unless the agreement or contract provides  
30 that the pool of funds will be invested in an enterprise only  
31 if the manager finds all of the following:

32 (a) The enterprise has a reasonable chance of success.

33 (b) The technology, product, process, or invention for

1 which the investment is being made is feasible and has the  
2 potential to achieve commercial success.

3 (c) The enterprise has the potential to create  
4 substantial employment within the State.

5 (d) The entrepreneur, investors, shareholders, or  
6 founders of the enterprise have made or are obligated to make  
7 a substantial commitment of time and funds to the enterprise.

8 (e) The possible gains in the investment are at least  
9 commensurable with the risk of loss and there is a reasonable  
10 possibility that the investors, including the Authority, will  
11 recoup their investment within 10 years after the investment,  
12 through the receipt of interest, dividends, capital gains, or  
13 other distributions of profit or royalties.

14 (f) The enterprise shall have made binding commitments  
15 for adequate reporting of and access to financing data of the  
16 enterprise.

17 Section 810-35. Documentary materials concerning trade  
18 secrets; Commercial or financial information;  
19 Confidentiality. Any documentary materials or data made or  
20 received by any member, agent or employee of the Authority,  
21 to the extent that such material or data consist of trade  
22 secrets, commercial or financial information regarding the  
23 operation of any enterprise conducted by an applicant for, or  
24 recipient of, any form of assistance which the Authority is  
25 empowered to render, or regarding the competitive position of  
26 such enterprise in a particular field of endeavor, shall not  
27 be deemed public records; provided, however, that if the  
28 Authority purchases a qualified security from such  
29 enterprise, the commercial and financial information,  
30 excluding trade secrets, shall be deemed to become a public  
31 record of the Authority after the expiration of 3 years from  
32 the date of purchase of such qualified security, or, in the  
33 case of such information made or received by any member,

1 agent or employee of the Authority after the purchase of such  
2 qualified security, 3 years from the date such information  
3 was made or received. Any discussion or consideration of such  
4 trade secrets or commercial or financial information may be  
5 held by the Authority, in executive sessions closed to the  
6 public, notwithstanding the provisions of the Open Meetings  
7 Act; provided, however, that the purpose of any such  
8 executive session shall be set forth in the official minutes  
9 of the Authority and business which is not related to such  
10 purpose shall not be transacted, nor shall any vote be taken  
11 during such executive sessions.

12 Section 810-40. Tax Exemption. The Illinois Venture  
13 Investment Fund and all its proceeds shall be and are hereby  
14 declared exempt from all franchise and income taxes levied by  
15 the State, provided nothing herein shall be construed to  
16 exempt from any such taxes, or from any taxes levied in  
17 connection with the manufacture, production, use or sale of  
18 any technologies, products, processes or inventions which are  
19 the subject of any agreement earned by any enterprise in  
20 which the Authority has invested.

21 ARTICLE 815

22 LAND BANK FUND

23 Section 815-5. Findings and Declaration of Policy. It is  
24 hereby found and declared that there exists within the State  
25 a condition of substantial and persistent unemployment which  
26 is detrimental to the welfare of the people of the State;  
27 that the absence of an orderly conversion and development of  
28 certain property results in blight, economic dislocation, and  
29 additional unemployment; that there exists within the State a  
30 significant resource of underutilized property which, if  
31 returned to productive economic use, will increase

1 employment, increase revenues for the State and units of  
2 local government, and lead to a more stable economy; that the  
3 acquisition, development or disposition of such land or  
4 property in conjunction with units of local government, local  
5 industrial development agencies and private enterprise in  
6 accordance with development plans will stimulate economic  
7 development within the State; that the establishment of the  
8 Illinois Land Bank Fund and the exercise by the Authority of  
9 the powers granted in this Article will promote economic  
10 development resulting in increased employment and public  
11 revenues; and that the provisions of this Act are hereby  
12 declared to be in the public interest and benefit and a valid  
13 public purpose.

14 Section 815-10. Definitions. The following terms,  
15 whenever used or referred to in this Article, shall have the  
16 following meanings ascribed to them, except where the context  
17 clearly requires otherwise:

18 (a) "Property" means land, parcels or combination of  
19 parcels, structures, and all improvements, easements and  
20 franchises;

21 (b) "Redevelopment area" means any property which is a  
22 contiguous area of at least 2 acres but less than 160 acres  
23 in the aggregate located within one and one-half miles of the  
24 corporate limits of a municipality and not included within  
25 any municipality, where, (1) if improved, a substantial  
26 proportion of the industrial, commercial and residential  
27 buildings or improvements are detrimental to the public  
28 safety, health, morals or welfare because of a combination of  
29 any of the following factors: age; physical configuration;  
30 dilapidation; structural or economic obsolescence;  
31 deterioration; illegal use of individual structures; presence  
32 of structures below minimum code standards; excessive and  
33 sustained vacancies; overcrowding of structures and community

1 facilities; inadequate ventilation, light, sewer, water,  
2 transportation and other infrastructure facilities;  
3 inadequate utilities; excessive land coverage; deleterious  
4 land use or layout; depreciation or lack of physical  
5 maintenance; and lack of community planning; or (2) if  
6 vacant, the sound utilization of land for industrial projects  
7 is impaired by a combination of 2 or more of the following  
8 factors: obsolete platting of the vacant land; diversity of  
9 ownership of such land; tax and special assessment  
10 delinquencies on such land; and deterioration of structures  
11 or site improvements in neighboring areas to the vacant land,  
12 or the area immediately prior to becoming vacant qualified as  
13 a redevelopment improved area; or (3) if an improved area  
14 within the boundaries of a development project is located  
15 within the corporate limits of the municipality in which 50%  
16 or more of the structures in the area have an age of 35 years  
17 or more, such area does not qualify under clause (1) but is  
18 detrimental to the public safety, health, morals or welfare  
19 and such area may become a redevelopment area pursuant to  
20 clause (1) because of a combination of 3 or more of the  
21 factors specified in clause (1).

22 (c) "Enterprise" means an individual, corporation,  
23 partnership, joint venture, trust, estate or unincorporated  
24 association;

25 (d) "Development plan" means the comprehensive program of  
26 the Authority and the participating entity to reduce or  
27 eliminate those conditions the existence of which qualified  
28 the project area as a redevelopment area. Each development  
29 plan shall set forth in writing the program to be undertaken  
30 to accomplish such objectives and shall include, without  
31 limitation, estimated development project costs, the sources  
32 of funds to pay costs, the nature and term of any obligations  
33 to be issued, the most recent equalized assessed valuation of  
34 the project area, an estimate as to the equalized assessed

1 valuation after development and the general land uses to  
2 apply in the project area.

3 (e) "Development project" means any project in  
4 furtherance of the objectives of a development plan,  
5 including any building or buildings or building addition or  
6 other structures to be newly constructed, renovated or  
7 improved and suitable for use by an enterprise as an  
8 industrial project, and includes the sites and other rights  
9 in the property on which such buildings or structures are  
10 located.

11 (f) "Participating entity" means a municipality, a local  
12 industrial development agency or an enterprise or any  
13 combination thereof.

14 Section 815-15. Illinois Land Bank Fund; Creation; Use.  
15 There is hereby created the Illinois Land Bank Fund,  
16 hereafter referred to in Sections 815-15 through 815-30 of  
17 this Act as the "Fund". The Treasurer of the Authority shall  
18 have custody of the Fund, which shall be held outside of the  
19 State treasury. The Authority is authorized to accept any and  
20 all grants, loans, subsidies, matching funds, reimbursements,  
21 appropriations, transfers of appropriations, federal grant  
22 monies, income derived from investments, or other things of  
23 value from the federal or state governments or units of local  
24 government or any agency thereof or from an enterprise for  
25 deposit in the Fund. The Authority is authorized to use  
26 monies deposited in the Fund expressly for the purposes  
27 specified in and according to the procedures established by  
28 Sections 815-20 through 815-30 of this Act.

29 Section 815-20. Powers and Duties.

30 (a) The Authority shall have the following powers with  
31 respect to redevelopment areas:

32 (1) To acquire and possess property in a



1 redevelopment area;

2 (2) To clear any such areas so acquired by  
3 demolition of existing structures and buildings and to  
4 make necessary improvements to the property essential to  
5 its reuse in conformity with a development plan; and

6 (3) To convey property for use in accordance with a  
7 development plan.

8 (b) Before acquiring property under this Section the  
9 Authority shall hold a public hearing after notice published  
10 in a newspaper of general circulation in the county in which  
11 the property is located and shall find:

12 (1) The property is in a redevelopment area;

13 (2) Such acquisition or possession is necessary or  
14 reasonably required to retain existing enterprises or  
15 attract new enterprises and to promote sound economic  
16 growth and to carry out the purposes of Section 815-5  
17 through 815-30 of this Act;

18 (3) The assembly of property is not unduly  
19 competitive with similar assemblies by private enterprise  
20 in the area or surrounding areas; and

21 (4) The participating entity, without the  
22 involvement of the Authority, would be unlikely,  
23 unwilling or unable to undertake such redevelopment of  
24 the property as was necessary for economic development.

25 (c) No property may be acquired by the Authority unless  
26 the acquisition is consented to by resolution of the  
27 corporate authorities of the municipality with jurisdiction  
28 over the property under Section 11-12-6 of the Municipal  
29 Code.

30 (d) The Authority may acquire any interest in property in  
31 a redevelopment area by purchase, lease, or gift, but shall  
32 not have the power of condemnation.

33 (e) No property shall be acquired under this Section  
34 unless the Authority has adopted a development plan under the

1 provisions of Section 815-25.

2 Section 815-25. Development Plans.

3 (a) No development plan shall be approved by the  
4 Authority unless after a public hearing held upon notice  
5 published in a newspaper of general circulation in the county  
6 where the property is located, the Authority finds:

7 (1) The plan provides for projects which will reduce  
8 unemployment;

9 (2) The redevelopment area on the whole has not been  
10 subject to growth and development through investment by  
11 private enterprise and would not reasonably be  
12 anticipated to be developed without the adoption of the  
13 development plan;

14 (3) The corporate authorities of the municipality  
15 with jurisdiction over the property under Section 11-12-6  
16 of the Municipal Code have by resolution found that the  
17 development plan conforms to the comprehensive plan of  
18 the municipality;

19 (4) A participating entity has agreed to enter into  
20 such contracts and other agreements as are necessary to  
21 acquire, redevelop and improve the property in accordance  
22 with the development plan;

23 (5) The acquisition of the property, its possession  
24 and ultimate use according to the development plan can be  
25 financed by participating entities and the Authority and  
26 the development plan will be completed and all  
27 obligations of the Authority incurred in connection with  
28 the redevelopment plan will be retired within 20 years  
29 from the Authority's approval of the development plan;  
30 and

31 (6) The development plan meets such other  
32 requirements as the Authority may establish by rule.

33 (b) The Authority may dispose of any property which is

1 the subject of a development plan in such manner, whether by  
2 sale, lease or otherwise, and for such price, rental or other  
3 consideration, including an amount not less than 2/3 of its  
4 acquisition cost, payable over such term, and bearing  
5 interest as to deferred payments, and secured in such manner,  
6 by mortgage or otherwise, all as the Authority shall provide  
7 in the development plan.

8 (c) Pending disposition of such land, any existing  
9 property acquired by the Authority in the course of carrying  
10 out the provisions of this Act may be adequately and properly  
11 preserved, and may be maintained, leased or administered by  
12 the Authority by a contract made by the Authority with any  
13 participating entity, enterprise or individual with  
14 experience in the area of property development, management or  
15 administration.

16 (d) Whenever the Authority shall have approved a  
17 development plan, the Authority may amend the development  
18 plan from time to time in conformity with this Section.

19 Section 815-30. Local Planning; Relocation Costs. The  
20 Authority may arrange or contract with a municipality or  
21 municipalities for the planning, re-planning, opening,  
22 grading or closing of streets, roads, alleys or other places  
23 or for the furnishing of facilities or for the acquisition by  
24 the municipality or municipalities of property or property  
25 rights or for the furnishing of property or services in  
26 connection with a development project or projects. The  
27 Authority is hereby authorized to pay the reasonable  
28 relocation costs, up to a total of \$25,000 per relocatee, of  
29 persons and businesses displaced as a result of carrying out  
30 a development plan as authorized by this Article.

31

## ARTICLE 820

32

## LOCAL GOVERNMENT

1 Section 820-5. Findings and Declaration of Policy. It is  
2 hereby found and declared that there exists an urgent need to  
3 upgrade and expand the capital facilities, infrastructure and  
4 public purpose projects of units of local government and to  
5 promote other public purposes to be carried out by units of  
6 local government; that federal funding reductions combined  
7 with shifting economic conditions have impeded efforts by  
8 units of local governments to provide the necessary  
9 improvements to their capital facilities, infrastructure  
10 systems and public purpose projects and to accomplish other  
11 public purposes in recent years; that adequate and  
12 well-maintained capital facilities, infrastructure systems  
13 and public purpose projects throughout this State and the  
14 performance of other public purposes by units of local  
15 government throughout this State can offer significant  
16 economic benefits and an improved quality of life for all  
17 citizens of this State; that the exercise by the Authority of  
18 the powers granted in this Article will promote economic  
19 development by enhancing the capital stock of units of local  
20 governments and will facilitate the accomplishment of other  
21 public purposes by units of local government; that  
22 authorizing the Authority to borrow money in the public and  
23 private capital markets in order to provide money to purchase  
24 or otherwise acquire obligations of units of local government  
25 will assist such units of local government in borrowing money  
26 to finance and refinance the public purpose projects, capital  
27 facilities and infrastructure of the units and to finance  
28 other public purposes of such units of local government, in  
29 providing access to adequate capital markets and facilities  
30 for borrowing money by such units of local government, in  
31 encouraging continued investor interest in the obligations of  
32 such units of local government, in providing for the orderly  
33 marketing of the obligations of such units of local  
34 government, and in achieving lower overall borrowing cost and

1 more favorable terms for such borrowing; and that the  
2 provisions of this Article are hereby declared to be in the  
3 public interest and for the public benefit.

4 Section 820-10. Definitions. The following words or  
5 terms, whenever used or referred to in this Article, shall  
6 have the following meanings ascribed to them, except where  
7 the context clearly requires otherwise:

8 (a) "Department" means the Illinois Department of  
9 Commerce and Economic Opportunity.

10 (b) "Unit of local government" means any unit of local  
11 government, as defined in Article VII, Section 1 of the 1970  
12 State Constitution and any local public entity as that term  
13 is defined by the Local Governmental and Governmental  
14 Employees Tort Immunity Act and also includes the State and  
15 any instrumentality, office, officer, department, division,  
16 bureau, commission, college or university thereof.

17 (c) "Energy conservation project" means any improvement,  
18 repair, alteration or betterment of any building or facility  
19 or any equipment, fixture or furnishing including its energy  
20 using mechanical devices to be added to or used in any  
21 building or facility that the Director of the Department has  
22 certified to the Authority will be a cost-effective  
23 energy-related project that will lower energy or utility  
24 costs in connection with the operation or maintenance of such  
25 building or facility, and will achieve energy cost savings  
26 sufficient to cover bond debt service and other project costs  
27 within 10 years from the date of project installation.

28 Section 820-15. Creation of Reserve Funds. The Authority  
29 may establish and maintain one or more reserve funds in which  
30 there may be one or more accounts in which there may be  
31 deposited:

32 (a) Any proceeds of bonds issued by the Authority

1 required to be deposited therein by the terms of any contract  
2 between the Authority and its bondholders or any resolution  
3 of the Authority;

4 (b) Any other moneys or funds of the Authority which it  
5 may determine to deposit therein from any other source; and

6 (c) Any other moneys or funds made available to the  
7 Authority, including without limitation any proceeds of any  
8 local government security or any taxes or revenues, rates,  
9 charges, assessments, grants, or other funds pledged or  
10 assigned to pay, repay or secure any local government  
11 security. Subject to the terms of any pledge to the owners of  
12 any bond, moneys in any reserve fund may be held and applied  
13 to the payment of the interest, premium, if any, or principal  
14 of bonds or local government securities or for any other  
15 purpose authorized by the Authority.

16 Section 820-20. Powers and Duties; Illinois Local  
17 Government Financing Assistance Program. The Authority has  
18 the power:

19 (a) To purchase from time to time pursuant to negotiated  
20 sale or to otherwise acquire from time to time any local  
21 government securities issued by one or more units of local  
22 government upon such terms and conditions as the Authority  
23 may prescribe;

24 (b) To issue bonds in one or more series pursuant to one  
25 or more resolutions of the Authority for any purpose  
26 authorized under this Article, including without limitation  
27 purchasing or acquiring local government securities,  
28 providing for the payment of any interest deemed necessary on  
29 such bonds, paying for the cost of issuance of such bonds,  
30 providing for the payment of the cost of any guarantees,  
31 letters of credit, insurance contracts or other similar  
32 credit support or liquidity instruments, or providing for the  
33 funding of any reserves deemed necessary in connection with

1 such bonds and refunding or advance refunding of any such  
2 bonds and the interest and any premium thereon, pursuant to  
3 this Act;

4 (c) To provide for the funding of any reserves or other  
5 funds or accounts deemed necessary by the Authority in  
6 connection with any bonds issued by the Authority or local  
7 government securities purchased or otherwise acquired by the  
8 Authority;

9 (d) To pledge any local government security, including  
10 any payments thereon, and any other funds of the Authority or  
11 funds made available to the Authority which may be applied to  
12 such purpose, as security for any bonds or any guarantees,  
13 letters of credit, insurance contracts or similar credit  
14 support or liquidity instruments securing the bonds;

15 (e) To enter into agreements or contracts with third  
16 parties, whether public or private, including without  
17 limitation the United States of America, the State, or any  
18 department or agency thereof to obtain any appropriations,  
19 grants, loans or guarantees which are deemed necessary or  
20 desirable by the Authority. Any such guarantee, agreement or  
21 contract may contain terms and provisions necessary or  
22 desirable in connection with the program, subject to the  
23 requirements established by this Article;

24 (f) To charge reasonable fees to defray the cost of  
25 obtaining letters of credit, insurance contracts or other  
26 similar documents, and to charge such other reasonable fees  
27 to defray the cost of trustees, depositories, paying agents,  
28 bond registrars, escrow agents and other administrative  
29 expenses. Any such fees shall be payable by units of local  
30 government whose local government securities are purchased or  
31 otherwise acquired by the Authority pursuant to this Article,  
32 in such amounts and at such times as the Authority shall  
33 determine, and the amount of the fees need not be uniform  
34 among the various units of local government whose local

1 government securities are purchased or otherwise acquired by  
2 the Authority pursuant to this Article;

3 (g) To obtain and maintain guarantees, letters of credit,  
4 insurance contracts or similar credit support or liquidity  
5 instruments which are deemed necessary or desirable in  
6 connection with any bonds or other obligations of the  
7 Authority or any local government securities;

8 (h) To establish application fees and other service fees  
9 and prescribe application, notification, contract, agreement,  
10 security and insurance forms and rules and regulations it  
11 deems necessary or appropriate;

12 (i) To provide technical assistance, at the request of  
13 any unit of local government, with respect to the financing  
14 or refinancing for any public purpose. In fulfillment of this  
15 purpose, the Authority may request assistance from the  
16 Department as necessary; any unit of local government that is  
17 experiencing either a financial emergency as defined in the  
18 Local Government Financial Planning and Supervision Act or a  
19 condition of fiscal crisis evidenced by an impaired ability  
20 to obtain financing for its public purpose projects from  
21 traditional financial channels or impaired ability to fully  
22 fund its obligations to fire, police and municipal employee  
23 pension funds, or to bond payments or reserves, may request  
24 technical assistance from the Authority in the form of a  
25 diagnostic evaluation of its financial condition;

26 (j) To purchase any obligations of the Authority issued  
27 pursuant to this Article;

28 (k) To sell, transfer or otherwise dispose of local  
29 government securities purchased or otherwise acquired by the  
30 Authority pursuant to this Article, including without  
31 limitation, the sale, transfer or other disposition of  
32 undivided fractionalized interests in the right to receive  
33 payments of principal and premium, if any, or the right to  
34 receive payments of interest or the right to receive payments



1 of principal of and premium, if any, and interest on pools of  
2 such local government securities;

3 (l) To acquire, purchase, lease, sell, transfer and  
4 otherwise dispose of real and personal property, or any  
5 interest therein, and to issue its bonds and enter into  
6 leases, contracts and other agreements with units of local  
7 government in connection with such acquisitions, purchases,  
8 leases, sales and other dispositions of such real and  
9 personal property;

10 (m) To make loans to banks, savings and loans and other  
11 financial institutions for the purpose of purchasing or  
12 otherwise acquiring local government securities, and to issue  
13 its bonds, and enter into agreements and contracts in  
14 connection with such loans;

15 (n) To enter into agreements or contracts with any person  
16 necessary or appropriate to place the payment obligations of  
17 the Authority under any of its bonds in whole or in part on  
18 any interest rate basis, cash flow basis, or other basis  
19 desired by the Authority, including without limitation  
20 agreements or contracts commonly known as "interest rate swap  
21 agreements", "forward payment conversion agreements", and  
22 "futures", or agreements or contracts to exchange cash flows  
23 or a series of payments, or agreements or contracts,  
24 including without limitation agreements or contracts commonly  
25 known as "options", "puts" or "calls", to hedge payment, rate  
26 spread, or similar exposure; provided, that any such  
27 agreement or contract shall not constitute an obligation for  
28 borrowed money, and shall not be taken into account under  
29 Section 845-5 of this Act or any other debt limit of the  
30 Authority or the State of Illinois;

31 (o) To make and enter into all other agreements and  
32 contracts and execute all instruments necessary or incidental  
33 to performance of its duties and the execution of its powers  
34 under this Article;

1           (p) To contract for and finance the costs of energy  
2 audits, project-specific engineering and design  
3 specifications, and any other related analyses preliminary to  
4 an energy conservation project; and, to contract for and  
5 finance the cost of project monitoring and data collection to  
6 verify post-installation energy consumption and  
7 energy-related operating costs. Any such contract shall be  
8 executed only after it has been jointly negotiated by the  
9 Authority and the Department; and

10           (q) To exercise such other powers as are necessary or  
11 incidental to the foregoing.

12           Section 820-25. Unit of Local Government Participation.  
13 Any unit of local government is authorized to voluntarily  
14 participate in this program. Any unit of local government  
15 which is authorized to issue, sell and deliver its local  
16 government securities under any provision of the Constitution  
17 or laws of the State may issue, sell and deliver such local  
18 government securities to the Authority under this Article;  
19 provided that and notwithstanding any other provision of law  
20 to the contrary, any such unit of local government may issue  
21 and sell any such local government security at any interest  
22 rate or rates, which rate or rates may be established by an  
23 index or formula which may be implemented by persons  
24 appointed or retained therefor, payable at such time or  
25 times, and at such price or prices to which the unit of local  
26 government and the Authority may agree. Any unit of local  
27 government may pay any amount charged by the Authority  
28 pursuant to this Article. Any unit of local government  
29 participating in this program may pay out of the proceeds of  
30 its local government securities or out of any other moneys or  
31 funds available to it for such purposes any costs, fees,  
32 interest deemed necessary, premium or reserves incurred or  
33 required for financing or refinancing this program, including

1 without limitation any fees charged by the Authority pursuant  
2 to this Article and its share, as determined by the  
3 Authority, of any costs, fees, interest deemed necessary,  
4 premium or reserves incurred or required pursuant to Section  
5 820-20 of this Act. All local government securities purchased  
6 or otherwise acquired by the Authority pursuant to this Act  
7 shall upon delivery to the Authority be accompanied by an  
8 approving opinion of bond counsel as to the validity of such  
9 securities. The Authority shall have discretion to purchase  
10 or otherwise acquire those local government securities, as it  
11 shall deem to be in the best interest of its financing  
12 program for all units of local government taken as a whole.

13 Section 820-30. Criteria for Participation in the  
14 Program. If the Authority requires an application for  
15 participation in the Program, upon submission of any such  
16 application, the Authority or any entity on behalf of the  
17 Authority shall review such application for its completeness  
18 and may, at its discretion, accept or reject such application  
19 or request such additional information as it deems necessary  
20 or advisable to aid its review. In the course of its review,  
21 the Authority may consider but shall not be limited to the  
22 following factors:

23 (a) Whether the public purpose for which the local  
24 government security is to be issued will have a significant  
25 impact on the economy, environment, health or safety of the  
26 unit of local government;

27 (b) The extent to which the public purpose for which the  
28 local government security is to be issued will provide  
29 reinforcement for other community and economic development  
30 related investments by such units of local government;

31 (c) The creditworthiness of the unit of local government  
32 and the local government security, including, without  
33 limitation, the ability of the unit of local government to

1 comply with the credit requirements of the provider of any  
2 guarantees, letters of credit, insurance contracts or other  
3 similar credit support or liquidity instruments; and

4 (d) Such other factors as deemed necessary by the  
5 Authority which are consistent with the intent of this Act.

6 Section 820-35. The Authority shall assist the Department  
7 to establish and implement a program to assist units of local  
8 government to identify and arrange financing for energy  
9 conservation projects in buildings and facilities owned or  
10 leased by units of local government. Such bonds shall not  
11 constitute an indebtedness or obligation of the State of  
12 Illinois and it shall be plainly stated on the face of each  
13 bond that it does not constitute such an indebtedness or  
14 obligation but is payable solely from the revenues, income or  
15 other assets of the Authority pledged therefor.

16 Section 820-40. Investment of Moneys. Any moneys at any  
17 time held by the Authority pursuant to this Article shall be  
18 held outside the State treasury in the custody of either the  
19 Treasurer of the Authority or a trustee or depository  
20 appointed by the Authority. Such moneys may be invested in  
21 (a) investments authorized by the Public Funds Investment  
22 Act, (b) obligations issued by any State, unit of local  
23 government or school district, which obligations are rated at  
24 the time of purchase by a national rating service within the  
25 2 highest rating classifications without regard to any rating  
26 refinement or gradation by numerical or other modifier, (c)  
27 equity securities of an investment company registered under  
28 the Investment Company Act of 1940 whose sole assets, other  
29 than cash and other temporary investments, are obligations  
30 which are eligible investments for the Authority, or (d)  
31 investment contracts under which securities are to be  
32 purchased and sold at a predetermined price on a future date,

1 or pursuant to which moneys are deposited with a bank or  
2 other financial institution and the deposits are to bear  
3 interest at an agreed upon rate, provided that such  
4 investment contracts are with a bank or other financial  
5 institution whose obligations are rated at the time of  
6 purchase by a national rating service within the 2 highest  
7 rating classifications without regard to any rating  
8 refinement or gradation by numerical or other modifier. The  
9 interest, dividends or other earnings from such investments  
10 may be used to pay administrative costs of the Authority  
11 incurred in administering the program or trustee or  
12 depository fees incurred in connection with such program.

13 Section 820-45. Pledge of Revenues by the Authority. Any  
14 pledge of revenues or other moneys made by the Authority  
15 shall be binding from the time the pledge is made. Revenues  
16 and other moneys so pledged shall be held outside of the  
17 State treasury and in the custody of either the Treasurer of  
18 the Authority or a trustee or a depository appointed by the  
19 Authority. Revenues or other moneys so pledged and thereafter  
20 received by the Authority or such trustee or depository shall  
21 immediately be subject to the lien of the pledge without any  
22 physical delivery thereof or further act, and the lien of any  
23 pledge shall be binding against all parties having claims of  
24 any kind of tort, contract or otherwise against the  
25 Authority, irrespective of whether the parties have notice  
26 thereof. Neither the resolution nor any other instrument by  
27 which a pledge is created need be filed or recorded except in  
28 the records of the Authority. The State does pledge to and  
29 agree with the holders of bonds, and the beneficial owners of  
30 the local government securities, that the State will not  
31 limit or restrict the rights hereby vested in the Authority  
32 to purchase, acquire, hold, sell or dispose of local  
33 government securities or other investments or to establish

1 and collect such fees or other charges as may be convenient  
2 or necessary to produce sufficient revenues to meet the  
3 expenses of operation of the Authority, and to fulfill the  
4 terms of any agreement made with the holders of the bonds or  
5 the beneficial owners of the local government securities or  
6 in any way impair the rights or remedies of the holders of  
7 those bonds or the beneficial owners of the local government  
8 securities until such bonds or local government securities  
9 are fully paid and discharged or provision for their payment  
10 has been made.

11 Section 820-50. Pledge of Funds by Units of Local  
12 Government.

13 (a) Pledge of Funds. Any unit of local government which  
14 receives funds from the Department of Revenue, including  
15 without limitation funds received pursuant to Sections  
16 8-11-1, 8-11-1.4, 8-11-5 or 8-11-6 of the Illinois Municipal  
17 Code, the Home Rule County Retailers' Occupation Tax Act, the  
18 Home Rule County Service Occupation Tax Act, Sections  
19 25.05-2, 25.05-3 or 25.05-10 of "An Act to revise the law in  
20 relation to counties", Section 5.01 of the Local Mass Transit  
21 District Act, Section 4.03 of the Regional Transportation  
22 Authority Act, Sections 2 or 12 of the State Revenue Sharing  
23 Act, or from the Department of Transportation pursuant to  
24 Section 8 of the Motor Fuel Tax Law, or from the State  
25 Superintendent of Education (directly or indirectly through  
26 regional superintendents of schools) pursuant to Article 18  
27 of the School Code, or any unit of government which receives  
28 other funds which are at any time in the custody of the State  
29 Treasurer, the State Comptroller, the Department of Revenue,  
30 the Department of Transportation or the State Superintendent  
31 of Education may by appropriate proceedings, pledge to the  
32 Authority or any entity acting on behalf of the Authority  
33 (including, without limitation, any trustee), any or all of

1 such receipts to the extent that such receipts are necessary  
2 to provide revenues to pay the principal of, premium, if any,  
3 and interest on, and other fees related to, or to secure, any  
4 of the local government securities of such unit of local  
5 government which have been sold or delivered to the Authority  
6 or its designee or to pay lease rental payments to be made by  
7 such unit of local government to the extent that such lease  
8 rental payments secure the payment of the principal of,  
9 premium, if any, and interest on, and other fees related to,  
10 any local government securities which have been sold or  
11 delivered to the Authority or its designee. Any pledge of  
12 such receipts (or any portion thereof) shall constitute a  
13 first and prior lien thereon and shall be binding from the  
14 time the pledge is made.

15 (b) Direct Payment of Pledged Receipts. Any such unit of  
16 local government may, by such proceedings, direct that all or  
17 any of such pledged receipts payable to such unit of local  
18 government be paid directly to the Authority or such other  
19 entity (including, without limitation, any trustee) for the  
20 purpose of paying the principal of, premium, if any, and  
21 interest on, and fees relating to, such local government  
22 securities or for the purpose of paying such lease rental  
23 payments to the extent necessary to pay the principal of,  
24 premium, if any, and interest on, and other fees related to,  
25 such local government securities secured by such lease rental  
26 payments. Upon receipt of a certified copy of such  
27 proceedings by the State Treasurer, the State Comptroller,  
28 the Department of Revenue, the Department of Transportation  
29 or the State Superintendent of Education, as the case may be,  
30 such Department or State Superintendent shall direct the  
31 State Comptroller and State Treasurer to pay to, or on behalf  
32 of, the Authority or such other entity (including, without  
33 limitation, any trustee) all or such portion of the pledged  
34 receipts from the Department of Revenue, or the Department of

1 Transportation or the State Superintendent of Education  
2 (directly or indirectly through regional superintendents of  
3 schools), as the case may be, sufficient to pay the principal  
4 of and premium, if any, and interest on, and other fees  
5 related to, the local governmental securities for which the  
6 pledge was made or to pay such lease rental payments securing  
7 such local government securities for which the pledge was  
8 made. The proceedings shall constitute authorization for such  
9 a directive to the State Comptroller to cause orders to be  
10 drawn and to the State Treasurer to pay in accordance with  
11 such directive. To the extent that the Authority or its  
12 designee notifies the Department of Revenue, the Department  
13 of Transportation or the State Superintendent of Education,  
14 as the case may be, that the unit of local government has  
15 previously paid to the Authority or its designee the amount  
16 of any principal, premium, interest and fees payable from  
17 such pledged receipts, the State Comptroller shall cause  
18 orders to be drawn and the State Treasurer shall pay such  
19 pledged receipts to the unit of local government as if they  
20 were not pledged receipts. To the extent that such receipts  
21 are pledged and paid to the Authority or such other entity,  
22 any taxes which have been levied or fees or charges assessed  
23 pursuant to law on account of the issuance of such local  
24 government securities shall be paid to the unit of local  
25 government and may be used for the purposes for which the  
26 pledged receipts would have been used.

27 (c) Payment of Pledged Receipts upon Default. Any such  
28 unit of local government may, by such proceedings, direct  
29 that such pledged receipts payable to such unit of local  
30 government be paid to the Authority or such other entity  
31 (including, without limitation, any trustee) upon a default  
32 in the payment of any principal of, premium, if any, or  
33 interest on, or fees relating to, any of the local government  
34 securities of such unit of local government which have been



1 sold or delivered to the Authority or its designee or any of  
2 the local government securities which have been sold or  
3 delivered to the Authority or its designee and which are  
4 secured by such lease rental payments. If such local  
5 governmental security is in default as to the payment of  
6 principal thereof, premium, if any, or interest thereon, or  
7 fees relating thereto, to the extent that the State  
8 Treasurer, the State Comptroller, the Department of Revenue,  
9 the Department of Transportation or the State Superintendent  
10 of Education (directly or indirectly through regional  
11 superintendents of schools) shall be the custodian at any  
12 time of any other available funds or moneys pledged to the  
13 payment of such local government securities or such lease  
14 rental payments securing such local government securities  
15 pursuant to this Section and due or payable to such a unit of  
16 local government at any time subsequent to written notice to  
17 the State Comptroller and State Treasurer from the Authority  
18 or any entity acting on behalf of the Authority (including,  
19 without limitation, any trustee) to the effect that such unit  
20 of local government has not paid or is in default as to  
21 payment of the principal of, premium, if any, or interest on,  
22 or fees relating to, any local government security sold or  
23 delivered to the Authority or any such entity (including,  
24 without limitation, any trustee) or has not paid or is in  
25 default as to the payment of such lease rental payments  
26 securing the payment of the principal of, premium, if any, or  
27 interest on, or other fees relating to, any local government  
28 security sold or delivered to the Authority or such other  
29 entity (including, without limitation, any trustee):

30 (i) The State Comptroller and the State Treasurer  
31 shall withhold the payment of such funds or moneys from  
32 such unit of local government until the amount of such  
33 principal, premium, if any, interest or fees then due and  
34 unpaid has been paid to the Authority or any such entity

1 (including, without limitation, any trustee), or the  
2 State Comptroller and the State Treasurer have been  
3 advised that arrangements, satisfactory to the Authority  
4 or such entity, have been made for the payment of such  
5 principal, premium, if any, interest and fees; and

6 (ii) Within 10 days after a demand for payment by  
7 the Authority or such entity given to such unit of local  
8 government, the State Treasurer and the State  
9 Comptroller, the State Treasurer shall pay such funds or  
10 moneys as are legally available therefor to the Authority  
11 or such entity for the payment of principal of, premium,  
12 if any, or interest on, or fees relating to, such local  
13 government securities. The Authority or any such entity  
14 may carry out this Section and exercise all the rights,  
15 remedies and provisions provided or referred to in this  
16 Section.

17 (d) Remedies. Upon the sale or delivery of any local  
18 government securities of the Authority or its designee, the  
19 local government which issued such local government  
20 securities shall be deemed to have agreed that upon its  
21 failure to pay interest or premium, if any, on, or principal  
22 of, or fees relating to, the local government securities sold  
23 or delivered to the Authority or any entity acting on behalf  
24 of the Authority (including, without limitation, any trustee)  
25 when payable, all statutory defenses to nonpayment are  
26 thereby waived. Upon a default in payment of principal of or  
27 interest on any local government securities issued by a unit  
28 of local government and sold or delivered to the Authority or  
29 its designee, and upon demand on the unit of local government  
30 for payment, if the local government securities are payable  
31 from property taxes and funds are not legally available in  
32 the treasury of the unit of local government to make payment,  
33 an action in mandamus for the levy of a tax by the unit of  
34 local government to pay the principal of or interest on the

1 local government securities shall lie, and the Authority or  
2 such entity shall be constituted a holder or owner of the  
3 local government securities as being in default. Upon the  
4 occurrence of any failure or default with respect to any  
5 local government securities issued by a unit of local  
6 government, the Authority or such entity may thereupon avail  
7 itself of all remedies, rights and provisions of law  
8 applicable in the circumstances, and the failure to exercise  
9 or exert any rights or remedies within a time or period  
10 provided by law may not be raised as a defense by the unit of  
11 local government.

12 Section 820-55. Eligible Investments. Bonds, issued by  
13 the Authority pursuant to the provisions of this Article,  
14 shall be permissible investments within the provisions of  
15 Section 805-40 of this Act.

16 Section 820-60. Tax Exemption. The exercise of powers  
17 granted in this Article is in all respects for the benefit of  
18 the people of Illinois and in consideration thereof the bonds  
19 issued pursuant to the aforementioned Sections and the income  
20 therefrom shall be free from all taxation by the State or its  
21 political subdivisions, except for estate, transfer and  
22 inheritance taxes. For purposes of Section 250 of the  
23 Illinois Income Tax Act, the exemption of the income from  
24 bonds issued under the aforementioned Sections shall  
25 terminate after all of the bonds have been paid. The amount  
26 of such income that shall be added and then subtracted on the  
27 Illinois income tax return of a taxpayer, pursuant to Section  
28 203 of the Illinois Income Tax Act, from federal adjusted  
29 gross income or federal taxable income in computing Illinois  
30 base income shall be the interest net of any bond premium  
31 amortization.

1 ARTICLE 825

2 OTHER POWERS

3 Section 825-5. Motion Picture Production Program;  
 4 Findings and Declaration of Policy. It is hereby found and  
 5 declared that the production of motion pictures has an  
 6 enormous potential for contributing to the economic  
 7 well-being of the State and its communities; that a critical  
 8 mass of movie productions is essential to the continuing  
 9 viability of this fledgling industry in Illinois; that to  
 10 achieve this critical mass, a financial inducement to attract  
 11 movie productions to the State is required; and that the  
 12 provisions of this Act are hereby declared to be in the  
 13 public interest and for the public benefit.

14 Section 825-10. The Authority may develop a program for  
 15 financing the production of motion pictures in the State of  
 16 Illinois. All projects financed by the Authority shall  
 17 require the approval of both the Illinois Arts Council and  
 18 the Authority.

19 Section 825-15. Credit Enhancement Development Fund.  
 20 (a) There is hereby created the Credit Enhancement  
 21 Development Fund in the Authority. The Treasurer shall have  
 22 custody of the fund, which shall be held outside the State  
 23 treasury. Custody may be transferred to and held by any  
 24 fiduciary with whom the Authority executes a trust agreement.  
 25 All or any portion of such amounts may be used (i) to pay  
 26 principal, interest and premium, if any, on any bonds issued  
 27 by the Authority or to fund any reserves or accounts created  
 28 for such purpose, (ii) to pay the cost of any letter of  
 29 credit, insurance or third party guarantee provided with  
 30 respect to any bond issued by the Authority or loan made by  
 31 the Authority, (iii) to guarantee or otherwise enhance the

1 credit of any bond issued by the Authority or loan made by  
2 the Authority, or (iv) to make loans to any person,  
3 corporation or unit of local government for any project  
4 authorized to be financed by the Authority under this Act.

5 (b) The Authority shall report to the Governor and the  
6 General Assembly no later than June 1, 2004, on the extent to  
7 which its use of monies in this Fund has enhanced the  
8 creditworthiness of its bonds issued or loans made with  
9 respect to any person, thereby reducing the cost of financing  
10 projects authorized by this Act.

11 Section 825-20. Financially Distressed City Assistance  
12 Program; Findings and Declarations of Policy. It is hereby  
13 found and declared that there exists an urgent need to reduce  
14 involuntary unemployment and economic stagnation within  
15 financially distressed cities and to create therein a more  
16 favorable economic climate for the development of new and  
17 improved employment opportunities for the citizens of such  
18 cities; that to address such need it is necessary to promote  
19 sound financial management and fiscal integrity within such  
20 cities in order to provide a secure financial basis for their  
21 continued operation; and that implementation of a financially  
22 distressed city assistance program under the provisions of  
23 this Act is declared to be in the public interest and for the  
24 public benefit.

25 Section 825-25. Definition. As used in Sections 825-20  
26 through 825-60 of this Act, the term "financially distressed  
27 city" means a unit of local government which has been  
28 certified and designated as a financially distressed city  
29 under Section 8-12-4 of the Illinois Municipal Code and to  
30 which the provisions of Division 12 of Article 8 of that Code  
31 have become applicable as provided by that Section 8-12-4.

1 Section 825-30. Powers and Duties; Financing.

2 (a) Upon application of the financial advisory authority  
3 established for a financially distressed city under Division  
4 12 of Article 8 of the Illinois Municipal Code, the Authority  
5 shall have the power to issue its bonds, notes or other  
6 evidences of indebtedness, the proceeds of which are to be  
7 used to make loans to a financially distressed city for  
8 purposes of enabling that city to restructure its current  
9 indebtedness and to provide and pay for its essential  
10 municipal services as determined in a manner consistent with  
11 Division 12 of Article 8 of the Illinois Municipal Code by  
12 the financial advisory authority established for that city  
13 under that Division 12.

14 (b) Bonds authorized to be issued by the Authority under  
15 Sections 825-20 through 825-60 shall be payable from such  
16 revenues, income, funds and accounts of the financially  
17 distressed city which receives a loan of any proceeds of the  
18 bonds so issued as the Authority shall determine and  
19 prescribe in the loan agreement.

20 (c) The Authority may prescribe the form and contents of  
21 any application submitted under subsection (a) of this  
22 Section and may, at its discretion, accept or reject such  
23 application or require such additional information as it  
24 deems necessary to aid in its review and determination of  
25 whether it will issue its bonds and loan the proceeds thereof  
26 as authorized under Sections 825-20 through 825-60.

27 (d) The amount of bonds issued or proceeds thereof loaned  
28 by the Authority with respect to an application which the  
29 Authority has approved shall be determined by the Authority.

30 (e) The financially distressed city receiving a loan  
31 under Sections 825-20 through 825-60 shall enter into a loan  
32 agreement in the form and manner prescribed by the Authority,  
33 and shall pay back to the Authority the principal amount of  
34 the loan, plus annual interest as determined by the

1 Authority. The Authority shall have the power, subject to  
2 appropriations by the General Assembly, to subsidize or buy  
3 down a portion of the interest on such loans, up to 4% per  
4 annum.

5 (f) The Authority shall create and establish a debt  
6 service reserve fund to be maintained by a trustee separate  
7 and segregated from all other funds and accounts of the  
8 Authority. This reserve fund shall be initially funded by a  
9 contribution of State monies.

10 (g) The amount to be accumulated in the debt service  
11 reserve fund shall be determined by the Authority but shall  
12 not exceed the maximum amount of interest, principal and  
13 sinking fund installments due in any succeeding calendar  
14 year.

15 Section 825-35. Pledge of Funds. Any financially  
16 distressed city which receives funds from the Department of  
17 Revenue, including without limitation funds received pursuant  
18 to Section 8-11-1, 8-11-5 or 8-11-6 of the Illinois Municipal  
19 Code or Section 2 or 12 of the State Revenue Sharing Act, or  
20 from the Department of Transportation pursuant to Section 8  
21 of the Motor Fuel Tax Law, may, by appropriate proceedings,  
22 pledge to the Authority, or any entity acting on behalf of  
23 the Authority (including, without limitation, any trustee),  
24 any or all of such receipts to the extent that such receipts  
25 are determined by the Authority to be necessary to provide  
26 revenues to pay or secure the payment of the principal of,  
27 premium, if any, and interest on any of the bonds issued on  
28 behalf of, or loans made to, the financially distressed city  
29 by the Authority under Sections 825-20 through 825-60. The  
30 adoption of such proceedings shall constitute a directive to  
31 the State Comptroller and State Treasurer to pay to, or on  
32 behalf of, the Authority or such other entity (including,  
33 without limitation, any trustee) such portion of the pledged

1 receipts from the Department of Revenue or Department of  
2 Transportation, as the case may be, and with the State  
3 Comptroller and the State Treasurer. With respect to any  
4 bonds issued on behalf of, or loans made to, the financially  
5 distressed city by the Authority under Sections 825-20  
6 through 825-60, which are in default in the payment of  
7 principal, premium, if any, or interest, to the extent that  
8 the State Treasurer, the State Comptroller, the Department of  
9 Revenue or the Department of Transportation shall be the  
10 custodian at any time of any other available funds or moneys  
11 pledged to the payment of such local government securities or  
12 such lease rental payments securing such local government  
13 securities pursuant to this Section and due or payable to  
14 such a unit of local government at any time subsequent to  
15 written notice to the State Comptroller and State Treasurer  
16 from the Authority or any entity acting on behalf of the  
17 Authority (including, without limitation, any trustee) to the  
18 effect that such financially distressed city has not paid or  
19 is in default as to payment of the principal of, premium, if  
20 any, or interest on any bonds issued on behalf of, or loans  
21 made to, the financially distressed city by the Authority  
22 under Sections 825-20 through 825-60:

23 (a) The State Comptroller and the State Treasurer shall  
24 withhold the payment of such funds or moneys from the  
25 financially distressed city until the amount of such  
26 principal, premium, if any, and interest then due and unpaid  
27 has been paid to the Authority or such entity acting on  
28 behalf of the Authority (including, without limitation, any  
29 trustee), or the State Comptroller or State Treasurer have  
30 been advised that arrangements, satisfactory to the Authority  
31 or such entity, have been made for the payment of such  
32 principal, premium, if any, and interest; and

33 (b) Within 10 days after a demand for payment by the  
34 Authority or such entity is given to the State Treasurer and



1 the State Comptroller, the State Treasurer shall pay such  
2 funds or moneys as are legally available therefor to the  
3 Authority or such entity for the payment of principal,  
4 premium, if any, and interest on such bonds or loans. The  
5 Authority or such entity may carry out this Section and  
6 exercise all the rights, remedies and provisions provided or  
7 referred to in this Section.

8 Section 825-40. Additional security. In the event that  
9 the Authority determines that funds pledged, intercepted or  
10 otherwise received or to be received by the Authority under  
11 Section 825-20 of this Act will not be sufficient for the  
12 payment of the principal, premium, if any, and interest  
13 during the next State fiscal year on any bonds issued by the  
14 Authority under Sections 825-20 through 825-60, the Chairman,  
15 as soon as is practicable, shall certify to the Governor the  
16 amount required by the Authority to enable it to pay the  
17 principal, premium, if any, and interest falling due on such  
18 bonds. The Governor shall submit the amount so certified to  
19 the General Assembly as soon as practicable, but no later  
20 than the end of the current State fiscal year. This paragraph  
21 shall not apply to any bonds as to which the Authority shall  
22 have determined, in the resolution authorizing their  
23 issuance, that this paragraph shall not apply. Whenever the  
24 Authority makes such a determination, that fact shall be  
25 plainly stated on the face of such bonds and that fact shall  
26 also be reported to the Governor. In the event of a  
27 withdrawal of moneys from a debt service reserve fund  
28 established with respect to any issue or issues of bonds of  
29 the Authority to pay principal and interest on those bonds,  
30 the Chairman, as soon as practicable, shall certify to the  
31 Governor the amount required to restore such reserve funds to  
32 the level required in the resolution or indenture securing  
33 the bonds. The Governor shall submit the amount so certified

1 to the General Assembly as soon as practicable, but not later  
2 than the end of the current State fiscal year.

3 Section 825-50. Eligible Investments. Bonds issued by the  
4 Authority pursuant to Sections 825-20 through 825-60 shall be  
5 permissible investments within the provisions of Section  
6 805-40.

7 Section 825-55. Tax Exemption. The exercise of the  
8 powers granted in Sections 825-20 through 825-60 are in all  
9 respects for the benefit of the people of Illinois, and in  
10 consideration thereof shall be free from all taxation by the  
11 State or its political subdivisions, except for estate,  
12 transfer and inheritance taxes. For the purposes of Section  
13 250 of the Illinois Income Tax Act, the exemption of the  
14 income from bonds issued under the aforementioned Sections  
15 shall terminate after all of the bonds have been paid. The  
16 amount of such income that shall be added and then subtracted  
17 on the Illinois income tax return of a taxpayer, pursuant to  
18 Section 203 of the Illinois Income Tax Act, from federal  
19 adjusted gross income or federal taxable income in computing  
20 Illinois base income shall be the interest net of any bond  
21 premium amortization.

22 Section 825-60. Financially Distressed City Assistance  
23 Program Limitation. In addition to the bonds authorized to be  
24 issued under Sections 801-40(w), 825-65(e), 830-25 and 845-5,  
25 the Authority may have outstanding at any time, bonds for the  
26 purposes enumerated in Sections 825-20 through 825-60 in an  
27 aggregate principal amount that shall not exceed \$50,000,000.  
28 Such bonds shall not constitute an indebtedness or obligation  
29 of the State of Illinois, and it shall be plainly stated on  
30 the face of each bond that it does not constitute such an  
31 indebtedness or obligation but is payable solely from the

1 revenues, income or other assets of the Authority pledged  
2 therefor.

3 Section 825-65. Clean Coal and Energy Project Financing.

4 (a) Findings and declaration of policy. It is hereby  
5 found and declared that Illinois has abundant coal resources  
6 and, in some areas of Illinois, the demand for power exceeds  
7 the generating capacity. Incentives to encourage the  
8 construction of coal-fired electric generating plants in  
9 Illinois to ensure power generating capacity into the future  
10 are in the best interests of all of the citizens of Illinois.  
11 The Authority is authorized to issue bonds to help finance  
12 Clean Coal and Energy projects pursuant to this Section.

13 (b) Definition. "Clean Coal and Energy projects" means  
14 new electric generating facilities, as defined in Section  
15 605-332 of the Department of Commerce and Economic  
16 Opportunity Law of the Civil Administrative Code of Illinois,  
17 which may include mine-mouth power plants, projects that  
18 employ the use of clean coal technology, projects to provide  
19 scrubber technology for existing energy generating plants, or  
20 projects to provide electric transmission facilities.

21 (c) Creation of reserve funds. The Authority may  
22 establish and maintain one or more reserve funds to enhance  
23 bonds issued by the Authority for Clean Coal and Energy  
24 projects to develop alternative energy sources, including  
25 renewable energy projects, projects to provide scrubber  
26 technology for existing energy generating plants or projects  
27 to provide electric transmission facilities. There may be one  
28 or more accounts in these reserve funds in which there may be  
29 deposited:

30 (1) any proceeds of the bonds issued by the  
31 Authority required to be deposited therein by the terms  
32 of any contract between the Authority and its bondholders  
33 or any resolution of the Authority;

1           (2) any other moneys or funds of the Authority that  
2           it may determine to deposit therein from any other  
3           source; and

4           (3) any other moneys or funds made available to the  
5           Authority. Subject to the terms of any pledge to the  
6           owners of any bonds, moneys in any reserve fund may be  
7           held and applied to the payment of principal, premium, if  
8           any, and interest of such bonds.

9           (d) Powers and duties. The Authority has the power:

10           (1) To issue bonds in one or more series pursuant to  
11           one or more resolutions of the Authority for any Clean  
12           Coal and Energy projects authorized under this Section,  
13           within the authorization set forth in subsections (e) and  
14           (f).

15           (2) To provide for the funding of any reserves or  
16           other funds or accounts deemed necessary by the Authority  
17           in connection with any bonds issued by the Authority.

18           (3) To pledge any funds of the Authority or funds  
19           made available to the Authority that may be applied to  
20           such purpose as security for any bonds or any guarantees,  
21           letters of credit, insurance contracts or similar credit  
22           support or liquidity instruments securing the bonds.

23           (4) To enter into agreements or contracts with third  
24           parties, whether public or private, including, without  
25           limitation, the United States of America, the State or  
26           any department or agency thereof, to obtain any  
27           appropriations, grants, loans or guarantees that are  
28           deemed necessary or desirable by the Authority. Any such  
29           guarantee, agreement or contract may contain terms and  
30           provisions necessary or desirable in connection with the  
31           program, subject to the requirements established by the  
32           Act.

33           (5) To exercise such other powers as are necessary  
34           or incidental to the foregoing.

1           (e) Clean Coal and Energy bond authorization and  
2 financing limits. In addition to any other bonds authorized  
3 to be issued under Sections 801-40(w), 825-60, 830-25 and  
4 845-5, the Authority may have outstanding, at any time, bonds  
5 for the purpose enumerated in this Section 825-65 in an  
6 aggregate principal amount that shall not exceed  
7 \$2,700,000,000, of which no more than \$300,000,000 may be  
8 issued to finance transmission facilities, no more than  
9 \$500,000,000 may be issued to finance scrubbers at existing  
10 generating plants, no more than \$500,000,000 may be issued to  
11 finance alternative energy sources, including renewable  
12 energy projects and no more than \$1,400,000,000 may be issued  
13 to finance new electric generating facilities, as defined in  
14 Section 605-332 of the Department of Commerce and Economic  
15 Opportunity Law of the Civil Administrative Code of Illinois,  
16 which may include mine-mouth power plants. An application for  
17 a loan financed from bond proceeds from a borrower or its  
18 affiliates for a Clean Coal and Energy project may not be  
19 approved by the Authority for an amount in excess of  
20 \$450,000,000 for any borrower or its affiliates. These bonds  
21 shall not constitute an indebtedness or obligation of the  
22 State of Illinois and it shall be plainly stated on the face  
23 of each bond that it does not constitute an indebtedness or  
24 obligation of the State of Illinois, but is payable solely  
25 from the revenues, income or other assets of the Authority  
26 pledged therefor.

27           (f) Additional Clean Coal and Energy bond authorization  
28 and financing limits. In addition to any other bonds  
29 authorized to be issued under this Act, the Authority may  
30 issue bonds for the purpose enumerated in this Section 825-65  
31 in an aggregate principal amount that shall not exceed  
32 \$300,000,000.

33           Section 825-70. Criteria for participation in the

1 program. Applications to the Authority for financing of any  
2 Clean Coal and Energy project shall be reviewed by the  
3 Authority. Upon submission of any such application, the  
4 Authority staff shall review the application for its  
5 completeness and may, at the discretion of the Authority  
6 staff, request such additional information as it deems  
7 necessary or advisable to aid in review. If the Authority  
8 receives applications for financing for Clean Coal and Energy  
9 projects in excess of the bond authorization available for  
10 such financing at any one time, it shall consider  
11 applications in the order of priority as it shall determine,  
12 in consultation with other State agencies.

13 Section 825-75. Additional Security. In the event that  
14 the Authority determines that monies of the Authority will  
15 not be sufficient for the payment of the principal of and  
16 interest on any bonds issued by the Authority under Sections  
17 825-65 through 825-75 of this Act for energy generation  
18 projects that advance clean coal technology and the use of  
19 Illinois coal during the next State fiscal year, the  
20 Chairperson, as soon as practicable, shall certify to the  
21 Governor the amount required by the Authority to enable it to  
22 pay such principal, premium, if any, and interest on such  
23 bonds. The Governor shall submit the amount so certified to  
24 the General Assembly as soon as practicable, but no later  
25 than the end of the current State fiscal year. This  
26 subsection shall not apply to any bonds or notes as to which  
27 the Authority shall have determined, in the resolution  
28 authorizing the issuance of the bonds or notes, that this  
29 subsection shall not apply. Whenever the Authority makes such  
30 a determination, that fact shall be plainly stated on the  
31 face of the bonds or notes and that fact should also be  
32 reported to the Governor. In the event of a withdrawal of  
33 moneys from a reserve fund established with respect to any

1 issue or issues of bonds of the Authority to pay principal,  
2 premium, if any, and interest on such bonds, the Chairman of  
3 the Authority, as soon as practicable, shall certify to the  
4 Governor the amount required to restore the reserve fund to  
5 the level required in the resolution or indenture securing  
6 those bonds. The Governor shall submit the amount so  
7 certified to the General Assembly as soon as practicable, but  
8 no later than the end of the current State fiscal year. The  
9 Authority shall obtain written approval from the Governor for  
10 any bonds and notes to be issued under this Section.

11 ARTICLE 830

12 AGRICULTURAL ASSISTANCE

13 Section 830-5. The Authority shall have the following  
14 powers:

15 (a) To loan its funds to one or more persons to be used  
16 by such persons to pay the costs of acquiring, constructing,  
17 reconstructing or improving Agricultural Facilities, soil or  
18 water conservation projects or watershed areas, such loans to  
19 be on such terms and conditions, and for such period of time,  
20 and secured or evidenced by such mortgages, deeds of trust,  
21 notes, debentures, bonds or other secured or unsecured  
22 evidences of indebtedness of such persons as the Board may  
23 determine;

24 (b) To loan its funds to any agribusiness which operates  
25 or will operate a facility located in Illinois for those  
26 purposes permitted by rules and regulations issued pursuant  
27 to the Internal Revenue Code of 1954, as amended, relating to  
28 the use of moneys loaned from the proceeds from the issuance  
29 of industrial development revenue bonds; such loans shall be  
30 on terms and conditions, and for periods of time, and secured  
31 or evidenced by mortgages, deeds of trust, notes, debentures,  
32 bonds or other secured or unsecured evidences of indebtedness

1 of such agribusiness as the Board may require;

2 (c) To purchase, or to make commitments to purchase, from  
3 lenders notes, debentures, bonds or other evidences of  
4 indebtedness secured by mortgages, deeds of trust, or  
5 security devices, or unsecured, as the Authority may  
6 determine, or portions thereof or participations therein,  
7 which notes, bonds, or other evidences of indebtedness shall  
8 have been or will be executed by the obligors thereon to  
9 obtain funds with which to acquire, by purchase,  
10 construction, or otherwise, reconstruct or improve  
11 Agricultural Facilities;

12 (d) To contract with lenders or others for the  
13 origination of or the servicing of the loans made by the  
14 Authority pursuant to this Section or represented by the  
15 notes, bonds, or other evidences of indebtedness which it has  
16 purchased pursuant to this Section; provided that such  
17 servicing fees shall not exceed one percent per annum of the  
18 principal amount outstanding owed to the Authority; and

19 (e) To enter into a State Guarantee with a lender or a  
20 person holding a note and to sell or issue such State  
21 Guarantees, bonds or evidences of indebtedness in a primary  
22 or a secondary market.

23 Section 830-10. (a) The Authority shall establish a Farm  
24 Debt Relief Program to help provide eligible Illinois farmers  
25 with State assistance in meeting their farming-related debts.

26 (b) To be eligible for the program, a person must (1) be  
27 actively engaged in farming in this State, (2) have  
28 farming-related debts in an amount equal to at least 55% of  
29 the person's total assets, and (3) demonstrate that he can  
30 secure credit from a conventional lender for the 1986 crop  
31 year.

32 (c) An eligible person may apply to the Authority, in  
33 such manner as the Authority may specify, for a one-time farm



1 debt relief payment of up to 2% of the person's outstanding  
2 farming-related debt. If the Authority determines that the  
3 applicant is eligible for a payment under this Section, it  
4 may then approve a payment to the applicant. Such payment  
5 shall consist of a payment made by the Authority directly to  
6 one or more of the applicant's farming-related creditors, to  
7 be applied to the reduction of the applicant's  
8 farming-related debt. The applicant shall be entitled to  
9 select the creditor or creditors to receive the payment,  
10 unless the applicant is subject to the jurisdiction of a  
11 bankruptcy court, in which case the selection of the court  
12 shall control.

13 (d) Payments shall be made from the Farm Emergency  
14 Assistance Fund, which is hereby established as a special  
15 fund in the State treasury, from funds appropriated to the  
16 Authority for that purpose. No grant may exceed the lesser of  
17 (1) 2% of the applicant's outstanding farm-related debt, or  
18 (2) \$2000. Not more than one grant under this Section may be  
19 made to any one person, or to any one household, or to any  
20 single farming operation.

21 (e) Payments to applicants having farming-related debts  
22 in an amount equal to at least 55% of the person's total  
23 assets, but less than 70%, shall be repaid by the applicant  
24 to the Authority for deposit into the Farm Emergency  
25 Assistance Fund within five years from the date the payment  
26 was made. Repayment shall be made in equal installments  
27 during the five-year period with no additional interest  
28 charge and may be prepaid in whole or in part at any time.  
29 Applicants having farming-related debts in an amount equal to  
30 at least 70% of the person's total assets shall not be  
31 required to make any repayment. Assets shall include, but not  
32 be limited to, the following: cash crops or feed on hand;  
33 livestock held for sale; breeding stock; marketable bonds and  
34 securities; securities not readily marketable; accounts

1 receivable; notes receivable; cash invested in growing crops;  
2 net cash value of life insurance; machinery and equipment;  
3 cars and trucks; farm and other real estate including life  
4 estates and personal residence; value of beneficial interests  
5 in trusts; government payments or grants; and any other  
6 assets. Debts shall include, but not be limited to, the  
7 following: accounts payable; notes or other indebtedness owed  
8 to any source; taxes; rent; amounts owed on real estate  
9 contracts or real estate mortgages; judgments; accrued  
10 interest payable; and any other liability.

11 Section 830-15. Interest-buy-back program.

12 (a) The Authority shall establish an interest-buy-back  
13 program to subsidize the interest cost on certain loans to  
14 Illinois farmers.

15 (b) To be eligible an applicant must (i) be a resident of  
16 Illinois; (ii) be a principal operator of a farm or land;  
17 (iii) derive at least 50% of annual gross income from  
18 farming; and (iv) have a net worth of at least \$10,000. The  
19 Authority shall establish minimum and maximum financial  
20 requirements, maximum payment amounts, starting and ending  
21 dates for the program, and other criteria.

22 (c) Lenders may apply on behalf of eligible applicants on  
23 forms provided by the Authority. Lenders may submit requests  
24 for payment on forms provided by the Authority. Lenders and  
25 applicants shall be responsible for any fees or charges the  
26 Authority may require.

27 (d) The Authority shall make payments to lenders from  
28 available appropriations from the General Revenue Fund.

29 Section 830-20. The Authority may not pass a resolution  
30 authorizing the issuance of any notes or bonds in excess of  
31 \$250,000 for any one agricultural real estate borrower. No  
32 proceeds from any bonds issued by the Authority shall be

1     loaned to any natural person who has a net worth in excess of  
2     \$500,000 for the purchase of new depreciable agricultural  
3     property or to any agribusiness that, including all  
4     affiliates and subsidiaries, has more than 100 employees and  
5     a gross income exceeding \$2,000,000 for the preceding  
6     calendar year; provided, however, that the employee size and  
7     gross income limitations shall not apply to any loans to  
8     agribusinesses for research and development purposes, and  
9     provided further that the Authority shall retain the power to  
10    waive such limitations for any agribusiness that, at the time  
11    of application, does not operate a facility within this  
12    State.

13        Section 830-25. Bonded indebtedness limitation. The  
14    Authority shall not have outstanding at any one time State  
15    Guarantees under Section 830-30 in an aggregate principal  
16    amount exceeding \$160,000,000. The Authority shall not have  
17    outstanding at any one time State Guarantees under Sections  
18    830-35, 830-45 and 830-50 in an aggregate principal amount  
19    exceeding \$75,000,000.

20        Section 830-30. State Guarantees for existing debt.

21        (a) The Authority is authorized to issue State Guarantees  
22    for farmers' existing debts held by a lender. For the  
23    purposes of this Section, a farmer shall be a resident of  
24    Illinois, who is a principal operator of a farm or land, at  
25    least 50% of whose annual gross income is derived from  
26    farming and whose debt to asset ratio shall not be less than  
27    40%, except in those cases where the applicant has previously  
28    used the guarantee program there shall be no debt to asset  
29    ratio or income restriction. For the purposes of this  
30    Section, debt to asset ratio shall mean the current  
31    outstanding liabilities of the farmer divided by the current  
32    outstanding assets of the farmer. The Authority shall

1 establish the maximum permissible debt to asset ratio based  
2 on criteria established by the Authority. Lenders shall apply  
3 for the State Guarantees on forms provided by the Authority  
4 and certify that the application and any other documents  
5 submitted are true and correct. The lender or borrower, or  
6 both in combination, shall pay an administrative fee as  
7 determined by the Authority. The applicant shall be  
8 responsible for paying any fees or charges involved in  
9 recording mortgages, releases, financing statements,  
10 insurance for secondary market issues and any other similar  
11 fees or charges as the Authority may require. The application  
12 shall at a minimum contain the farmer's name, address,  
13 present credit and financial information, including cash flow  
14 statements, financial statements, balance sheets, and any  
15 other information pertinent to the application, and the  
16 collateral to be used to secure the State Guarantee. In  
17 addition, the lender must agree to bring the farmer's debt to  
18 a current status at the time the State Guarantee is provided  
19 and must also agree to charge a fixed or adjustable interest  
20 rate which the Authority determines to be below the market  
21 rate of interest generally available to the borrower. If both  
22 the lender and applicant agree, the interest rate on the  
23 State Guarantee Loan can be converted to a fixed interest  
24 rate at any time during the term of the loan. Any State  
25 Guarantees provided under this Section (i) shall not exceed  
26 \$500,000 per farmer, (ii) shall be set up on a payment  
27 schedule not to exceed 30 years, and shall be no longer than  
28 30 years in duration, and (iii) shall be subject to an annual  
29 review and renewal by the lender and the Authority; provided  
30 that only one such State Guarantee shall be outstanding per  
31 farmer at any one time. No State Guarantee shall be revoked  
32 by the Authority without a 90-day notice, in writing, to all  
33 parties. In those cases where the borrower has not previously  
34 used the guarantee program, the lender shall not call due any

1 loan during the first 3 years for any reason except for lack  
2 of performance or insufficient collateral. The lender can  
3 review and withdraw or continue with the State Guarantee on  
4 an annual basis after the first 3 years of the loan, provided  
5 a 90-day notice, in writing, to all parties has been given.

6 (b) The Authority shall provide or renew a State  
7 Guarantee to a lender if:

8 (i) A fee equal to 25 basis points on the loan is  
9 paid to the Authority on an annual basis by the lender.

10 (ii) The application provides collateral acceptable  
11 to the Authority that is at least equal to the State's  
12 portion of the Guarantee to be provided.

13 (iii) The lender assumes all responsibility and  
14 costs for pursuing legal action on collecting any loan  
15 that is delinquent or in default.

16 (iv) The lender is responsible for the first 15% of  
17 the outstanding principal of the note for which the State  
18 Guarantee has been applied.

19 (c) There is hereby created outside of the State treasury  
20 a special fund to be known as the Illinois Agricultural Loan  
21 Guarantee Fund. The State Treasurer shall be custodian of  
22 this Fund. Any amounts in the Illinois Agricultural Loan  
23 Guarantee Fund not currently needed to meet the obligations  
24 of the Fund shall be invested as provided by law, and all  
25 interest earned from these investments shall be deposited  
26 into the Fund until the Fund reaches the maximum amount  
27 authorized in this Act; thereafter, interest earned shall be  
28 deposited into the General Revenue Fund. After September 1,  
29 1989, annual investment earnings equal to 1.5% of the Fund  
30 shall remain in the Fund to be used for the purposes  
31 established in Section 830-40 of this Act. The Authority is  
32 authorized to transfer to the Fund such amounts as are  
33 necessary to satisfy claims during the duration of the State  
34 Guarantee program to secure State Guarantees issued under

1 this Section. If for any reason the General Assembly fails to  
2 make an appropriation sufficient to meet these obligations,  
3 this Act shall constitute an irrevocable and continuing  
4 appropriation of an amount necessary to secure guarantees as  
5 defaults occur and the irrevocable and continuing authority  
6 for, and direction to, the State Treasurer and the  
7 Comptroller to make the necessary transfers to the Illinois  
8 Agricultural Loan Guarantee Fund, as directed by the  
9 Governor, out of the General Revenue Fund. Within 30 days  
10 after November 15, 1985, the Authority may transfer up to  
11 \$7,000,000 from available appropriations into the Illinois  
12 Agricultural Loan Guarantee Fund for the purposes of this  
13 Act. Thereafter, the Authority may transfer additional  
14 amounts into the Illinois Agricultural Loan Guarantee Fund to  
15 secure guarantees for defaults as defaults occur. In the  
16 event of default by the farmer, the lender shall be entitled  
17 to, and the Authority shall direct payment on, the State  
18 Guarantee after 90 days of delinquency. All payments by the  
19 Authority shall be made from the Illinois Agricultural Loan  
20 Guarantee Fund to satisfy claims against the State Guarantee.  
21 The Illinois Agricultural Loan Guarantee Fund shall guarantee  
22 receipt of payment of the 85% of the principal and interest  
23 owed on the State Guarantee Loan by the farmer to the  
24 guarantee holder. It shall be the responsibility of the  
25 lender to proceed with the collecting and disposing of  
26 collateral on the State Guarantee within 14 months of the  
27 time the State Guarantee is declared delinquent; provided,  
28 however, that the lender shall not collect or dispose of  
29 collateral on the State Guarantee without the express written  
30 prior approval of the Authority. If the lender does not  
31 dispose of the collateral within 14 months, the lender shall  
32 be liable to repay to the State interest on the State  
33 Guarantee equal to the same rate which the lender charges on  
34 the State Guarantee; provided, however, that the Authority

1 may extend the 14-month period for a lender in the case of  
2 bankruptcy or extenuating circumstances. The Fund shall be  
3 reimbursed for any amounts paid under this Section upon  
4 liquidation of the collateral. The Authority, by resolution  
5 of the Board, may borrow sums from the Fund and provide for  
6 repayment as soon as may be practical upon receipt of  
7 payments of principal and interest by a farmer. Money may be  
8 borrowed from the Fund by the Authority for the sole purpose  
9 of paying certain interest costs for farmers associated with  
10 selling a loan subject to a State Guarantee in a secondary  
11 market as may be deemed reasonable and necessary by the  
12 Authority.

13 (d) Notwithstanding the provisions of this Section 830-30  
14 with respect to the farmers and lenders who may obtain State  
15 Guarantees, the Authority may promulgate rules establishing  
16 the eligibility of farmers and lenders to participate in the  
17 State guarantee program and the terms, standards, and  
18 procedures that will apply, when the Authority finds that  
19 emergency conditions in Illinois agriculture have created the  
20 need for State Guarantees pursuant to terms, standards, and  
21 procedures other than those specified in this Section.

22 Section 830-35. State Guarantees for loans to farmers and  
23 agribusiness; eligibility.

24 (a) The Authority is authorized to issue State Guarantees  
25 to lenders for loans to eligible farmers and agribusinesses  
26 for purposes set forth in this Section. For purposes of this  
27 Section, an eligible farmer shall be a resident of Illinois  
28 (i) who is principal operator of a farm or land, at least 50%  
29 of whose annual gross income is derived from farming, (ii)  
30 whose annual total sales of agricultural products,  
31 commodities, or livestock exceeds \$20,000, and (iii) whose  
32 net worth does not exceed \$500,000. An eligible agribusiness  
33 shall be that as defined in Section 801-10 of this Act. The

1 Authority may approve applications by farmers and  
2 agribusinesses that promote diversification of the farm  
3 economy of this State through the growth and development of  
4 new crops or livestock not customarily grown or produced in  
5 this State or that emphasize a vertical integration of grain  
6 or livestock produced or raised in this State into a finished  
7 agricultural product for consumption or use. "New crops or  
8 livestock not customarily grown or produced in this State"  
9 shall not include corn, soybeans, wheat, swine, or beef or  
10 dairy cattle. "Vertical integration of grain or livestock  
11 produced or raised in this State" shall include any new or  
12 existing grain or livestock grown or produced in this State.  
13 Lenders shall apply for the State Guarantees on forms  
14 provided by the Authority, certify that the application and  
15 any other documents submitted are true and correct, and pay  
16 an administrative fee as determined by the Authority. The  
17 applicant shall be responsible for paying any fees or charges  
18 involved in recording mortgages, releases, financing  
19 statements, insurance for secondary market issues and any  
20 other similar fees or charges as the Authority may require.  
21 The application shall at a minimum contain the farmer's or  
22 agribusiness' name, address, present credit and financial  
23 information, including cash flow statements, financial  
24 statements, balance sheets, and any other information  
25 pertinent to the application, and the collateral to be used  
26 to secure the State Guarantee. In addition, the lender must  
27 agree to charge an interest rate, which may vary, on the loan  
28 that the Authority determines to be below the market rate of  
29 interest generally available to the borrower. If both the  
30 lender and applicant agree, the interest rate on the State  
31 Guarantee Loan can be converted to a fixed interest rate at  
32 any time during the term of the loan. Any State Guarantees  
33 provided under this Section (i) shall not exceed \$500,000 per  
34 farmer or an amount as determined by the Authority on a



1 case-by-case basis for an agribusiness, (ii) shall not exceed  
2 a term of 15 years, and (iii) shall be subject to an annual  
3 review and renewal by the lender and the Authority; provided  
4 that only one such State Guarantee shall be made per farmer  
5 or agribusiness, except that additional State Guarantees may  
6 be made for purposes of expansion of projects financed in  
7 part by a previously issued State Guarantee. No State  
8 Guarantee shall be revoked by the Authority without a 90-day  
9 notice, in writing, to all parties. The lender shall not call  
10 due any loan for any reason except for lack of performance,  
11 insufficient collateral, or maturity. A lender may review and  
12 withdraw or continue with a State Guarantee on an annual  
13 basis after the first 5 years following closing of the loan  
14 application if the loan contract provides for an interest  
15 rate that shall not vary. A lender shall not withdraw a State  
16 Guarantee if the loan contract provides for an interest rate  
17 that may vary, except for reasons set forth herein.

18 (b) The Authority shall provide or renew a State  
19 Guarantee to a lender if:

20 (i) A fee equal to 25 basis points on the loan is  
21 paid to the Authority on an annual basis by the lender.

22 (ii) The application provides collateral acceptable  
23 to the Authority that is at least equal to the State's  
24 portion of the Guarantee to be provided.

25 (iii) The lender assumes all responsibility and  
26 costs for pursuing legal action on collecting any loan  
27 that is delinquent or in default.

28 (iv) The lender is responsible for the first 15% of  
29 the outstanding principal of the note for which the State  
30 Guarantee has been applied.

31 (c) There is hereby created outside of the State treasury  
32 a special fund to be known as the Illinois Farmer and  
33 Agribusiness Loan Guarantee Fund. The State Treasurer shall  
34 be custodian of this Fund. Any amounts in the Fund not

1 currently needed to meet the obligations of the Fund shall be  
2 invested as provided by law, and all interest earned from  
3 these investments shall be deposited into the Fund until the  
4 Fund reaches the maximum amounts authorized in this Act;  
5 thereafter, interest earned shall be deposited into the  
6 General Revenue Fund. After September 1, 1989, annual  
7 investment earnings equal to 1.5% of the Fund shall remain in  
8 the Fund to be used for the purposes established in Section  
9 830-40 of this Act. The Authority is authorized to transfer  
10 such amounts as are necessary to satisfy claims from  
11 available appropriations and from fund balances of the Farm  
12 Emergency Assistance Fund as of June 30 of each year to the  
13 Illinois Farmer and Agribusiness Loan Guarantee Fund to  
14 secure State Guarantees issued under this Section and  
15 Sections 830-45 and 830-50. If for any reason the General  
16 Assembly fails to make an appropriation sufficient to meet  
17 these obligations, this Act shall constitute an irrevocable  
18 and continuing appropriation of an amount necessary to secure  
19 guarantees as defaults occur and the irrevocable and  
20 continuing authority for, and direction to, the State  
21 Treasurer and the Comptroller to make the necessary transfers  
22 to the Illinois Farmer and Agribusiness Loan Guarantee Fund,  
23 as directed by the Governor, out of the General Revenue Fund.  
24 In the event of default by the borrower on State Guarantee  
25 Loans under this Section, Section 830-45 or Section 830-50,  
26 the lender shall be entitled to, and the Authority shall  
27 direct payment on, the State Guarantee after 90 days of  
28 delinquency. All payments by the Authority shall be made from  
29 the Illinois Farmer and Agribusiness Loan Guarantee Fund to  
30 satisfy claims against the State Guarantee. It shall be the  
31 responsibility of the lender to proceed with the collecting  
32 and disposing of collateral on the State Guarantee under this  
33 Section, Section 830-45 or Section 830-50 within 14 months of  
34 the time the State Guarantee is declared delinquent. If the

1 lender does not dispose of the collateral within 14 months,  
2 the lender shall be liable to repay to the State interest on  
3 the State Guarantee equal to the same rate that the lender  
4 charges on the State Guarantee, provided that the Authority  
5 shall have the authority to extend the 14-month period for a  
6 lender in the case of bankruptcy or extenuating  
7 circumstances. The Fund shall be reimbursed for any amounts  
8 paid under this Section, Section 830-45 or Section 830-50  
9 upon liquidation of the collateral. The Authority, by  
10 resolution of the Board, may borrow sums from the Fund and  
11 provide for repayment as soon as may be practical upon  
12 receipt of payments of principal and interest by a borrower  
13 on State Guarantee Loans under this Section, Section 830-45  
14 or Section 830-50. Money may be borrowed from the Fund by the  
15 Authority for the sole purpose of paying certain interest  
16 costs for borrowers associated with selling a loan subject to  
17 a State Guarantee under this Section, Section 830-45 or  
18 Section 830-50 in a secondary market as may be deemed  
19 reasonable and necessary by the Authority.

20 (d) Notwithstanding the provisions of this Section 830-35  
21 with respect to the farmers, agribusinesses, and lenders who  
22 may obtain State Guarantees, the Authority may promulgate  
23 rules establishing the eligibility of farmers,  
24 agribusinesses, and lenders to participate in the State  
25 Guarantee program and the terms, standards, and procedures  
26 that will apply, when the Authority finds that emergency  
27 conditions in Illinois agriculture have created the need for  
28 State Guarantees pursuant to terms, standards, and procedures  
29 other than those specified in this Section.

30 Section 830-40. Cooperative agreement with the University  
31 of Illinois.

32 (a) The Authority may enter into a cooperative agreement  
33 with the University of Illinois whereby the University's

1 College of Agriculture, or a department thereof, shall assess  
2 and evaluate the need for additional, and the performance of  
3 existing, State credit and finance programs administered by  
4 the Authority for farmers and agribusinesses. Pursuant to the  
5 cooperative agreement, the Authority may request from the  
6 University an evaluation of financial positions and lending  
7 risks of existing farm operations and existing and developing  
8 agricultural industries, an assessment and evaluation of the  
9 design, operation and performance of existing and proposed  
10 credit programs, an assessment of potential for development  
11 of agricultural industry, an assessment of the performance of  
12 credit markets and development of improved State credit  
13 instruments and programs, and any other information deemed  
14 necessary by the Authority to carry forth its credit and  
15 finance programs.

16 (b) A cooperative agreement entered into by the Authority  
17 and the University may provide for payment for services  
18 rendered by the University pursuant to the cooperative  
19 agreement from interest earnings remaining in the Illinois  
20 Agricultural Loan Guarantee Fund, as provided for in Section  
21 830-30 of this Act, and the Illinois Farmer and Agribusiness  
22 Loan Guarantee Fund, as provided for in Section 830-40 of  
23 this Act.

24 Section 830-45. Young Farmer Loan Guarantee Program.

25 (a) The Authority is authorized to issue State Guarantees  
26 to lenders for loans to finance or refinance debts of young  
27 farmers. For the purposes of this Section, a young farmer is  
28 a resident of Illinois who is at least 18 years of age and  
29 who is a principal operator of a farm or land, who derives at  
30 least 50% of annual gross income from farming, whose net  
31 worth is not less than \$10,000 and whose debt to asset ratio  
32 is not less than 40%. For the purposes of this Section, debt  
33 to asset ratio means current outstanding liabilities,

1 including any debt to be financed or refinanced under this  
2 Section 830-45, divided by current outstanding assets. The  
3 Authority shall establish the maximum permissible debt to  
4 asset ratio based on criteria established by the Authority.  
5 Lenders shall apply for the State Guarantees on forms  
6 provided by the Authority and certify that the application  
7 and any other documents submitted are true and correct. The  
8 lender or borrower, or both in combination, shall pay an  
9 administrative fee as determined by the Authority. The  
10 applicant shall be responsible for paying any fee or charge  
11 involved in recording mortgages, releases, financing  
12 statements, insurance for secondary market issues, and any  
13 other similar fee or charge that the Authority may require.  
14 The application shall at a minimum contain the young farmer's  
15 name, address, present credit and financial information,  
16 including cash flow statements, financial statements, balance  
17 sheets, and any other information pertinent to the  
18 application, and the collateral to be used to secure the  
19 State Guarantee. In addition, the borrower must certify to  
20 the Authority that, at the time the State Guarantee is  
21 provided, the borrower will not be delinquent in the  
22 repayment of any debt. The lender must agree to charge a  
23 fixed or adjustable interest rate that the Authority  
24 determines to be below the market rate of interest generally  
25 available to the borrower. If both the lender and applicant  
26 agree, the interest rate on the State guaranteed loan can be  
27 converted to a fixed interest rate at any time during the  
28 term of the loan. State Guarantees provided under this  
29 Section (i) shall not exceed \$500,000 per young farmer, (ii)  
30 shall be set up on a payment schedule not to exceed 30 years,  
31 but shall be no longer than 15 years in duration, and (iii)  
32 shall be subject to an annual review and renewal by the  
33 lender and the Authority. A young farmer may use this program  
34 more than once provided the aggregate principal amount of

1 State Guarantees under this Section to that young farmer does  
2 not exceed \$500,000. No State Guarantee shall be revoked by  
3 the Authority without a 90-day notice, in writing, to all  
4 parties.

5 (b) The Authority shall provide or renew a State  
6 Guarantee to a lender if:

7 (i) The lender pays a fee equal to 25 basis points  
8 on the loan to the Authority on an annual basis.

9 (ii) The application provides collateral acceptable  
10 to the Authority that is at least equal to the State  
11 Guarantee.

12 (iii) The lender assumes all responsibility and  
13 costs for pursuing legal action on collecting any loan  
14 that is delinquent or in default.

15 (iv) The lender is at risk for the first 15% of the  
16 outstanding principal of the note for which the State  
17 Guarantee is provided.

18 (c) The Illinois Farmer and Agribusiness Loan Guarantee  
19 Fund may be used to secure State Guarantees issued under this  
20 Section as provided in Section 830-35.

21 (d) Notwithstanding the provisions of this Section 830-45  
22 with respect to the young farmers and lenders who may obtain  
23 State Guarantees, the Authority may promulgate rules  
24 establishing the eligibility of young farmers and lenders to  
25 participate in the State Guarantee program and the terms,  
26 standards, and procedures that will apply, when the Authority  
27 finds that emergency conditions in Illinois agriculture have  
28 created the need for State Guarantees pursuant to terms,  
29 standards, and procedures other than those specified in this  
30 Section.

31 Section 830-50. Specialized Livestock Guarantee Program.

32 (a) The Authority is authorized to issue State Guarantees  
33 to lenders for loans to finance or refinance debts for

1 specialized livestock operations that are or will be located  
2 in Illinois. For purposes of this Section, a "specialized  
3 livestock operation" includes, but is not limited to, dairy,  
4 beef, and swine enterprises.

5 (b) Lenders shall apply for the State Guarantees on forms  
6 provided by the Authority and certify that the application  
7 and any other documents submitted are true and correct. The  
8 lender or borrower, or both in combination, shall pay an  
9 administrative fee as determined by the Authority. The  
10 applicant shall be responsible for paying any fee or charge  
11 involved in recording mortgages, releases, financing  
12 statements, insurance for secondary market issues, and any  
13 other similar fee or charge that the Authority may require.  
14 The application shall, at a minimum, contain the farmer's  
15 name, address, present credit and financial information,  
16 including cash flow statements, financial statements, balance  
17 sheets, and any other information pertinent to the  
18 application, and the collateral to be used to secure the  
19 State Guarantee. In addition, the borrower must certify to  
20 the Authority that, at the time the State Guarantee is  
21 provided, the borrower will not be delinquent in the  
22 repayment of any debt. The lender must agree to charge a  
23 fixed or adjustable interest rate that the Authority  
24 determines to be below the market rate of interest generally  
25 available to the borrower. If both the lender and applicant  
26 agree, the interest rate on the State guaranteed loan can be  
27 converted to a fixed interest rate at any time during the  
28 term of the loan.

29 (c) State Guarantees provided under this Section (i)  
30 shall not exceed \$1,000,000 per applicant, (ii) shall be no  
31 longer than 15 years in duration, and (iii) shall be subject  
32 to an annual review and renewal by the lender and the  
33 Authority. An applicant may use this program more than once,  
34 provided that the aggregate principal amount of State

1 Guarantees under this Section to that applicant does not  
2 exceed \$1,000,000. A State Guarantee shall not be revoked by  
3 the Authority without a 90-day notice, in writing, to all  
4 parties.

5 (d) The Authority shall provide or renew a State  
6 Guarantee to a lender if: (i) The lender pays a fee equal to  
7 25 basis points on the loan to the Authority on an annual  
8 basis. (ii) The application provides collateral acceptable to  
9 the Authority that is at least equal to the State Guarantee.  
10 (iii) The lender assumes all responsibility and costs for  
11 pursuing legal action on collecting any loan that is  
12 delinquent or in default. (iv) The lender is at risk for the  
13 first 15% of the outstanding principal of the note for which  
14 the State Guarantee is provided.

15 (e) The Illinois Farmer and Agribusiness Loan Guarantee  
16 Fund may be used to secure State Guarantees issued under this  
17 Section as provided in Section 830-35.

18 (f) Notwithstanding the provisions of this Section 830-50  
19 with respect to the specialized livestock operations and  
20 lenders who may obtain State Guarantees, the Authority may  
21 promulgate rules establishing the eligibility of specialized  
22 livestock operations and lenders to participate in the State  
23 Guarantee program and the terms, standards, and procedures  
24 that will apply, when the Authority finds that emergency  
25 conditions in Illinois agriculture have created the need for  
26 State Guarantees pursuant to terms, standards, and procedures  
27 other than those specified in this Section.

28 ARTICLE 840

29 HEALTH FACILITIES DEVELOPMENT

30 Section 840-5. The Authority shall have the following  
31 powers:

32 (a) To fix and revise from time to time and charge and



1 collect rates, rents, fees and charges for the use of and for  
2 the services furnished or to be furnished by a project or  
3 other health facilities owned, financed or refinanced by the  
4 Authority or any portion thereof and to contract with any  
5 person, partnership, association or corporation or other  
6 body, public or private, in respect thereto; to coordinate  
7 its policies and procedures and cooperate with recognized  
8 health facility rate setting mechanisms which may now or  
9 hereafter be established.

10 (b) To establish rules and regulations for the use of a  
11 project or other health facilities owned, financed or  
12 refinanced by the Authority or any portion thereof and to  
13 designate a participating health institution as its agent to  
14 establish rules and regulations for the use of a project or  
15 other health facilities owned by the Authority undertaken for  
16 that participating health institution.

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

29 (d) To make mortgage or other secured or unsecured loans  
30 to or for the benefit of any participating health institution  
31 for the cost of a project in accordance with an agreement  
32 between the Authority and the participating health  
33 institution; provided that no such loan shall exceed the  
34 total cost of the project as determined by the participating

1 health institution and approved by the Authority; provided  
2 further that such loans may be made to any entity affiliated  
3 with a participating health institution if the proceeds of  
4 such loan are made available to or applied for the benefit of  
5 such participating health institution.

6 (e) To make mortgage or other secured or unsecured loans  
7 to or for the benefit of a participating health institution  
8 in accordance with an agreement between the Authority and the  
9 participating health institution to refund outstanding  
10 obligations, loans, indebtedness or advances issued, made,  
11 given or incurred by such participating health institution  
12 for the cost of a project; including the function to issue  
13 bonds and make loans to or for the benefit of a participating  
14 health institution to refinance indebtedness incurred by such  
15 participating health institution in projects undertaken and  
16 completed or for other health facilities acquired prior to or  
17 after the enactment of this Act when the Authority finds that  
18 such refinancing is in the public interest, and either  
19 alleviates a financial hardship of such participating health  
20 institution, or is in connection with other financing by the  
21 Authority for such participating health institution or may be  
22 expected to result in a lessened cost of patient care and a  
23 saving to third parties, including government, and to others  
24 who must pay for care, or any combination thereof; provided  
25 further that such loans may be made to any entity affiliated  
26 with a participating health institution if the proceeds of  
27 such loan are made available to or applied for the benefit of  
28 such participating health institution.

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

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

10 (g) To lease to a participating health institution the  
11 project being financed or refinanced or other health  
12 facilities conveyed to the Authority in connection with such  
13 financing or refinancing, upon such terms and conditions as  
14 the Authority shall deem proper, and to charge and collect  
15 rents therefor and to terminate any such lease upon the  
16 failure of the lessee to comply with any of the obligations  
17 thereof; and to include in any such lease, if desired,  
18 provisions that the lessee thereof shall have options to  
19 renew the lease for such period or periods and at such rent  
20 as shall be determined by the Authority or to purchase any or  
21 all of the health facilities or that upon payment of all of  
22 the indebtedness incurred by the Authority for the financing  
23 of such project or health facilities or for refunding  
24 outstanding obligations, loans, indebtedness or advances of a  
25 participating health institution, then the Authority may  
26 convey any or all of the project or such other health  
27 facilities to the lessee or lessees thereof with or without  
28 consideration.

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

34 (i) To assist the Department of Commerce and Economic

1 Opportunity to establish and implement a program to assist  
2 health facilities to identify and arrange financing for  
3 energy conservation projects in buildings and facilities  
4 owned or leased by health facilities.

5 (j) To assist the Department of Human Services in  
6 establishing a low interest loan program to help child care  
7 centers and family day care homes serving children of low  
8 income families under Section 22.4 of the Children and Family  
9 Services Act.

10 Section 840-10. By means of this Act it is the intent of  
11 the General Assembly to provide a measure of assistance and  
12 alternative methods of financing to participating health  
13 institutions to aid them in providing needed health  
14 facilities that will assure admission and care of high  
15 quality to all who need it and in dealing with the cash  
16 requirements of such facilities, whether resulting from  
17 capital expenditures, operating expenditures, delays in the  
18 receipt of payments for services or otherwise.

19 Section 840-15. The Authority is authorized and empowered  
20 to acquire, directly or by and through a participating health  
21 institution as its agent, by purchase solely from funds  
22 provided under the authority of this Act, or by gift or  
23 legacy, such lands, structures, property, real or personal,  
24 rights, rights-of-way, franchises, easements and other  
25 interests in lands, including lands lying under water and  
26 riparian rights, which are located within the State as it may  
27 deem necessary or convenient for the construction or  
28 operation of a project, upon such terms and at such prices as  
29 may be considered by it to be reasonable and can be agreed  
30 upon between it and the owner thereof, and to take title  
31 thereto in the name of the Authority or in the name of a  
32 participating health institution as its agent.

1 Section 840-20. It is the intent and purpose of this Act  
2 that the exercise by the Authority of the powers granted to  
3 it shall be in all respects for the benefit of the people of  
4 this State to assist them to provide needed health facilities  
5 of the number, size, type, distribution, and operation that  
6 will assure admission and care of high quality to all who  
7 need it. To this end, the Authority is charged with the  
8 responsibility to identify and study all projects which are  
9 determined by health planning agencies to be needed but which  
10 could not sustain a loan were such to be made to it under  
11 this Act. The Authority shall, following such study,  
12 formulate and recommend to the General Assembly, such  
13 amendments to this and other Acts, and such other specific  
14 measures as grants, loan guarantees, interest subsidies or  
15 other actions as may be provided for by the State which  
16 actions would render the construction and operation of such  
17 needed health facility feasible and in the public interest.  
18 Further, the Authority is charged with responsibility to  
19 identify and study any laws or regulations which it finds  
20 handicaps or bars a needed health facility from participating  
21 in the benefits of this Act and to recommend to the General  
22 Assembly such actions as will remedy such situation.

23 Section 840-25. The Authority shall fix, revise, charge  
24 and collect rents for the use of each health facility owned  
25 by the Authority and contract with any person, partnership,  
26 association or corporation, or other body, public or private,  
27 in respect thereof. Each lease entered into by the Authority  
28 with a participating health institution and each agreement,  
29 note, mortgage or other instrument evidencing the obligations  
30 of a participating health institution to the Authority shall  
31 provide that the rents or principal, interest and other  
32 charges payable by or for the benefit of the participating  
33 health institution or the process of accounts receivable

1 purchased by the Authority from the participating health  
2 institution shall be sufficient at all times, (a) to pay its  
3 share of the administrative costs and expenses of the  
4 Authority, (b) to pay the cost of maintaining, repairing and  
5 operating the project and other related health facilities and  
6 each and every portion thereof, (c) to pay the principal of,  
7 the premium, if any, and the interest on outstanding bonds of  
8 the Authority issued in respect of such project as the same  
9 shall become due and payable, and (d) to create and maintain  
10 reserves which may but need not be required or provided for  
11 in the bond resolution relating to such bonds of the  
12 Authority. The Authority shall pledge the revenues derived  
13 and to be derived from a project or other related health  
14 facilities or from a participating health institution or an  
15 affiliate thereof for the purposes specified in (a), (b), (c)  
16 and (d) of the preceding sentence and additional bonds may be  
17 issued which may rank on a parity with other bonds relating  
18 to the project to the extent and on the terms and conditions  
19 provided in the bond resolution. Such pledge shall be valid  
20 and binding from the time when the pledge is made; the  
21 revenues so pledged by the Authority shall immediately be  
22 subject to the lien of such pledge without any physical  
23 delivery thereof or further act and the lien of any such  
24 pledge shall be valid and binding as against all parties  
25 having claims of any kind in tort, contract or otherwise  
26 against the Authority, irrespective of whether such parties  
27 have notice thereof. Neither the bond resolution nor any  
28 financing statement, continuation statement or other  
29 instrument by which a pledge is created or by which the  
30 Authority's interest in revenues is assigned need be filed or  
31 recorded in any public records in order to perfect the lien  
32 thereof as against third parties except that a copy of the  
33 bond resolution shall be filed in the records of the  
34 Authority and with the Secretary of State.

1           Section 840-30. It is intended that all private health  
2 facilities in this State be enabled to benefit from and  
3 participate in the provisions of this Act. To this end, all  
4 private health facilities operating, or authorized to be  
5 operated, under any statute of this State are authorized and  
6 empowered to undertake projects, as defined in this Act, and  
7 to utilize the financing sources and methods of repayment  
8 provided by this Act, the provisions of any other laws to the  
9 contrary notwithstanding. Notwithstanding the provisions of  
10 any other law to the contrary, the State of Illinois and any  
11 political subdivision, agency, instrumentality, district or  
12 municipality thereof owning or operating any health facility  
13 is hereby authorized to take all actions necessary or  
14 appropriate and to execute and deliver any and all evidences  
15 of indebtedness and agreements, including loan agreements,  
16 leases and agreements providing for credit enhancement, as  
17 may be necessary to permit such publicly owned health  
18 facility to avail itself of the provisions of this Act. Any  
19 evidence of indebtedness or agreement entered into by the  
20 State or any political subdivision, agency, instrumentality,  
21 district or municipality thereof pursuant to this Act may  
22 provide for the payment of interest at such rate or rates as  
23 shall be determined by the issuer thereof or obligor  
24 thereunder and may be issued or entered into without  
25 referendum approval; provided, that this Act shall not be  
26 deemed to be independent authority for levy of any taxes to  
27 pay an obligation owing from the State or any political  
28 subdivision, agency, instrumentality, district or  
29 municipality thereof and arising hereunder or incurred in  
30 connection with a financing pursuant hereto.

31

## ARTICLE 845

32

## AUTHORITY DEBTS, CONTRACTS AND REPORTS

1           Section 845-5. The Authority may not have outstanding at  
2 any one time bonds for any of its corporate purposes in an  
3 aggregate principal amount exceeding \$23,000,000,000,  
4 excluding bonds issued to refund the bonds of the Authority  
5 or bonds of the Predecessor Authorities.

6           Section 845-10. The Authority may issue a single bond  
7 issue pursuant to this Act for a group of industrial  
8 projects, a group of corporations or a group of business  
9 entities, a group of units of local government or other  
10 borrowers or any combination thereof. A bond issue for  
11 multiple projects as provided in this Section shall be  
12 subject to all requirements for bond issues as established by  
13 this Act.

14           Section 845-15. The Authority may maintain an office or  
15 branch office anywhere in the State, and may utilize, without  
16 the payment of rent, any office facilities which the State  
17 may conveniently make available to it.

18           Section 845-20. The Authority shall not have power to  
19 levy taxes for any purpose whatsoever.

20           Section 845-25. The Authority shall not incur any  
21 obligations for salaries, office or other administrative  
22 expenses prior to the making of appropriations to meet such  
23 expenses. Interest earned from investments of any funds of  
24 the Authority and repayments of principal of such investments  
25 shall be available for appropriation by the Board for the  
26 corporate purposes of the Authority.

27           Section 845-30. The State and all counties, cities,  
28 villages, incorporated towns and other municipal  
29 corporations, political subdivisions and public bodies, and



1 public officers of any thereof, all banks, bankers, trust  
2 companies, savings banks and institutions, building and loan  
3 associations, savings and loan associations, investment  
4 companies and other persons carrying on a banking business,  
5 all insurance companies, insurance associations and other  
6 persons carrying on an insurance business and all executors,  
7 administrators, guardians, trustees and other fiduciaries may  
8 legally invest any sinking funds, moneys or other funds  
9 belonging to them or within their control in any bonds or  
10 evidences of indebtedness issued pursuant to this Act or  
11 issued by the Predecessor Authorities, it being the purpose  
12 of this Section to authorize the investment in such bonds or  
13 evidences of indebtedness of all sinking, insurance,  
14 retirement, compensation, pension and trust funds, whether  
15 owned or controlled by private or public persons or officers;  
16 provided, however, that nothing contained in this Section may  
17 be construed as relieving any person from any duty of  
18 exercising reasonable care in selecting securities for  
19 purchase or investment.

20 Section 845-35. Under no circumstances shall any bonds or  
21 other evidences of indebtedness issued by the Authority or  
22 the Predecessor Authorities under this Act or under any other  
23 law be or become an indebtedness or obligation of the State  
24 of Illinois, within the purview of any constitutional  
25 limitation or provision, and it shall be plainly stated on  
26 the face of each bond or other evidence of indebtedness that  
27 it does not constitute such an indebtedness or obligation but  
28 is payable solely from the revenues or income of the  
29 Authority.

30 Section 845-40. The Authority shall appoint a secretary  
31 and treasurer, who may, but need not, be a member or members  
32 of the Authority to hold office during the pleasure of the

1 Authority. Before entering upon the duties of the respective  
2 offices such person or persons shall take and subscribe to  
3 the constitutional oath of office, and the treasurer shall  
4 execute a bond with corporate sureties to be approved by the  
5 Authority. The bond shall be payable to the Authority in  
6 whatever penal sum may be directed by the Authority  
7 conditioned upon the faithful performance of the duties of  
8 the office and the payment of all money received by him  
9 according to law and the orders of the Authority. The  
10 Authority may, at any time, require a new bond from the  
11 treasurer in such penal sum as may then be determined by the  
12 Authority. The obligation of the sureties shall not extend to  
13 any loss sustained by the insolvency, failure or closing of  
14 any savings and loan association or national or state bank  
15 wherein the treasurer has deposited funds if the bank or  
16 savings and loan association has been approved by the  
17 Authority as a depository for these funds. The oaths of  
18 office and the treasurer's bond shall be filed in the  
19 principal office of the Authority. All funds of the  
20 Authority, including without limitation, grants or loans from  
21 the federal government, the State or any agency or  
22 instrumentality thereof, fees, service charges, interest or  
23 other investment earnings on its funds, payments of principal  
24 of and interest on loans of its funds and revenue from any  
25 other source, except funds the application of which is  
26 otherwise specifically provided for by appropriation,  
27 resolution, grant agreement, lease agreement, loan agreement,  
28 indenture, mortgage or trust agreement or other agreement,  
29 may be held by the Authority in its treasury and be generally  
30 available for expenditure by the Authority for any of the  
31 purposes authorized by this Act. In addition to investments  
32 authorized by Section 2 of the Public Funds Investment Act,  
33 funds of the Authority may be invested in (a) obligations  
34 issued by any State, unit of local government or school

1 district which obligations are rated at the time of purchase  
2 by a national rating service within the two highest rating  
3 classifications without regard to any rating refinement or  
4 gradation by numerical or other modifier, or (b) equity  
5 securities of an investment company registered under the  
6 Investment Company Act of 1940 whose sole assets, other than  
7 cash and other temporary investments, are obligations which  
8 are eligible investments for the Authority, provided that not  
9 more than 20% of the assets of the investment company may  
10 consist of unrated obligations of the type described in  
11 clause (a) which the Board of Directors of the investment  
12 company has determined to be of comparable quality to rated  
13 obligations described in clause (a). Funds appropriated by  
14 the General Assembly to the Authority shall be held in the  
15 State treasury unless this Act or the Act making the  
16 appropriation specifically states that the monies are to be  
17 held in or appropriated to the Authority's treasury. Such  
18 funds as are authorized to be held in the Authority's  
19 treasury and deposited in any bank or savings and loan  
20 association and placed in the name of the Authority shall be  
21 withdrawn or paid out only by check or draft upon the bank or  
22 savings and loan association, signed by the treasurer and  
23 countersigned by the Chairperson of the Authority. The  
24 Authority may designate any of its members or any officer or  
25 employee of the Authority to affix the signature of the  
26 Chairperson and another to affix the signature of the  
27 treasurer to any check or draft for payment of salaries or  
28 wages and for payment of any other obligations of not more  
29 than \$2,500. In case any officer whose signature appears upon  
30 any check or draft, issued pursuant to this Act, ceases to  
31 hold his office before the delivery thereof to the payee, his  
32 signature nevertheless shall be valid and sufficient for all  
33 purposes with the same effect as if he had remained in office  
34 until delivery thereof. No bank or savings and loan

1 association shall receive public funds as permitted by this  
2 Section, unless it has complied with the requirements  
3 established pursuant to Section 6 of the Public Funds  
4 Investment Act.

5 Section 845-45. (a) No member, officer, agent, or  
6 employee of the Authority shall, in his or her own name or in  
7 the name of a nominee, be an officer or director or hold an  
8 ownership interest of more than 7 1/2% in any person,  
9 association, trust, corporation, partnership, or other entity  
10 that is, in its own name or in the name of a nominee, a party  
11 to a contract or agreement upon which the member, officer,  
12 agent, or employee may be called upon to act or vote.

13 (b) With respect to any direct or any indirect interest,  
14 other than an interest prohibited in subsection (a), in a  
15 contract or agreement upon which the member, officer, agent,  
16 or employee may be called upon to act or vote, a member,  
17 officer, agent, or employee of the Authority shall disclose  
18 the interest to the secretary of the Authority before the  
19 taking of final action by the Authority concerning the  
20 contract or agreement and shall so disclose the nature and  
21 extent of the interest and his or her acquisition of it, and  
22 those disclosures shall be publicly acknowledged by the  
23 Authority and entered upon the minutes of the Authority. If a  
24 member, officer, agent, or employee of the Authority holds  
25 such an interest, then he or she shall refrain from any  
26 further official involvement in regard to the contract or  
27 agreement, from voting on any matter pertaining to the  
28 contract or agreement, and from communicating with other  
29 members of the Authority or its officers, agents, and  
30 employees concerning the contract or agreement.  
31 Notwithstanding any other provision of law, any contract or  
32 agreement entered into in conformity with this subsection (b)  
33 shall not be void or invalid by reason of the interest

1 described in this subsection, nor shall any person so  
2 disclosing the interest and refraining from further official  
3 involvement as provided in this subsection be guilty of an  
4 offense, be removed from office, or be subject to any other  
5 penalty on account of that interest.

6 (c) Any contract or agreement made in violation of  
7 paragraphs (a) or (b) of this Section shall be null and void  
8 and give rise to no action against the Authority.

9 Section 845-50. The fiscal year for the Authority shall  
10 commence on the first of July. As soon after the end of each  
11 fiscal year as may be expedient, the Authority shall cause to  
12 be prepared and printed a complete report and financial  
13 statement of its operations and of its assets and  
14 liabilities. A reasonably sufficient number of copies of such  
15 report shall be printed for distribution to persons  
16 interested, upon request, and a copy thereof shall be filed  
17 with the Governor, the Secretary of State, the State  
18 Comptroller, the Secretary of the Senate and the Chief Clerk  
19 of the House of Representatives.

20 Section 845-55. For the purposes of the Illinois  
21 Securities Law of 1953, bonds issued by the Authority shall  
22 be deemed to be securities issued by a public instrumentality  
23 of the State of Illinois.

24 Section 845-60. Tax Exemption. The tax exemptions of  
25 outstanding bonds issued by the Predecessor Authorities  
26 pursuant to sections of the enabling acts of the Predecessor  
27 Authorities applicable to those bonds when issued shall  
28 remain valid and continue to be recognized by the State until  
29 final payment of those bonds, notwithstanding the repeal of  
30 the enabling acts of the Predecessor Authorities.

1 Section 845-65. If any provision of this Act is held  
2 invalid, such provision shall be deemed to be excised and the  
3 invalidity thereof shall not affect any of the other  
4 provisions of this Act. If the application of any provision  
5 of this Act to any person or circumstance is held invalid, it  
6 shall not affect the application of such provision to such  
7 persons or circumstances other than those as to which it is  
8 held invalid.

9 Section 845-70. Tax avoidance. Notwithstanding any other  
10 provision of law, the Authority shall not enter into any  
11 agreement providing for the purchase and lease of tangible  
12 personal property that results in the avoidance of taxation  
13 under the Retailers' Occupation Tax Act, the Use Tax Act, the  
14 Service Use Tax Act, or the Service Occupation Tax Act,  
15 without the prior written consent of the Governor.

16 Section 845-75. Transfer of functions from previously  
17 existing authorities to the Illinois Finance Authority. The  
18 Illinois Finance Authority created by the Illinois Finance  
19 Authority Act shall succeed to, assume and exercise all  
20 rights, powers, duties and responsibilities formerly  
21 exercised by the following Authorities and entities (herein  
22 called the "Predecessor Authorities") prior to the abolition  
23 of the Predecessor Authorities by this Act:

24 The Illinois Development Finance Authority  
25 The Illinois Farm Development Authority  
26 The Illinois Health Facilities Authority  
27 The Illinois Educational Facilities Authority  
28 The Illinois Community Development Finance Corporation  
29 The Illinois Rural Bond Bank  
30 The Research Park Authority

31 All books, records, papers, documents and pending  
32 business in any way pertaining to the Predecessor Authorities

1 are transferred to the Illinois Finance Authority, but any  
2 rights or obligations of any person under any contract made  
3 by, or under any rules, regulations, uniform standards,  
4 criteria and guidelines established or approved by, such  
5 Predecessor Authorities shall be unaffected thereby. All  
6 bonds, notes or other evidences of indebtedness outstanding  
7 on the effective date of this Act shall be unaffected by the  
8 transfer of functions to the Illinois Finance Authority. No  
9 rule, regulation, standard, criteria or guideline  
10 promulgated, established or approved by the Predecessor  
11 Authorities pursuant to an exercise of any right, power, duty  
12 or responsibility assumed by and transferred to the Illinois  
13 Finance Authority shall be affected by this Act, and all such  
14 rules, regulations, standards, criteria and guidelines shall  
15 become those of the Illinois Finance Authority until such  
16 time as they are amended or repealed by the Illinois Finance  
17 Authority.

18 Section 845-80. Any reference in statute, in rule, or  
19 otherwise to the following entities is a reference to the  
20 Illinois Finance Authority created by this Act:

- 21 The Illinois Development Finance Authority.
- 22 The Illinois Farm Development Authority.
- 23 The Illinois Health Facilities Authority.
- 24 The Illinois Research Park Authority.
- 25 The Illinois Rural Bond Bank.
- 26 The Illinois Educational Facilities Authority.
- 27 The Illinois Community Development Finance Corporation.

28 Section 845-85. Any reference in statute, in rule, or  
29 otherwise to the following Acts is a reference to this Act:

- 30 The Illinois Development Finance Authority Act.
- 31 The Illinois Farm Development Act.
- 32 The Illinois Health Facilities Authority Act.

- 1 The Illinois Research Park Authority Act.
- 2 The Rural Bond Bank Act.
- 3 The Illinois Educational Facilities Authority Act.
- 4 The Illinois Community Development Finance Corporation
- 5 Act.

ARTICLE 890

AMENDATORY PROVISIONS

8 Section 890-1. The Statute on Statutes is amended by  
9 changing Section 8 as follows:

10 (5 ILCS 70/8) (from Ch. 1, par. 1107)

11 Sec. 8. Omnibus Bond Acts.

12 (a) A citation to the Omnibus Bond Acts is a citation to  
 13 all of the following Acts, collectively, as amended from time  
 14 to time: the Bond Authorization Act, the Registered Bond  
 15 Act, the Municipal Bond Reform Act, the Local Government Debt  
 16 Reform Act, subsection (a) of Section 1-7 of the Property Tax  
 17 Extension Limitation Act, subsection (a) of Section 18-190 of  
 18 the Property Tax Code, the Uniform Facsimile Signature of  
 19 Public Officials Act, the Local Government Bond Validity Act,  
 20 the Illinois Development Finance Authority Act, the Public  
 21 Funds Investment Act, the Local Government Credit Enhancement  
 22 Act, the Local Government Defeasance of Debt Law, the  
 23 Intergovernmental Cooperation Act, the Local Government  
 24 Financial Planning and Supervision Act, the Special  
 25 Assessment Supplemental Bond and Procedure Act, Section 12-5  
 26 of the Election Code, and any similar Act granting additional  
 27 omnibus bond powers to governmental entities generally,  
 28 whether enacted before, on, or after the effective date of  
 29 this amendatory Act of 1989.

30 (b) The General Assembly recognizes that the  
 31 proliferation of governmental entities has resulted in the



1 enactment of hundreds of statutory provisions relating to the  
2 borrowing and other powers of governmental entities. The  
3 General Assembly addresses and has addressed problems common  
4 to all such governmental entities so that they have equal  
5 access to the municipal bond market. It has been, and will  
6 continue to be, the intention of the General Assembly to  
7 enact legislation applicable to governmental entities in an  
8 omnibus fashion, as has been done in the provisions of the  
9 Omnibus Bond Acts.

10 (c) It is and always has been the intention of the  
11 General Assembly that the Omnibus Bond Acts are and always  
12 have been supplementary grants of power, cumulative in nature  
13 and in addition to any power or authority granted in any  
14 other laws of the State. The Omnibus Bond Acts are  
15 supplementary grants of power when applied in connection with  
16 any similar grant of power or limitation contained in any  
17 other law of the State, whether or not the other law is  
18 enacted or amended after an Omnibus Bond Act or appears to be  
19 more restrictive than an Omnibus Bond Act, unless the General  
20 Assembly expressly declares in such other law that a  
21 specifically named Omnibus Bond Act does not apply.

22 (d) All instruments providing for the payment of money  
23 executed by or on behalf of any governmental entity organized  
24 by or under the laws of this State, including without  
25 limitation the State, to carry out a public governmental or  
26 proprietary function, acting through its corporate  
27 authorities, or which any governmental entity has assumed or  
28 agreed to pay, which were:

29 (1) issued or authorized to be issued by  
30 proceedings adopted by such corporate authorities before  
31 the effective date of this amendatory Act of 1989;

32 (2) issued or authorized to be issued in accordance  
33 with the procedures set forth in or pursuant to any  
34 authorization contained in any of the Omnibus Bond Acts;

1 and

2 (3) issued or authorized to be issued for any  
3 purpose authorized by the laws of this State, are valid  
4 and legally binding obligations of the governmental  
5 entity issuing such instruments, payable in accordance  
6 with their terms.

7 (Source: P.A. 90-480, eff. 8-17-97; 91-57, eff. 6-30-99.)

8 Section 890-2. The Department of Commerce and Community  
9 Affairs Law of the Civil Administrative Code of Illinois is  
10 amended by changing Sections 605-675, 605-915, 605-920, and  
11 605-925 as follows:

12 (20 ILCS 605/605-675) (was 20 ILCS 605/46.66)

13 Sec. 605-675. Exporter award program. The Department  
14 shall establish and operate, in cooperation with the  
15 Department of Agriculture and the Illinois Development  
16 Finance Authority, an annual awards program to recognize  
17 Illinois-based exporters. In developing criteria for the  
18 awards, the Department shall give consideration to the  
19 exporting efforts of small and medium sized businesses,  
20 first-time exporters, and other appropriate categories.

21 (Source: P.A. 91-239, eff. 1-1-00.)

22 (20 ILCS 605/605-915) (was 20 ILCS 605/46.45)

23 Sec. 605-915. Assisting local governments to achieve  
24 lower borrowing costs. To cooperate with the Illinois  
25 Development Finance Authority in assisting local governments  
26 to achieve overall lower borrowing costs and more favorable  
27 terms under Sections--7.50--through--7.61--of the Illinois  
28 Development Finance Authority Act, including using the  
29 Department's federally funded Community Development  
30 Assistance Program for those purposes.

31 (Source: P.A. 91-239, eff. 1-1-00.)

1 (20 ILCS 605/605-920) (was 20 ILCS 605/46.47)

2 Sec. 605-920. Assisting local governments; debt  
3 management, capital facility planning, infrastructure. To  
4 provide, in cooperation with the Illinois Development Finance  
5 Authority, technical assistance to local governments with  
6 respect to debt management and bond issuance, capital  
7 facility planning, infrastructure financing, infrastructure  
8 maintenance, fiscal management, and other infrastructure  
9 areas.

10 (Source: P.A. 91-239, eff. 1-1-00.)

11 (20 ILCS 605/605-925) (was 20 ILCS 605/46.48)

12 Sec. 605-925. Helping local governments reduce  
13 infrastructure costs. To develop and recommend to the  
14 Governor and the General Assembly, in cooperation with the  
15 Illinois Development Finance Authority and local governments,  
16 methods and techniques that can be used to help local  
17 governments reduce their public infrastructure costs,  
18 including strengthened local financial management, user fees,  
19 and other appropriate options.

20 (Source: P.A. 91-239, eff. 1-1-00.)

21 Section 890-3. The Illinois Enterprise Zone Act is  
22 amended by changing Section 7 as follows:

23 (20 ILCS 655/7) (from Ch. 67 1/2, par. 611)

24 Sec. 7. State Incentives Regarding Public Services and  
25 Physical Infrastructure.

26 (a) This Act does not restrict tax incentive financing  
27 pursuant to the "Tax Increment Allocation Redevelopment Act".

28 (b) Industrial development bonds. Priority in the use  
29 of industrial development bonds issued by the Illinois  
30 Development Finance Authority shall be given to businesses  
31 located in an Enterprise Zone.

1 (c) Deposit of State funds by the State Treasurer. The  
2 State Treasurer is authorized and encouraged to place  
3 deposits of State funds with financial institutions doing  
4 business in an Enterprise Zone.

5 (Source: P.A. 84-1417.)

6 Section 890-4. The Energy Conservation and Coal  
7 Development Act is amended by changing Section 15 as follows:

8 (20 ILCS 1105/15) (from Ch. 96 1/2, par. 7415)

9 Sec. 15. (a) The Department, in cooperation with the  
10 Illinois Development Finance Authority, shall establish a  
11 program to assist units of local government, as defined in  
12 the Illinois Development Finance Authority Act, to identify  
13 and arrange financing for energy conservation projects for  
14 buildings and facilities owned or leased by those units of  
15 local government.

16 (b) The Department, in cooperation with the Illinois  
17 Health Facilities Authority, shall establish a program to  
18 assist health facilities to identify and arrange financing  
19 for energy conservation projects for buildings and facilities  
20 owned or leased by those health facilities.

21 (Source: P.A. 87-852; 88-45.)

22 Section 890-5. The Department of Public Health Powers  
23 and Duties Law of the Civil Administrative Code of Illinois  
24 is amended by changing Section 2310-200 as follows:

25 (20 ILCS 2310/2310-200) (was 20 ILCS 2310/55.53)

26 Sec. 2310-200. Programs to expand access to primary  
27 care.

28 (a) The Department shall establish a program to expand  
29 access to comprehensive primary care in medically underserved  
30 communities throughout Illinois. This program may include

1 the provision of financial support and technical assistance  
2 to eligible community health centers. To be eligible for  
3 those grants, community health centers must meet requirements  
4 comparable to those enumerated in Sections 329 and 330 of the  
5 federal Public Health Service Act. In establishing its  
6 program, the Department shall avoid duplicating resources in  
7 areas already served by community health centers.

8 (b) The Department may develop financing programs with  
9 the Illinois Development Finance Authority to carry out the  
10 purposes of the Civil Administrative Code of Illinois or any  
11 other Act that the Department is responsible for  
12 administering. The Department may transfer to the Illinois  
13 Development Finance Authority, into an account outside of the  
14 State treasury, any moneys it deems necessary from its  
15 accounts to establish bond reserve or credit enhancement  
16 escrow accounts, or loan or equipment leasing programs. The  
17 disposition of moneys at the conclusion of any such financing  
18 program shall be determined by an interagency agreement.

19 (Source: P.A. 91-239, eff. 1-1-00.)

20 Section 890-6. The Asbestos Abatement Finance Act is  
21 amended by changing Sections 2 and 3 as follows:

22 (20 ILCS 3510/2) (from Ch. 111 1/2, par. 8102)

23 Sec. 2. Definitions. The following words and terms,  
24 whether or not capitalized, have the following meanings,  
25 unless the context or use clearly requires otherwise:

26 "Asbestos" means asbestos as defined and used in the  
27 federal Asbestos Hazard Emergency Response Act of 1986, as  
28 now or hereafter amended, including the regulations  
29 promulgated under that Act.

30 "Asbestos Abatement Project" means asbestos inspection,  
31 planning and response action under and within the meaning of  
32 the federal Asbestos Hazard Emergency Response Act of 1986,

1 as now or hereafter amended, to abate a health hazard caused  
2 directly or indirectly by the existence of asbestos in any  
3 building or other facility owned, operated, maintained or  
4 occupied in whole or in part by a public corporation or a  
5 private institution.

6 "Authority" means the Illinois Development Finance  
7 Authority.

8 "Board" means the Board of the Authority.

9 "Bond" means any bond, note or other evidence of  
10 indebtedness issued by the Authority under this Act.

11 "Chairman" means the Chairman of the Authority.

12 "Cost" as applied to an asbestos abatement project means  
13 the costs incurred or to be incurred by a public corporation  
14 or a private institution in the removal, encapsulation,  
15 enclosure, repair, or maintenance of asbestos in any building  
16 or other facility owned, operated, maintained or occupied in  
17 whole or in part by a public corporation or a private  
18 institution, including all incidental costs such as  
19 engineering, architectural, consulting and legal expenses  
20 incurred in connection with an asbestos abatement project,  
21 plans, specifications, surveys, estimates of costs and  
22 revenues, finance charges, interest before and during  
23 construction of an asbestos abatement project and, for up to  
24 18 months after completion of construction, other expenses  
25 necessary or incident to determining the need, feasibility or  
26 practicability of an asbestos abatement project,  
27 administrative expenses, and such other costs, charges and  
28 expenses as may be necessary or incident to the construction  
29 or financing of any asbestos abatement project. As used in  
30 this Act, "cost" means not only costs of an asbestos  
31 abatement project expected to be incurred in the future, but  
32 costs already incurred and paid by a public corporation or a  
33 private institution so that a public corporation or a private  
34 institution shall be permitted to reimburse itself for those

1 costs previously incurred and paid.

2 "Person" means any individual, firm, partnership,  
3 association, or corporation, separately or in any  
4 combination.

5 "Private institution" means any not-for-profit  
6 organization within the meaning of Section 501(c)(3) of the  
7 Internal Revenue Code of 1986, as now or hereafter amended,  
8 including any private or nonpublic pre-school, day care  
9 center, day or residential educational institution that  
10 provides elementary or secondary education for grades 12 or  
11 under, any private or nonpublic college or university, or any  
12 hospital, health care or long term care institution.

13 "Private institution security" means any bond, note, loan  
14 agreement, or other evidence of indebtedness which a private  
15 institution is legally authorized to issue or enter into for  
16 the purpose of financing or refinancing the costs of an  
17 asbestos abatement project.

18 "Public corporation" means any body corporate organized  
19 by or under the laws of this State to carry out a public  
20 governmental or proprietary function, including the State,  
21 any State agency, any school district, park district, city,  
22 village, incorporated town, county, township, drainage or any  
23 other type of district, board, commission, authority,  
24 university, public community college or any combination  
25 (including any combination under Section 10 of Article VII of  
26 the Illinois Constitution or under the Intergovernmental  
27 Cooperation Act of 1973, as now or hereafter amended), acting  
28 through their corporate authorities, and any other unit of  
29 local government within the meaning of Section 1 of Article  
30 VII of the Illinois Constitution.

31 "Public corporation security" means any bond, note, loan  
32 agreement, or other evidence of indebtedness which a public  
33 corporation is legally authorized to issue or enter into for  
34 the purpose of financing or refinancing the costs of an

1 asbestos abatement project.

2 "Secretary" means the Secretary of the Authority.

3 "State" means the State of Illinois.

4 "Treasurer" means the Treasurer of the Authority.

5 (Source: P.A. 86-976.)

6 (20 ILCS 3510/3) (from Ch. 111 1/2, par. 8103)

7 Sec. 3. Powers. In addition to the powers set forth  
8 elsewhere in this Act and in The Illinois Development Finance  
9 Authority Act, as now or hereafter amended, the Authority  
10 may:

11 (a) Adopt an official seal.

12 (b) Maintain asbestos abatement suboffices at places  
13 within the State as it designates.

14 (c) Sue and be sued, plead and be impleaded, all in its  
15 own name, and agree to binding arbitration of any dispute to  
16 which it is a party under this Act.

17 (d) Adopt bylaws, rules, and regulations to carry out  
18 the provisions and purposes of this Act.

19 (e) Employ, either as regular employees or independent  
20 contractors, consultants, engineers, architects, accountants,  
21 attorneys, financial experts, construction experts,  
22 superintendents, managers, other professional personnel, and  
23 other persons as may be necessary or appropriate in the  
24 judgment of the Authority to achieve the purposes of this  
25 Act, and fix their compensation.

26 (f) Determine the locations of, develop, establish,  
27 construct, erect, acquire, own, repair, remodel, add to,  
28 extend, improve, equip, operate, regulate, and maintain  
29 facilities to the extent necessary to accomplish the purposes  
30 of this Act.

31 (g) Acquire, hold, lease, use, encumber, transfer, or  
32 dispose of real and personal property, including the  
33 alteration or demolition of improvements to real estate,



1 necessary to accomplish the purposes of this Act.

2 (h) Enter into contracts of any kind in furtherance of  
3 or which are necessary or incidental to the purposes of this  
4 Act or actions of the Authority taken under this Act.

5 (i) Regulate the use and operation of asbestos abatement  
6 projects developed under the provisions of this Act, except  
7 that asbestos abatement projects undertaken by schools shall  
8 be governed by the Asbestos Abatement Act, the Asbestos  
9 Hazard Emergency Response Act and by the regulations  
10 promulgated by the Department of Public Health pursuant to  
11 those Acts.

12 (j) Purchase from time to time by negotiated sale, upon  
13 such terms as the Authority shall determine, public  
14 corporation securities issued by one or more public  
15 corporations for the purpose of paying costs of asbestos  
16 abatement projects or private institution securities issued  
17 by one or more private institutions for the purpose of paying  
18 costs of asbestos abatement projects.

19 (k) Make loans from time to time, upon such terms as the  
20 Authority shall determine, to public corporations and private  
21 institutions for the purpose of paying costs of asbestos  
22 abatement projects.

23 (l) Issue bonds in one or more series pursuant to one or  
24 more resolutions adopted by the Board for the purpose of  
25 purchasing or acquiring public corporation securities or  
26 private institution securities issued for the purpose of  
27 paying costs of asbestos abatement projects or for the  
28 purpose of making loans to public corporations or private  
29 institutions for the purpose of paying costs of asbestos  
30 abatement projects, providing for the payment of any interest  
31 deemed necessary on such bonds, paying for the costs of  
32 issuance of such bonds, providing for the payment of any  
33 premium on any insurance or the cost of any guarantees,  
34 letters of credit or other credit enhancement facilities, or

1 providing for the funding of any reserves deemed necessary in  
2 connection with such bonds, and refunding or advance  
3 refunding (one or more times) any such bonds. Such bonds may  
4 bear interest at any rate or rates (whether fixed or  
5 variable, and whether current or deferred), notwithstanding  
6 any other provision of law to the contrary, which rate or  
7 rates may be established by an index or formula which may be  
8 implemented or established by persons appointed or retained  
9 therefor by the Authority, may bear such date or dates, may  
10 be payable at such time or times and at such place or places,  
11 may mature at any time or times not later than 40 years from  
12 the date of issuance, may be sold at competitive or  
13 negotiated sale at such time or times and at such price or  
14 prices, may be secured by such pledges, covenants, reserves,  
15 guarantees, letters of credit or other credit enhancement  
16 facilities, may be issued and secured by such form of trust  
17 agreement between the Authority and a bank or trust company  
18 having the powers of a trust company within or without the  
19 State, may be executed in such manner, may be subject to  
20 redemption prior to maturity, and may be subject to such  
21 other terms and conditions, as are provided by the Authority  
22 in the resolution authorizing the issuance of any such bonds.

23 (m) Provide for the establishment and funding of any  
24 reserves or other funds or accounts deemed necessary by the  
25 Authority in connection with any bonds issued by the  
26 Authority under this Act, any public corporation securities  
27 or private institution securities purchased or acquired by  
28 the Authority, or any loan made by the Authority to a public  
29 corporation or a private institution, and deposit into such  
30 reserves, funds or accounts the proceeds of any bonds issued  
31 by the Authority or any other funds of the Authority or any  
32 funds of a public corporation or a private institution which  
33 may be applied for such purpose. Such reserves, funds or  
34 accounts may be held by a corporate trustee, which may be any

1 trust company or bank having the powers of a trust company  
2 located within or outside the State.

3 (n) Pledge any public corporation security or private  
4 institution security, including any payment thereon, and any  
5 other funds of the Authority which may be applied to such  
6 purpose, as security for any bonds issued by the Authority or  
7 to secure any letter of credit, guarantee or other credit  
8 enhancement facility.

9 (o) Enter into agreements or other transactions with any  
10 federal, State or local governmental agency in connection  
11 with this Act.

12 (p) Receive and accept from any federal agency, subject  
13 to the approval of the Governor, grants for or in aid of the  
14 construction of asbestos abatement projects or for research  
15 and development with respect to asbestos abatement projects,  
16 such grants to be held, used and applied only for the  
17 purposes for which such grants were made.

18 (q) Charge fees to defray the cost of letters of credit,  
19 guarantees or other credit enhancement facilities, trustees,  
20 depositaries, paying agents, bond registrars, escrow agents,  
21 tender agents and other administrative and program expenses;  
22 and otherwise charge such program fees consistent with the  
23 purposes of this Act as the Authority shall from time to time  
24 determine. Any such fees shall be payable in such amounts and  
25 at such times as the Authority shall determine, and the  
26 amount of the fees need not be uniform among the various  
27 series of bonds issued by the Authority or among the issuers  
28 of public corporation securities or private institution  
29 securities purchased or acquired or proposed to be purchased  
30 or acquired by the Authority.

31 (r) Prescribe application forms, notification forms,  
32 forms of contracts, loan agreements, financing agreements and  
33 security agreements, and such other forms as the Authority  
34 deems necessary or appropriate in connection with this Act.

1           (s) Purchase or acquire any bonds of the Authority  
2 issued under this Act for cancellation, resale, or  
3 reissuance.

4           (t) Subject to the provisions of any resolution,  
5 indenture, or other contract with the owners of bonds, sell,  
6 or otherwise transfer or dispose of public corporation  
7 securities or private institution securities acquired under  
8 this Act.

9           (u) Do any and all things necessary or convenient to  
10 carry out the purposes of, and exercise the powers expressly  
11 given and granted in, this Act, including the adoption of  
12 rules under The Illinois Administrative Procedure Act, as now  
13 or hereafter amended, as are necessary to carry out the  
14 powers and duties conferred by this Act.

15       (Source: P.A. 86-976.)

16           Section 890-7. The Illinois Environmental Facilities  
17 Financing Act is amended by changing Sections 3, 4, and 7 as  
18 follows:

19           (20 ILCS 3515/3) (from Ch. 127, par. 723)

20           Sec. 3. Definitions. In this Act, unless the context  
21 otherwise clearly requires, the terms used herein shall have  
22 the meanings ascribed to them as follows:

23           (a) "Bonds" means any bonds, notes, debentures,  
24 temporary, interim or permanent certificates of indebtedness  
25 or other obligations evidencing indebtedness.

26           (b) "Directing body" means the members of the State  
27 authority.

28           (c) "Environmental facility" or "facilities" means any  
29 land, interest in land, building, structure, facility,  
30 system, fixture, improvement, appurtenance, machinery,  
31 equipment or any combination thereof, and all real and  
32 personal property deemed necessary therewith, having to do

1 with or the primary purpose of which is, reducing,  
2 controlling or preventing pollution, or reclaiming surface  
3 mined land. Environmental facilities may be located anywhere  
4 in this State and may include those facilities or processes  
5 used to (i) remove potential pollutants from coal prior to  
6 combustion, (ii) reduce the volume or composition of  
7 hazardous waste by changing or replacing manufacturing  
8 equipment or processes, (iii) recycle hazardous waste, or  
9 (iv) recover resources from hazardous waste. Environmental  
10 facilities may also include (i) solar collectors, solar  
11 storage mechanisms and solar energy systems, as defined in  
12 Section 10-5 of the Property Tax Code; (ii) facilities  
13 designed to collect, store, transfer, or distribute, for  
14 residential, commercial or industrial use, heat energy which  
15 is a by-product of industrial or energy generation processes  
16 and which would otherwise be wasted; (iii) facilities  
17 designed to remove pollutants from emissions that result from  
18 the combustion of coal; and (iv) facilities for the  
19 combustion of coal in a fluidized bed boiler. Environmental  
20 facilities include landfill gas recovery facilities, as  
21 defined in the Illinois Environmental Protection Act.

22 Environmental facilities do not include any land,  
23 interest in land, buildings, structure, facility, system,  
24 fixture, improvement, appurtenance, machinery, equipment or  
25 any combination thereof, and all real and personal property  
26 deemed necessary therewith, having to do with a hazardous  
27 waste disposal site, except where such land, interest in  
28 land, buildings, structure, facility, system, fixture,  
29 improvement, appurtenance, machinery, equipment, real or  
30 personal property are used for the management or recovery of  
31 gas generated by a hazardous waste disposal site or are used  
32 for recycling, reclamation, tank storage or treatment in  
33 tanks which occurs on the same site as a hazardous waste  
34 disposal site.

1 (d) "Finance" or "financing" means the issuing of  
2 revenue bonds pursuant to Section 9 of this Act by the State  
3 authority for the purpose of using the proceeds to pay  
4 project costs for an environmental or hazardous waste  
5 treatment facility including one in or to which title at all  
6 times remains in a person other than the State authority, in  
7 which case the bonds of the Authority are secured by a pledge  
8 of one or more notes, debentures, bonds or other obligations,  
9 secured or unsecured, of any person.

10 (e) "Person" means any individual, partnership,  
11 copartnership, firm, company, corporation (including public  
12 utilities), association, joint stock company, trust, estate,  
13 political subdivision, state agency, or any other legal  
14 entity, or their legal representative, agent or assigns.

15 (f) "Pollution" means any form of environmental  
16 pollution including, but not limited to, water pollution, air  
17 pollution, land pollution, solid waste pollution, thermal  
18 pollution, radiation contamination, or noise pollution as  
19 determined by the various standards prescribed by this state  
20 or the federal government and including but not limited to,  
21 anything which is considered as pollution or environmental  
22 damage in the Environmental Protection Act, approved June 29,  
23 1970, as now or hereafter amended.

24 (g) "Project costs" as applied to environmental or  
25 hazardous waste treatment facilities financed under this Act  
26 means and includes the sum total of all reasonable or  
27 necessary costs incidental to the acquisition, construction,  
28 reconstruction, repair, alteration, improvement and extension  
29 of such environmental or hazardous waste treatment facilities  
30 including without limitation the cost of studies and surveys;  
31 plans, specifications, architectural and engineering  
32 services; legal, organization, marketing or other special  
33 services; financing, acquisition, demolition, construction,  
34 equipment and site development of new and rehabilitated

1 buildings; rehabilitation, reconstruction, repair or  
2 remodeling of existing buildings and all other necessary and  
3 incidental expenses including an initial bond and interest  
4 reserve together with interest on bonds issued to finance  
5 such environmental or hazardous waste treatment facilities to  
6 a date 6 months subsequent to the estimated date of  
7 completion.

8 (h) "State authority" or "authority" means the Illinois  
9 Development Finance Authority created by the Illinois  
10 Development Finance Authority Act.

11 (i) "Small business" or "small businesses" means those  
12 commercial and manufacturing entities which at the time of  
13 their application to the authority meet those criteria, as  
14 interpreted and applied by the State authority, for  
15 definition as a "small business" established for the Small  
16 Business Administration and set forth as Section 121.3-10 of  
17 Part 121 of Title 13 of the Code of Federal Regulations as  
18 such Section is in effect on the effective date of this  
19 amendatory Act of 1975.

20 (j) "New coal-fired electric utility steam generating  
21 plants" and "new coal-fired industrial boilers" means those  
22 plants and boilers on which construction begins after the  
23 effective date of this amendatory Act of 1981.

24 (k) "Hazardous waste treatment facility" means any land,  
25 interest in land, building, structure, facility, system,  
26 fixture, improvement, appurtenance, machinery, equipment, or  
27 any combination thereof, and all real and personal property  
28 deemed necessary therewith, the primary purpose of which is  
29 to recycle, incinerate, or physically, chemically,  
30 biologically or otherwise treat hazardous wastes, or to  
31 reduce the production of hazardous wastes by changing or  
32 replacing manufacturing equipment or processes, and which  
33 meets the requirements of the Environmental Protection Act  
34 and all regulations adopted thereunder.

1 (Source: P.A. 88-670, eff. 12-2-94.)

2 (20 ILCS 3515/4) (from Ch. 127, par. 724)

3 Sec. 4. Transfer of functions from the Illinois  
4 Development Finance Environmental--Facilities--Financing  
5 Authority to the Illinois Development Finance Authority. The  
6 Illinois Development Finance Authority created by the  
7 Illinois Development Finance Authority Act shall succeed to,  
8 assume and exercise all rights, powers, duties and  
9 responsibilities formerly exercised by the Illinois  
10 Development Finance Environmental--Facilities--Financing  
11 Authority prior to the abolition of that Authority by this  
12 amendatory Act of the 93rd General Assembly 1983. All books,  
13 records, papers, documents and pending business in any way  
14 pertaining to the former Illinois Development Finance  
15 Environmental--Facilities--Financing Authority are transferred  
16 to the Illinois Development Finance Authority, but any rights  
17 or obligations of any person under any contract made by, or  
18 under any rules, regulations, uniform standards, criteria and  
19 guidelines established or approved by such former Illinois  
20 Environmental Facilities Financing Authority shall be  
21 unaffected thereby. All bonds, notes or other evidences of  
22 indebtedness outstanding on the effective date of this  
23 amendatory Act of the 93rd General Assembly 1983 shall be  
24 unaffected by the transfer of functions to the Illinois  
25 Development Finance Authority. No rule, regulation,  
26 standard, criteria or guideline promulgated, established or  
27 approved by the former Illinois Development Finance  
28 Environmental--Facilities--Financing Authority pursuant to an  
29 exercise of any right, power, duty or responsibility assumed  
30 by and transferred to the Illinois Development Finance  
31 Authority shall be affected by this amendatory Act of the  
32 93rd General Assembly 1983, and all such rules, regulations,  
33 standards, criteria and guidelines shall become those of the



1 Illinois Development Finance Authority until such time as  
2 they are amended or repealed by the Authority. Any action,  
3 including without limitation, approvals of applications for  
4 bonds and resolutions constituting official action under the  
5 Internal Revenue Code, by the Illinois Environmental  
6 Facilities Financing Authority prior to the September 23,  
7 1983 effective date of Public Act 83-669 shall remain  
8 effective to the same extent as if such action had been taken  
9 by the Authority and shall be deemed to be action taken by  
10 the Authority. The State authority is constituted a public  
11 instrumentality and the exercise by the State authority of  
12 the powers conferred by this Act shall be deemed and held to  
13 be the performance of an essential public function. Sections  
14 7.42--through--7.48--of The Illinois Development Finance  
15 Authority Act shall not apply to the provision of financing  
16 for environmental facilities by the Authority, unless such  
17 financing is provided pursuant to such Sections of such Act.  
18 (Source: P.A. 83-1362.)

19 (20 ILCS 3515/7) (from Ch. 127, par. 727)

20 Sec. 7. Powers. In addition to the powers otherwise  
21 authorized by law, for the purposes of this Act, the State  
22 authority shall have the following powers together with all  
23 powers incidental thereto or necessary for the performance  
24 thereof:

25 (1) to have perpetual succession as a body politic and  
26 corporate;

27 (2) to adopt bylaws for the regulation of its affairs  
28 and the conduct of its business;

29 (3) to sue and be sued and to prosecute and defend  
30 actions in the courts;

31 (4) to have and to use a corporate seal and to alter the  
32 same at pleasure;

33 (5) to maintain an office at such place or places as it

1 may designate;

2 (6) to determine the location, pursuant to the  
3 Environmental Protection Act, and the manner of construction  
4 of any environmental or hazardous waste treatment facility to  
5 be financed under this Act and to acquire, construct,  
6 reconstruct, repair, alter, improve, extend, own, finance,  
7 lease, sell and otherwise dispose of the facility, to enter  
8 into contracts for any and all of such purposes, to designate  
9 a person as its agent to determine the location and manner of  
10 construction of an environmental or hazardous waste treatment  
11 facility undertaken by such person under the provisions of  
12 this Act and as agent of the authority to acquire, construct,  
13 reconstruct, repair, alter, improve, extend, own, lease, sell  
14 and otherwise dispose of the facility, and to enter into  
15 contracts for any and all of such purposes;

16 (7) to finance and to lease or sell to a person any or  
17 all of the environmental or hazardous waste treatment  
18 facilities upon such terms and conditions as the directing  
19 body considers proper, and to charge and collect rent or  
20 other payments therefor and to terminate any such lease or  
21 sales agreement or financing agreement upon the failure of  
22 the lessee, purchaser or debtor to comply with any of the  
23 obligations thereof; and to include in any such lease or  
24 other agreement, if desired, provisions that the lessee,  
25 purchaser or debtor thereunder shall have options to renew  
26 the term of the lease, sales or other agreement for such  
27 period or periods and at such rent or other consideration as  
28 shall be determined by the directing body or to purchase any  
29 or all of the environmental or hazardous waste treatment  
30 facilities for a nominal amount or otherwise or that at or  
31 prior to the payment of all of the indebtedness incurred by  
32 the authority for the financing of such environmental or  
33 hazardous waste treatment facilities the authority may convey  
34 any or all of the environmental or hazardous waste treatment

1 facilities to the lessee or purchaser thereof with or without  
2 consideration;

3 (8) to issue bonds for any of its corporate purposes,  
4 including a bond issuance for the purpose of financing a  
5 group of projects involving environmental facilities, and to  
6 refund those bonds, all as provided for in this Act and  
7 subject to Section 13 of this Act;

8 (9) generally to fix and revise from time to time and  
9 charge and collect rates, rents, fees and charges for the use  
10 of and services furnished or to be furnished by any  
11 environmental or hazardous waste treatment facility or any  
12 portion thereof and to contract with any person, firm or  
13 corporation or other body public or private in respect  
14 thereof;

15 (10) to employ consulting engineers, architects,  
16 attorneys, accountants, construction and financial experts,  
17 superintendents, managers and such other employees and agents  
18 as may be necessary in its judgment and to fix their  
19 compensation;

20 (11) to receive and accept from any public agency loans  
21 or grants for or in aid of the construction of any  
22 environmental facility and any portion thereof, or for  
23 equipping the facility, and to receive and accept grants,  
24 gifts or other contributions from any source;

25 (12) to refund outstanding obligations incurred by any  
26 person to finance the cost of an environmental or hazardous  
27 waste treatment facility including obligations incurred for  
28 environmental or hazardous waste treatment facilities  
29 undertaken and completed prior to or after the enactment of  
30 this Act when the authority finds that such financing is in  
31 the public interest;

32 (13) to prohibit the financing of environmental  
33 facilities for new coal-fired electric steam generating  
34 plants and new coal-fired industrial boilers which do not use

1 Illinois coal as the primary source of fuel;

2 (14) to set and impose appropriate financial penalties  
3 on any person who receives financing from the State authority  
4 based on a commitment to use Illinois coal as the primary  
5 source of fuel at a new coal-fired electric utility steam  
6 generating plant or new coal-fired industrial boiler and  
7 later uses non-Illinois coal as the primary source of fuel;

8 (15) to fix, determine, charge and collect any premiums,  
9 fees, charges, costs and expenses, including, without  
10 limitation, any application fees, program fees, commitment  
11 fees, financing charges or publication fees in connection  
12 with its activities under this Act; all expenses of the State  
13 authority incurred in carrying out this Act are payable  
14 solely from funds provided under the authority of this Act  
15 and no liability shall be incurred by any authority beyond  
16 the extent to which moneys are provided under this Act. All  
17 fees and moneys accumulated by the Authority as provided in  
18 this Act or the Illinois Development Finance Authority Act  
19 shall be held outside of the State treasury and in the  
20 custody of the Treasurer of the Authority; and

21 (16) to do all things necessary and convenient to carry  
22 out the purposes of this Act.

23 The State authority may not operate any environmental or  
24 hazardous waste treatment facility as a business except for  
25 the purpose of protecting or maintaining such facility as  
26 security for bonds of the State authority. No environmental  
27 or hazardous waste treatment facilities completed prior to  
28 January 1, 1970 may be financed by the State authority under  
29 this Act, but additions and improvements to such  
30 environmental or hazardous waste treatment facilities which  
31 are commenced subsequent to January 1, 1970 may be financed  
32 by the State authority. Any lease, sales agreement or other  
33 financing agreement in connection with an environmental or  
34 hazardous waste treatment facility entered into pursuant to

1 this Act must be for a term not shorter than the longest  
2 maturity of any bonds issued to finance such environmental or  
3 hazardous waste treatment facility or a portion thereof and  
4 must provide for rentals or other payments adequate to pay  
5 the principal of and interest and premiums, if any, on such  
6 bonds as the same fall due and to create and maintain such  
7 reserves and accounts for depreciation, if any, as the  
8 directing body determines to be necessary.

9 The Authority shall give priority to providing financing  
10 for the establishment of hazardous waste treatment facilities  
11 necessary to achieve the goals of Section 22.6 of the  
12 Environmental Protection Act.

13 The Authority shall give special consideration to small  
14 businesses in authorizing the issuance of bonds for the  
15 financing of environmental facilities pursuant to subsection  
16 (c) of Section 2.

17 The Authority shall make a financial report on all  
18 projects financed under this Section to the General Assembly,  
19 to the Governor, and to the Illinois Economic and Fiscal  
20 Commission by April 1 of each year. Such report shall be a  
21 public record and open for inspection at the offices of the  
22 Authority during normal business hours. The report shall  
23 include: (a) all applications for loans and other financial  
24 assistance presented to the members of the Authority during  
25 such fiscal year, (b) all projects and owners thereof which  
26 have received any form of financial assistance from the  
27 Authority during such year, (c) the nature and amount of all  
28 such assistance, and (d) projected activities of the  
29 Authority for the next fiscal year, including projection of  
30 the total amount of loans and other financial assistance  
31 anticipated and the amount of revenue bonds or other  
32 evidences of indebtedness that will be necessary to provide  
33 the projected level of assistance during the next fiscal  
34 year.

1           The requirement for reporting to the General Assembly  
2 shall be satisfied by filing copies of the report with the  
3 Speaker, the Minority Leader and the Clerk of the House of  
4 Representatives and the President, the Minority Leader and  
5 the Secretary of the Senate and the Legislative Research  
6 Unit, as required by Section 3.1 of "An Act to revise the law  
7 in relation to the General Assembly", approved February 25,  
8 1874, as amended, and filing such additional copies with the  
9 State Government Report Distribution Center for the General  
10 Assembly as is required under paragraph (t) of Section 7 of  
11 the State Library Act.

12       (Source: P.A. 88-519.)

13           Section 890-8. The Bond Authorization Act is amended by  
14 changing Section 2 as follows:

15           (30 ILCS 305/2) (from Ch. 17, par. 6602)

16           Sec. 2. Notwithstanding the provisions of any other law  
17 to the contrary, any public corporation may agree or contract  
18 to pay interest on bonds or other evidences of indebtedness  
19 and tax anticipation warrants issued pursuant to law at an  
20 interest rate or rates not exceeding the greater of 9% per  
21 annum or 125% of the rate for the most recent date shown in  
22 the 20 G.O. Bonds Index of average municipal bond yields as  
23 published in the most recent edition of The Bond Buyer,  
24 published in New York, New York (or any successor publication  
25 or index, or if such publication or index is no longer  
26 published, then any index of long term municipal tax-exempt  
27 bond yields then selected by a governing body), at the time  
28 the contract is made for the sale of the bonds or other  
29 evidences of indebtedness or tax anticipation warrants. A  
30 contract is made with respect to notes or bonds when the  
31 public corporation is contractually obligated to issue notes,  
32 bonds, or other evidences of indebtedness or tax anticipation

1 warrants to a purchaser who is contractually obligated to  
2 purchase them; and, with respect to bonds or notes bearing  
3 interest at a variable rate or subject to payment upon  
4 periodic demand or put or otherwise subject to remarketing by  
5 or for the public corporation, a contract is made on each  
6 date of change in the variable rate or such demand, put or  
7 remarketing. When bonds or other evidences of indebtedness  
8 or tax anticipation warrants are to be issued by a public  
9 corporation on a basis which is not tax-exempt under Section  
10 103 of the Internal Revenue Code of 1986, as now or hereafter  
11 amended, or successor code or provision, then the interest  
12 rate or rates payable thereon shall be determined by  
13 substituting 13 1/2% for 9% and 200% for 125% in the first  
14 sentence of this Section.

15 These amendatory Acts of 1971, 1972, 1973, 1975, 1979,  
16 1982, 1983, 1987 and 1988 are not limits upon any home rule  
17 unit.

18 This Act is not a limit with respect to any bonds, notes  
19 and other evidences of obligation for borrowed money issued  
20 by any public corporation and purchased or otherwise acquired  
21 by the Illinois Development Finance Authority, pursuant to  
22 ~~Sections--7.50--through--7.61--of~~ the Illinois Development  
23 Finance Authority Act, and such bonds, notes and other  
24 evidences of obligation for borrowed money may bear interest  
25 at any rate or rates, and such rate or rates may be  
26 established by an index or formula which may be implemented  
27 or established by persons appointed or retained therefor,  
28 notwithstanding any other provision of law to the contrary.

29 (Source: P.A. 85-1440.)

30 Section 890-9. The Human Services Provider Bond Reserve  
31 Payment Act is amended by changing Section 10 as follows:

32 (30 ILCS 435/10)

1           Sec. 10. Definitions. For the purposes of this Act:

2           (a) "Service provider" means any nongovernmental entity,  
3 either for-profit or not-for-profit, that enters into a  
4 contract with a State agency under which the entity is paid  
5 or reimbursed by the State for providing human services to  
6 persons in Illinois.

7           (b) "State agency" means the Department of Public Aid,  
8 the Department of Public Health, the Department of Children  
9 and Family Services, the Department of Human Services, and  
10 any other department or agency of State government that  
11 enters into contracts with service providers under which the  
12 provider is paid or reimbursed by the State for providing  
13 human services to persons in Illinois.

14           (c) "Covered bond issue" means revenue bonds (i) that  
15 are issued by any agency of State or local government within  
16 this State, including without limitation bonds issued by the  
17 Illinois Development Finance Authority, (ii) that are to be  
18 directly or indirectly paid, in whole or in part, from  
19 payments due to a service provider under a human services  
20 contract with a State agency, and (iii) for which a debt  
21 service reserve or other reserve fund has been established,  
22 under the control of a named trustee, that the service  
23 provider is required to replenish in the event that moneys  
24 from the reserve fund are used to make payments of principal  
25 or interest on the bonds.

26           (Source: P.A. 88-117; 89-507, eff. 7-1-97.)

27           Section 890-10. The Build Illinois Act is amended by  
28 changing Sections 1-3 and 8-3 as follows:

29           (30 ILCS 750/1-3) (from Ch. 127, par. 2701-3)

30           Sec. 1-3. The following agencies, boards and entities of  
31 State government may expend appropriations for the purposes  
32 contained in this Act: Department of Natural Resources;



1 Department of Agriculture; Illinois Development Finance  
2 Authority; Capital Development Board; Department of  
3 Transportation; Department of Central Management Services;  
4 Illinois Arts Council; Environmental Protection Agency;  
5 Historic Preservation Agency; State Board of Higher  
6 Education; the Metropolitan Pier and Exposition Authority;  
7 State Board of Education; Illinois Community College Board;  
8 Board of Trustees of the University of Illinois; Board of  
9 Trustees of Chicago State University; Board of Trustees of  
10 Eastern Illinois University; Board of Trustees of Governors  
11 State University; Board of Trustees of Illinois State  
12 University; Board of Trustees of Northeastern Illinois  
13 University; Board of Trustees of Northern Illinois  
14 University; Board of Trustees of Western Illinois University;  
15 and Board of Trustees of Southern Illinois University.  
16 (Source: P.A. 89-4, eff. 1-1-96; 89-445, eff. 2-7-96.)

17 (30 ILCS 750/8-3) (from Ch. 127, par. 2708-3)  
18 Sec. 8-3. Powers of the Department. The Department has  
19 the power to:  
20 (a) provide business development public infrastructure  
21 loans or grants from appropriations from the Build Illinois  
22 Bond Fund, the Build Illinois Purposes Fund, the Fund for  
23 Illinois' Future, and the Public Infrastructure Construction  
24 Loan Fund to local governments to provide or improve a  
25 community's public infrastructure so as to create or retain  
26 private sector jobs pursuant to the provisions of this  
27 Article;  
28 (b) provide affordable financing of public  
29 infrastructure loans and grants to, or on behalf of, local  
30 governments, local public entities, medical facilities, and  
31 public health clinics from appropriations from the Public  
32 Infrastructure Construction Loan Fund for the purpose of  
33 assisting with the financing, or application and access to

1 financing, of a community's public infrastructure necessary  
2 to health, safety, and economic development;

3 (c) enter into agreements, accept funds or grants, and  
4 engage in cooperation with agencies of the federal  
5 government, or state or local governments to carry out the  
6 purposes of this Article, and to use funds appropriated  
7 pursuant to this Article to participate in federal  
8 infrastructure loan and grant programs upon such terms and  
9 conditions as may be established by the federal government;

10 (d) establish application, notification, contract, and  
11 other procedures, rules, or regulations deemed necessary and  
12 appropriate to carry out the provisions of this Article;

13 (e) coordinate assistance under this program with  
14 activities of the Illinois Development Finance Authority in  
15 order to maximize the effectiveness and efficiency of State  
16 development programs;

17 (f) coordinate assistance under the Affordable Financing  
18 of Public Infrastructure Loan and Grant Program with the  
19 activities of the Illinois Development Finance Authority,  
20 Illinois Rural Bond Bank, Illinois Farm Development  
21 Authority, Illinois Housing Development Authority, Illinois  
22 Environmental Protection Agency, and other federal and State  
23 programs and entities providing financing assistance to  
24 communities for public health, safety, and economic  
25 development infrastructure;

26 (f-5) provide staff, administration, and related support  
27 required to manage the programs authorized under this Article  
28 and pay for the staffing, administration, and related support  
29 from the Public Infrastructure Construction Loan Revolving  
30 Fund;

31 (g) exercise such other powers as are necessary or  
32 incidental to the foregoing.

33 (Source: P.A. 90-454, eff. 8-16-97; 91-34, eff. 7-1-99.)

1 Section 890-11. The Illinois Pension Code is amended by  
2 changing Sections 14-103.04 and 14-104.11 as follows:

3 (40 ILCS 5/14-103.04) (from Ch. 108 1/2, par. 14-103.04)  
4 Sec. 14-103.04. Department. "Department": Any  
5 department, institution, board, commission, officer, court,  
6 or any agency of the State having power to certify payrolls  
7 to the State Comptroller authorizing payments of salary or  
8 wages against State appropriations, or against trust funds  
9 held by the State Treasurer, except those departments  
10 included under the term "employer" in the State Universities  
11 Retirement System. "Department" includes the Illinois  
12 Development Finance Authority. "Department" also includes  
13 the Illinois Comprehensive Health Insurance Board and the  
14 Illinois Rural Bond Bank.  
15 (Source: P.A. 90-511, eff. 8-22-97.)

16 (40 ILCS 5/14-104.11)  
17 Sec. 14-104.11. Illinois Development Finance Authority.  
18 An employee may establish creditable service for periods  
19 prior to the date upon which the Illinois Development Finance  
20 Authority first becomes a department (as defined in Section  
21 14-103.04) during which he or she was employed by the  
22 Illinois Development Finance Authority or the Illinois  
23 Industrial Development Authority, by applying in writing and  
24 paying to the System an amount equal to (i) employee  
25 contributions for the period for which credit is being  
26 established, based upon the employee's compensation and the  
27 applicable contribution rate in effect on the date he or she  
28 last became a member of the System, plus (ii) the employer's  
29 normal cost of the credit established, plus (iii) interest on  
30 the amounts in items (i) and (ii) at the rate of 2.5% per  
31 year, compounded annually, from the date the applicant last  
32 became a member of the System to the date of payment. This

1 payment must be paid in full before retirement, either in a  
2 lump sum or in installment payments in accordance with the  
3 rules of the Board.

4 (Source: P.A. 90-511, eff. 8-22-97; 90-655, eff. 7-30-98.)

5 Section 890-12. The Local Government Financial Planning  
6 and Supervision Act is amended by changing Sections 4, 5, and  
7 10 as follows:

8 (50 ILCS 320/4) (from Ch. 85, par. 7204)

9 Sec. 4. Petition.

10 (a) This subsection (a) applies through December 31,  
11 1992. Any unit of local government upon a 2/3 vote of the  
12 members of its governing body may petition the Governor for  
13 the establishment of a financial planning and supervision  
14 commission if the governing body of the unit of local  
15 government determines that a fiscal emergency, as defined in  
16 Section 3, exists or will exist within 60 days. A copy of the  
17 petition shall be filed with the Illinois Development Finance  
18 Authority requesting the assistance of the Authority in  
19 conducting an analysis of the financial condition of the unit  
20 of local government. A petition shall include the conditions  
21 of fiscal emergency, a list of all amounts and types of  
22 indebtedness or claims known to the unit of local government,  
23 and which creditors are subject to the stay provisions of  
24 Section 7 of this Act.

25 (b) This subsection (b) applies on and after January 1,  
26 1993. Any unit of local government upon a 2/3 vote of the  
27 members of its governing body may petition the Governor for  
28 the establishment of a financial planning and supervision  
29 commission if the governing body of the unit of local  
30 government determines that a fiscal emergency, as defined in  
31 Section 3, exists or will exist within 60 days. A petition  
32 shall include the conditions of fiscal emergency and a list

1 of all creditors of the unit of local government, which list  
2 shall indicate the names, addresses, amounts and types of  
3 indebtedness or claims of such creditors, and which of such  
4 creditors are subject to the stay provisions of Section 7 of  
5 this Act.

6 (Source: P.A. 86-1211; 87-853.)

7 (50 ILCS 320/5) (from Ch. 85, par. 7205)

8 Sec. 5. Establishment of commission.

9 (a) This subsection (a) applies through December 31,  
10 1992.

11 (1) Upon receipt of a petition for establishment of a  
12 financial planning and supervision commission, the Governor  
13 may direct the establishment of such a commission if the  
14 Governor determines that a fiscal emergency exists.

15 (2) Prior to making such determination, the Governor  
16 shall give reasonable notice and opportunity for a hearing to  
17 all creditors of the petitioning unit of local government  
18 who are subject to the stay provisions of Section 7 of this  
19 Act. The determination shall be entered not less than 60 days  
20 after the filing of the petition. A determination of fiscal  
21 emergency by the Governor shall be a final administrative  
22 decision subject to the provisions of the Administrative  
23 Review Law. The court on such review may grant exceptions to  
24 the stay provisions of Section 7 of this Act as adequate  
25 protection of creditors' interests or equity may require.  
26 The commission shall convene within 30 days of the entry by  
27 the Governor of his or her determination of the fiscal  
28 emergency.

29 (3)(A) The Commission shall consist of 7 Directors.

30 (B) One Director shall be appointed by the chief  
31 executive officer of the unit of local government.

32 (C) One Director shall be appointed by the majority  
33 vote of the governing body of the unit of local

1 government.

2 (D) Five Directors shall be appointed by the  
3 Governor, with the advice and consent of the Senate. The  
4 Governor shall select one of the Directors to serve as  
5 Chairperson during the term of his or her appointment.  
6 Of the initial Directors so appointed, 3 shall be  
7 appointed to serve for terms expiring 3 years from the  
8 date of their appointment, and 2 shall be appointed to  
9 serve for terms expiring 2 years from the date of their  
10 appointment. Thereafter, each Director appointed by the  
11 Governor shall be appointed to hold office for a term of  
12 3 years and until his or her successor has been appointed  
13 as provided in Section 8-12-7 of the Illinois Municipal  
14 Code. Directors shall be eligible for reappointment.  
15 Any vacancy which shall arise shall be filled by  
16 appointment by the Governor, with the advice and consent  
17 of the Senate, for the unexpired term and until a  
18 successor Director has been appointed as provided in  
19 Section 8-12-7 of the Illinois Municipal Code. A vacancy  
20 shall occur upon resignation, death, conviction of a  
21 felony, or removal from office of a Director. A Director  
22 may be removed for incompetency, malfeasance, or neglect  
23 of duty at the instance of the Governor. If the Senate  
24 is not in session or is in recess when appointments  
25 subject to its confirmation are made, the Governor shall  
26 make temporary appointments which shall be subject to  
27 subsequent Senate approval.

28 (b) This subsection (b) applies on and after January 1,  
29 1993.

30 (1) Upon receipt of a petition for establishment of a  
31 financial planning and supervision commission, the Governor  
32 may direct the establishment of such a commission if the  
33 Governor determines that a fiscal emergency exists.

34 (2) Prior to making such determination, the Governor

1 shall give reasonable notice and opportunity for a hearing to  
2 all creditors of the petitioning unit of local government.  
3 The determination shall be entered not less than 60 days  
4 after the filing of the petition. A determination of fiscal  
5 emergency by the Governor shall be a final administrative  
6 decision subject to the provisions of the Administrative  
7 Review Law. The court on such review may grant exceptions to  
8 the stay provisions of Section 7 of this Act as adequate  
9 protection of creditors' interests or equity may require.  
10 The commission shall convene within 30 days of the entry by  
11 the Governor of his or her determination of the fiscal  
12 emergency.

13 (3) A commission shall consist of 11 members:

14 (A) Eight members as follows: the Governor, the  
15 State Comptroller, the Director of Revenue, the Director  
16 of the Bureau of the Budget, the State Treasurer, the  
17 Executive Director of the Illinois Development Finance  
18 Authority, the Director of the Department of Commerce and  
19 Community Affairs and the presiding officer of the  
20 governing body of the unit of local government, or their  
21 respective designees. A designee, when present, shall be  
22 counted in determining whether a quorum is present at any  
23 meeting of the commission and may vote and participate in  
24 all proceedings and actions of the commission. The  
25 designations shall be in writing, executed by the member  
26 making the designation, and filed with the secretary of  
27 the commission. The designations may be changed from  
28 time to time in like manner, but due regard shall be  
29 given to the need for continuity. The Governor shall  
30 appoint a chairman of the commission from among the 8  
31 members described in this subparagraph (A).

32 (B) Three members nominated and appointed as  
33 follows: the governing body and chief governing officer  
34 of the unit of local government shall submit in writing

1 to the chairman of the commission the nomination of 5  
2 persons agreed to by them and meeting the qualifications  
3 set forth in this Act. Nominations shall accompany the  
4 petition for establishment of the financial planning and  
5 supervision commission. If the chairman is not satisfied  
6 that at least 3 of the nominees are well qualified, he  
7 shall notify the governing body of the unit of local  
8 government to submit in writing, within 5 days,  
9 additional nominees, not exceeding 3. The chairman shall  
10 appoint 3 members from all the nominees so submitted or a  
11 lesser number that he considers well qualified. Each of  
12 the 3 appointed members shall serve for a term of one  
13 year, subject to removal by the chairman for misfeasance,  
14 nonfeasance or malfeasance in office. Upon the  
15 expiration of the term of an appointed member, or in the  
16 event of the death, resignation, incapacity or removal,  
17 or other ineligibility to serve of an appointed member,  
18 the chairman shall appoint a successor pursuant to the  
19 process of original appointment.

20 Each of the 3 appointed members shall be an  
21 individual:

22 (i) Who has knowledge and experience in  
23 financial matters, financial management, or business  
24 organization or operations, including experience in  
25 the private sector in management of business or  
26 financial enterprise, or in management consulting,  
27 public accounting, or other professional activity;  
28 and

29 (ii) Who has not at any time during the 2 years  
30 preceding the date of appointment held any elected  
31 public office.

32 The governing body and chief governing officer of  
33 the unit of local government, to the extent possible,  
34 shall nominate members whose residency, office, or



1 principal place of professional or business activity is  
2 situated within the unit of local government.

3 An appointed member of the commission shall not  
4 become a candidate for elected public office while  
5 serving as a member of the commission.

6 (4) Immediately after his appointment of the initial 3  
7 appointed members of the commission, the chairman shall call  
8 the first meeting of the commission and shall cause written  
9 notice of the time, date and place of the first meeting to be  
10 given to each member of the commission at least 48 hours in  
11 advance of the meeting.

12 (5) The commission members shall select one of their  
13 number to serve as treasurer of the commission.

14 (Source: P.A. 86-1211; 87-853.)

15 (50 ILCS 320/10) (from Ch. 85, par. 7210)

16 Sec. 10. State aid.

17 (a) This subsection (a) applies through December 31,  
18 1992.

19 (1) During the period of time that a unit of local  
20 government is covered by this Act, the State shall not be  
21 required to distribute to the unit of local government  
22 any monies to which the unit of local government might  
23 otherwise be entitled except in accordance with the  
24 direction of the commission.

25 (2) Any State assistance in the form of a loan or  
26 grant from appropriated funds shall be subject to the  
27 expenditure control of the commission.

28 (3) The commission may request the Illinois  
29 Development Finance Authority to issue bonds, notes, or  
30 other evidences of indebtedness, the proceeds of which  
31 are to be used to make loans to the unit of local  
32 government for purposes of enabling that unit of local  
33 government to restructure its current indebtedness and to

1 provide and pay for its essential municipal services.  
2 Such request may not precede the adoption of the  
3 financial plan required by Section 8 of this Act and  
4 shall be in accordance with the provisions of Section  
5 7-88 of the Illinois Development Finance Authority Act.

6 (b) This subsection (b) applies on and after January 1,  
7 1993. During the period of time that a unit of local  
8 government is covered by this Act, the State shall not be  
9 required to distribute to the unit of local government any  
10 monies to which the unit of local government might otherwise  
11 be entitled.

12 (Source: P.A. 86-1211; 87-853.)

13 Section 890-13. The Counties Code is amended by changing  
14 Section 5-1050 as follows:

15 (55 ILCS 5/5-1050) (from Ch. 34, par. 5-1050)

16 Sec. 5-1050. Acquisition and improvement of land for  
17 industrial or commercial purposes. For the public purposes  
18 set forth in the Illinois Development Finance Authority Act,  
19 a county board may (1) acquire, singly or jointly with other  
20 counties or municipalities, by gift, purchase or otherwise,  
21 but not by condemnation, land, or any interest in land,  
22 whether located within or without its county limits, and,  
23 singly or jointly, to improve or to arrange for the  
24 improvement of such land for industrial or commercial  
25 purposes and to donate and convey such land, or interest in  
26 land, so acquired and so improved to the Illinois Development  
27 Finance Authority; and (2) donate county funds to such  
28 Authority.

29 (Source: P.A. 86-962.)

30 Section 890-14. The Township Code is amended by changing  
31 Section 85-10 as follows:

1 (60 ILCS 1/85-10)

2 Sec. 85-10. Township corporate powers.

3 (a) Every township has the corporate capacity to  
4 exercise the powers granted to it, or necessarily implied,  
5 and no others. Every township has the powers specified in  
6 this Section.

7 (b) A township may sue and be sued.

8 (c) A township may acquire (by purchase, gift, or  
9 legacy) and hold property, both real and personal, for the  
10 use of its inhabitants and may sell and convey that property.  
11 A township may purchase any real estate or personal property  
12 for public purposes under contracts providing for payment in  
13 installments over a period of time of not more than 20 years  
14 in the case of real estate and not more than 10 years in the  
15 case of personal property. A township may finance the  
16 purchase of any real estate or personal property for public  
17 purpose under finance contracts providing for payment in  
18 installments over a period of time of not more than 20 years  
19 in the case of real estate and not more than 10 years in the  
20 case of personal property. A township may construct a  
21 township hall under contracts providing for payment over a  
22 period of time of not more than 5 years. The interest on the  
23 unpaid balance shall not exceed that permitted in the Bond  
24 Authorization Act.

25 (d) A township may make all contracts necessary in the  
26 exercise of the township's powers.

27 (e) A township may expend or contract for the  
28 expenditure of any federal funds made available to the  
29 township by law for any purpose for which taxes imposed upon  
30 township property or property within the township may be  
31 expended.

32 (f) A township may acquire (singly or jointly with a  
33 municipality or municipalities) land or any interest in land  
34 located within its township limits. The township may acquire

1 the land or interest by gift, purchase, or otherwise, but not  
2 by condemnation. A township may (singly or jointly) improve  
3 or arrange for the improvement of the land for industrial or  
4 commercial purposes and may donate and convey the land or  
5 interest in land so acquired and so improved to the Illinois  
6 Development Finance Authority.

7 (g) (Blank)

8 (h) It is the policy of this State that all powers  
9 granted either expressly or by necessary implication by this  
10 Code, any other Illinois statute, or the Illinois  
11 Constitution to townships may be exercised by those townships  
12 notwithstanding effects on competition. It is the intention  
13 of the General Assembly that the "State action exemption" to  
14 the application of federal antitrust statutes be fully  
15 available to townships to the extent their activities are  
16 authorized by law as stated in this Code.

17 (i) A township may receive funds under the federal  
18 Housing and Community Development Act of 1974 and may expend  
19 or contract for the expenditure of those funds and other  
20 township funds for the activities specified in Section 105 of  
21 that Act. The powers granted under this subsection (i) are  
22 in addition to powers otherwise possessed by a township and  
23 shall not be construed as a limitation of those other powers.

24 (j) A township may establish reasonable fees for  
25 recreation and instructional programs sponsored by the  
26 township.

27 (Source: P.A. 88-62; incorporates 88-356 and 88-360; 88-670,  
28 eff. 12-2-94; 89-331, eff. 8-17-95.)

29 Section 890-15. The Illinois Municipal Code is amended  
30 by changing Sections 8-12-2, 8-12-3, 8-12-6, 8-12-19,  
31 8-12-21, 8-12-22, 11-74.1-1, 11-113.1-1, 11-119-2, 11-129-3,  
32 11-139-7, and 11-141-5 as follows:

1 (65 ILCS 5/8-12-2) (from Ch. 24, par. 8-12-2)

2 Sec. 8-12-2. (a) Pursuant to the authority of the General  
3 Assembly to provide for the public health, safety and  
4 welfare, the General Assembly hereby finds and declares that  
5 it is the public policy and a public purpose of the State to  
6 offer assistance to a financially distressed city so that it  
7 may provide for the health, safety and welfare of its  
8 citizens, pay when due principal and interest on its debt  
9 obligations, meet financial obligations to its employees,  
10 vendors and suppliers, and provide for proper financial  
11 accounting procedures, budgeting and taxing practices, as  
12 well as strengthen the human and economic development of the  
13 city.

14 (b) It is the purpose of this Division to provide a  
15 secure financial basis for the continued operation of a  
16 financially distressed city. The intention of the General  
17 Assembly, in enacting this legislation is to establish sound,  
18 efficient and generally accepted accounting, budgeting and  
19 taxing procedures and practices within a financially  
20 distressed city, to provide powers to a financial advisory  
21 authority established for a financially distressed city, and  
22 to impose restrictions upon a financially distressed city in  
23 order to assist that city in assuring its financial integrity  
24 while leaving municipal services policies to the city,  
25 consistent with the requirements for satisfying the public  
26 policy and purposes herein set forth.

27 (c) It also is the purpose of this Division to authorize  
28 a city which has been certified and designated as a  
29 financially distressed city under the procedure set forth in  
30 Section 8-12-4, and which has by ordinance requested that a  
31 financial advisory authority be appointed for the city and  
32 that the city receive assistance as provided in this  
33 Division, and which has filed certified copies of that  
34 ordinance in the manner provided by Section 8-12-4, to enter

1 into such agreements as are necessary to receive assistance  
2 as provided in this Division and in applicable provisions of  
3 the Illinois Development Finance Authority Act.

4 (Source: P.A. 86-1211.)

5 (65 ILCS 5/8-12-3) (from Ch. 24, par. 8-12-3)

6 Sec. 8-12-3. As used in this Division:

7 (1) "Authority" means the "(Name of Financially  
8 Distressed City) Financial Advisory Authority".

9 (2) "Financially distressed city" means any municipality  
10 which is a home rule unit and which (i) is certified by the  
11 Department of Revenue as being in the highest 5% of all home  
12 rule municipalities in terms of the aggregate of the rate per  
13 cent of all taxes levied pursuant to statute or ordinance  
14 upon all taxable property of the municipality and as being in  
15 the lowest 5% of all home rule municipalities in terms of per  
16 capita tax yield, and (ii) is designated by joint resolution  
17 of the General Assembly as a financially distressed city.

18 (3) "Home rule municipality" means a municipality which  
19 is a home rule unit as provided in Section 6 of Article VII  
20 of the Illinois Constitution.

21 (4) "Budget" means an annual appropriation ordinance or  
22 annual budget as described in Division 2 of Article 8, as  
23 from time to time in effect in the financially distressed  
24 city.

25 (5) "Chairperson" means the chairperson of the Authority  
26 appointed pursuant to Section 8-12-7.

27 (6) "Financial Plan" means the financially distressed  
28 city's financial plan as developed pursuant to Section  
29 8-12-15, as from time to time in effect.

30 (7) "Fiscal year" means the fiscal year of the  
31 financially distressed city.

32 (8) "Obligations" means bonds, notes or other evidence  
33 of indebtedness issued by the Illinois Development Finance

1 Authority in connection with the provision of financial aid  
2 to a financially distressed city pursuant to this Division  
3 and applicable provisions of the Illinois Development Finance  
4 Authority Act.

5 (Source: P.A. 86-1211.)

6 (65 ILCS 5/8-12-6) (from Ch. 24, par. 8-12-6)

7 Sec. 8-12-6. Purposes and powers.

8 (a) The purposes of the Authority shall be to provide a  
9 secure financial basis for and to furnish assistance to a  
10 financially distressed city to which this Division is  
11 applicable as provided in Section 8-12-4, and to request the  
12 Illinois Development Finance Authority to issue its  
13 obligations on behalf of and thereby provide financial aid to  
14 the city in accordance with applicable provisions of the  
15 Illinois Development Finance Authority Act, so that the city  
16 can provide basic municipal services within its  
17 jurisdictional limits, while permitting the distressed city  
18 to meet its obligations to its creditors and the holders of  
19 its notes and bonds.

20 (b) Except as expressly limited by this Division, the  
21 Authority shall have all powers necessary to meet its  
22 responsibilities and to carry out its purposes and the  
23 purposes of this Division, including, but not limited to, the  
24 following powers:

25 (1) To provide for its organization and internal  
26 management, and to make rules and regulations governing  
27 the use of its property and facilities.

28 (2) To make and execute contracts, leases,  
29 subleases and all other instruments or agreements  
30 necessary or convenient for the exercise of the powers  
31 and functions granted by this Division.

32 (3) To approve all loans, grants, or other  
33 financial aid from any State agency.

1           (4) To appoint officers, agents, and employees of  
2 the Authority, define their duties and qualifications and  
3 fix their compensation and employee benefits.

4           (5) To engage the services of consultants for  
5 rendering professional and technical assistance and  
6 advice on matters within the Authority's power.

7           (6) To pay the expenses of its operations.

8           (7) To determine, in its discretion but consistent  
9 with the requirements of this Division, the terms and  
10 conditions of any loans it may make to the financially  
11 distressed city.

12          (c) Any loan repayments received by the Authority from  
13 the distressed city may be deposited by the Authority into a  
14 revolving fund under the control of the Authority. Money in  
15 the revolving fund may be used by the Authority to support  
16 activities leading to a restructuring of the distressed  
17 city's debt and may be pledged by the Authority as security  
18 for any new debt incurred by the distressed city with the  
19 approval of the Authority.

20          (d) From any funds appropriated to the Authority for the  
21 purpose of making a loan to a distressed city, the Authority  
22 may expend not more than \$250,000 for the expenses of its  
23 operations in the fiscal year in which the appropriation is  
24 made.

25          (Source: P.A. 88-664, eff. 9-16-94.)

26          (65 ILCS 5/8-12-19) (from Ch. 24, par. 8-12-19)

27          Sec. 8-12-19. The Authority shall appoint and shall have  
28 the authority to remove a financial management officer. The  
29 financial management officer shall have the responsibility  
30 for advising on the preparation of the Budget and Financial  
31 Plan of the financially distressed city and for monitoring  
32 expenditures of the city. The financial management officer  
33 shall be the authorized signatory for all expenditures made



1 from the proceeds of any State loans provided for the benefit  
2 of the city pursuant to this Division or any other law of  
3 this State, and for all expenditures made from financial aid  
4 provided for the benefit of the city from Obligations issued  
5 by the Illinois Development Finance Authority for such  
6 purposes in accordance with applicable provisions of the  
7 Illinois Development Finance Authority Act. The financial  
8 management officer shall be an employee of and shall report  
9 to the Authority, may be granted authority by the Authority  
10 to hire a specific number of employees to assist in meeting  
11 responsibilities, and shall have access to all financial data  
12 and records of the city which he or she deems necessary for  
13 the proper and efficient exercise of such responsibilities.  
14 Neither the Authority or the financial management officer  
15 shall have any authority to hire, fire or appoint city  
16 employees or to manage the day-to-day operations of the city.  
17 (Source: P.A. 86-1211.)

18 (65 ILCS 5/8-12-21) (from Ch. 24, par. 8-12-21)  
19 Sec. 8-12-21. The Authority in its sole discretion may  
20 intercept any payments that the city from time to time is  
21 entitled to receive from any funds then or thereafter held by  
22 the State Treasurer to the credit of the city or otherwise in  
23 the custody of the State Treasurer to the credit of the city,  
24 whether in or outside of the State Treasury, upon the  
25 occurrence of any of the following:

26 (1) The financially distressed city's initial  
27 Financial Plan and revised Budget required to be  
28 submitted to the Authority with respect to the remaining  
29 portion of what is the city's current fiscal year at the  
30 time this Division first becomes applicable to the city  
31 as provided in Section 8-12-4 are not approved by the  
32 Authority within 60 days of their submission, and the  
33 Authority has theretofore given written warning notice to

1 the corporate authorities of the city, on the 45th day  
2 after such initial Financial Plan and revised Budget were  
3 submitted, that the same have not yet been approved by  
4 the Authority; or

5 (2) Any Financial Plan or Budget for any subsequent  
6 fiscal year is not approved by the Authority by the  
7 commencement of the fiscal year to which such Financial  
8 Plan or Budget relates, and the Authority has theretofore  
9 given written warning notice to the corporate authorities  
10 of the city, on the 15th day prior to the commencement of  
11 that fiscal year, that the Financial Plan or Budget for  
12 such fiscal year has not yet been approved by the  
13 Authority; or

14 (3) The financially distressed city materially  
15 violates the provisions of this Division, and the  
16 Authority -- at least 15 days prior to initiating any  
17 action to intercept any payments pursuant to this Section  
18 -- has given the corporate authorities of the city  
19 written notice of the material violation and of the  
20 Authority's intention to intercept payments pursuant to  
21 this Section upon the expiration of that 15 day notice  
22 period unless the city satisfies the Authority within  
23 that 15 day period that the material violation cited by  
24 the Authority has been corrected; provided that the  
25 Authority shall not be required to give any notice to the  
26 city or its corporate authorities prior to initiating  
27 action to intercept payments pursuant to this Section if  
28 such payments are to be intercepted because of the city's  
29 failure to pay when due all amounts then due and owing  
30 and required to be paid by the city on Obligations issued  
31 by the Illinois Development Finance Authority in  
32 connection with the provision of financial aid to the  
33 city pursuant to this Division and applicable provisions  
34 of the Illinois Development Finance Authority Act.

1           The intercept shall be made pursuant to written notice  
2 given by the Authority to the State Comptroller and State  
3 Treasurer, setting forth the amount of the intercept, which  
4 may be an aggregate amount not exceeding the sum of the full  
5 amount of any outstanding State loans provided for the  
6 benefit of the city pursuant to this Division or any other  
7 law of this State, plus the full amount of all outstanding  
8 Obligations issued by the Illinois Development Finance  
9 Authority on the financially distressed city's behalf in  
10 accordance with applicable provisions of the Illinois  
11 Development Finance Authority Act. The State Comptroller and  
12 State Treasurer shall pay to the Authority, from such funds  
13 as from time to time are legally available therefor, the  
14 aggregate amount of the intercept, unless the Authority  
15 sooner notifies the State Comptroller and State Treasurer in  
16 writing that no further payments that the city is entitled to  
17 receive shall be intercepted under the provisions of this  
18 Section.

19       (Source: P.A. 86-1211.)

20           (65 ILCS 5/8-12-22) (from Ch. 24, par. 8-12-22)

21           Sec. 8-12-22. (a) After the Authority has certified to  
22 the Governor that the financially distressed city has  
23 completed 10 successive years of balanced budgets:

24               (1) The powers and responsibilities granted or  
25 imposed upon the Authority and the financially distressed  
26 city under Section 8-12-13 and Sections 8-12-15 through  
27 8-12-21 shall not be exercised, except as otherwise  
28 provided under subsection (b) of this Section.

29               (2) The provisions of Section 8-12-14 shall  
30 continue in full force and effect. The financially  
31 distressed city shall file with the Authority and with  
32 the Illinois Development Finance Authority, not later  
33 than 15 days prior to the commencement of the first

1 fiscal year with respect to which the powers and  
2 responsibilities granted or imposed under Section 8-12-13  
3 and Sections 8-12-15 through 8-12-21 are not to be  
4 exercised, and not later than 15 days prior to the  
5 commencement of each fiscal year thereafter, a balanced  
6 Budget as adopted by the financially distressed city for  
7 such fiscal year. In addition, for each fiscal year with  
8 respect to which the powers and responsibilities granted  
9 or imposed under Section 8-12-13 and Sections 8-12-15  
10 through 8-12-21 are not to be exercised, the financially  
11 distressed city shall file with the Authority and with  
12 the Illinois Development Finance Authority a certified  
13 copy of the same audit report and supplemental report  
14 which are required to be made and filed for such fiscal  
15 year by the city under the Illinois Municipal Auditing  
16 Law, the filing with the Authority and the Illinois  
17 Development Finance Authority to be made within the time  
18 provided for the filing of such audit report and  
19 supplemental report with the State Comptroller under  
20 Section 8-8-4.

21 (b) The Authority and the Illinois Development Finance  
22 Authority shall review each Budget, audit report and  
23 supplemental report filed with them as provided in paragraph  
24 (2) of subsection (a). In the event the financially  
25 distressed city fails to file any Budget or certified copy of  
26 an audit report or supplemental report as provided in  
27 paragraph (2) of subsection (a), or in the event the Illinois  
28 Development Finance Authority, after consultation with the  
29 Authority, determines that the Budget adopted by the  
30 financially distressed city and filed as provided in  
31 paragraph (2) of subsection (a) is not balanced as required  
32 under Section 8-12-14, the Illinois Development Finance  
33 Authority shall certify such failure to file, or failure to  
34 adopt a Budget which is balanced as required, to the

1 Governor; and concurrent with that certification, the  
2 Authority established under Section 8-12-5 and the  
3 financially distressed city shall resume the exercise and  
4 performance of their respective powers and responsibilities  
5 pursuant to each Section of this Division.

6 (c) When the Illinois Development Finance Authority  
7 determines that all of its Obligations have been fully paid  
8 and discharged or otherwise provided for, it shall certify  
9 that fact to the Governor; and the Authority established  
10 under Section 8-12-5 shall be abolished 30 days after the  
11 date of that certification. Upon abolition of the Authority  
12 as provided in this subsection, this Division shall have no  
13 further force or effect upon the financially distressed city.  
14 (Source: P.A. 86-1211.)

15 (65 ILCS 5/11-74.1-1) (from Ch. 24, par. 11-74.1-1)  
16 Sec. 11-74.1-1. For the public purposes set forth in the  
17 Illinois Development Finance Authority Act, the corporate  
18 authorities of each municipality may (1) acquire, singly or  
19 jointly with other municipalities or counties, by gift,  
20 purchase or otherwise, but not by condemnation, except in  
21 furtherance of Sections--7.40--through-7.48-of the Illinois  
22 Development Finance Authority Act, land, or any interest in  
23 land, whether located within or without its corporate limits,  
24 and, singly or jointly, may improve or arrange for the  
25 improvement of such land for industrial or commercial  
26 purposes and may donate and convey such land, or interest in  
27 land, so acquired and so improved, to the Illinois  
28 Development Finance Authority; and (2) donate corporate funds  
29 to such Authority.  
30 (Source: P.A. 83-669.)

31 (65 ILCS 5/11-113.1-1) (from Ch. 24, par. 11-113.1-1)  
32 Sec. 11-113.1-1. A non-home rule municipality located at

1 least partly in a county which is preparing a stormwater  
2 management plan in accordance with Section 5-1062 of the  
3 Counties Code may levy a tax upon all taxable property  
4 within its corporate limits, at a rate not to exceed 0.06% if  
5 the municipality owns and operates a wastewater treatment  
6 plant, and at a rate not to exceed 0.03% if it does not, of  
7 the value, as equalized or assessed by the Department of  
8 Revenue, of all taxable property within the municipality, for  
9 the purposes of implementing the stormwater management plan,  
10 improving storm sewer and combined sewer facilities,  
11 protecting sanitary sewage treatment works from the 100-year  
12 frequency flood, and acquiring lands, buildings and  
13 properties in the 100-year floodplain, paying the principal  
14 of and interest on any bonds issued pursuant to this Section  
15 for any of the foregoing purposes, and paying the principal  
16 of, premium, if any, and interest on, and any fees relating  
17 to, any loan made to such municipality by the Illinois  
18 Development Finance Authority, pursuant to ~~subsection (t) of~~  
19 ~~Section 7 of~~ the Illinois Development Finance Authority Act  
20 for any of the foregoing purposes, or any bond, note or other  
21 evidence of indebtedness of such municipality issued in  
22 connection with any such loan. Such tax shall be in addition  
23 to all other taxes authorized by law to be levied and  
24 collected in such municipality and shall be in addition to  
25 the maximum tax rate authorized by law for general municipal  
26 purposes. The limitations on tax rate provided in this  
27 Section may be increased or decreased by referendum in  
28 accordance with the provisions of Sections 18-120, 18-125,  
29 and 18-130 of the Property Tax Code.

30 However, unless the municipality is located at least  
31 partly in a township declared after July 1, 1986 by  
32 presidential declaration to be a disaster area as a result of  
33 flooding, the tax authorized by this Section shall not be  
34 levied until the question of its adoption, either for a

1 specified period or indefinitely, has been submitted to the  
 2 electors thereof and approved by a majority of those voting  
 3 on the question. This question may be submitted at any  
 4 election held in the municipality after the adoption of a  
 5 resolution by the governing body of the municipality  
 6 providing for the submission of the question to the electors  
 7 of the municipality. The governing body of the municipality  
 8 shall certify the resolution and proposition to the proper  
 9 election officials, who shall submit the proposition at an  
 10 election in accordance with the general election law. If a  
 11 majority of the votes cast on the question is in favor of the  
 12 levy of such tax, it may thereafter be levied in such  
 13 municipality for the specified period or indefinitely, as  
 14 provided in the proposition. The question shall be put in  
 15 substantially the following form:

16 -----  
 17 Shall an annual tax be levied  
 18 for stormwater management purposes YES  
 19 (for a period of not more than  
 20 ..... years) at a rate not exceeding -----  
 21 .....% of the equalized assessed  
 22 value of the taxable property of NO  
 23 (municipality)?  
 24 -----

25 Any municipality in a county which has established a  
 26 stormwater management planning committee in accordance with  
 27 Section 5-1062 of the Counties Code is hereby authorized to  
 28 borrow money and to issue its bonds for the purposes of  
 29 implementing the stormwater management plan, improving storm  
 30 sewer and combined sewer facilities, protecting sanitary  
 31 sewage treatment works from the 100-year frequency flood, and  
 32 acquiring lands, buildings and properties in the 100-year  
 33 floodplain.

34 Any municipality in a county which has established a

1 stormwater management planning committee in accordance with  
2 Section 5-1062 of the Counties Code is hereby further  
3 authorized to borrow money from the Illinois Development  
4 Finance Authority for the purpose of financing the protection  
5 of storm sewer outfalls, the construction of adequate storm  
6 sewer outfalls and the provision for flood protection of  
7 sanitary sewage treatment plants, pursuant to ~~subsection--(t)~~  
8 ~~of--Section--7--of~~ the Illinois Development Finance Authority  
9 Act, and is hereby authorized to enter into loan agreements  
10 and other documents with the Illinois Development Finance  
11 Authority and to issue its bonds, notes or other evidences of  
12 indebtedness to evidence its obligation to repay such loan  
13 to the Illinois Development Finance Authority. Without the  
14 submission of the question to the electors, notwithstanding  
15 any other provision of law to the contrary, such municipality  
16 is hereby authorized to execute such loan agreements and  
17 other documents and to issue such bonds, notes or other  
18 evidences of indebtedness, which loan agreements, documents,  
19 bonds, notes or other evidences of indebtedness may bear such  
20 date or dates, may bear interest at such rate or rates,  
21 payable at such time or times, may mature at any time or  
22 times not later than 40 years from the date of issuance, may  
23 be payable at such place or places, may be payable from any  
24 funds of such municipality on hand and lawfully available  
25 therefor, including without limitation the taxes levied  
26 pursuant to this Section or from any other taxes or revenues  
27 of such municipality pledged to their payment, may be  
28 negotiated at such price or prices, may be executed in such  
29 manner, may be subject to redemption prior to maturity, may  
30 be in such form, may be secured, and may be subject to such  
31 other terms and conditions, all as may be provided in a  
32 resolution or ordinance authorizing the execution of any such  
33 loan agreement or other document or the issuance of such  
34 bonds, notes or other evidences of indebtedness.



1 (Source: P.A. 88-670, eff. 12-2-94.)

2 (65 ILCS 5/11-119-2) (from Ch. 24, par. 11-119-2)

3 Sec. 11-119-2. The corporate authorities of any city or  
4 village availing itself of the provisions of this Division  
5 119 shall adopt an ordinance describing in a general way the  
6 improvements or extensions to be made. It shall not be  
7 necessary that the ordinance refer to plans and  
8 specifications nor that there be on file for public  
9 inspection prior to the adoption of such ordinance detailed  
10 plans and specifications of the project. The ordinance shall  
11 set out the estimated cost of the improvements or extensions  
12 and shall fix the amount of bonds proposed to be issued, the  
13 maturity, interest rate, and all details in respect thereof.  
14 Such ordinance, at the option of the municipality, may  
15 contain provisions which shall be part of the contract with  
16 the holders of the bonds as to: (1) The registration of the  
17 bonds as to principal only, or as to both principal and  
18 interest, and the interchangeability and exchangeability of  
19 the bonds. (2) The redemption of the bonds prior to maturity  
20 and the price, either at par or at a premium, at which they  
21 are redeemable. (3) The setting aside of reserves or sinking  
22 funds, and the regulation or disposition thereof. (4)  
23 Limitations upon the issuance of additional bonds payable  
24 from the revenues of the system, or upon the rights of the  
25 holders of these additional bonds. (5) Other agreements with  
26 the holders of the bonds, or covenants or restrictions  
27 necessary or desirable to safeguard the interests of these  
28 holders. After the ordinance has been adopted and approved it  
29 shall be published once in a newspaper published and having a  
30 general circulation in the municipality, or if there is no  
31 such newspaper, copies of the ordinance shall be posted in at  
32 least 4 public places within the municipality. The ordinance  
33 shall be in effect after the expiration of 10 days from the

1 date of this publication.

2 Bonds issued under this Division 119 shall be payable  
3 solely from the revenue derived from the electric light plant  
4 and system, or the gas plant and system, as the case may be,  
5 and these bonds shall not in any event constitute an  
6 indebtedness of the municipality within the meaning of any  
7 constitutional or statutory limitation; provided, that bonds  
8 issued under this Division 119 may also be payable from funds  
9 pledged by the municipality issuing such bonds pursuant to  
10 ~~Section--7-59--of~~ the Illinois Development Finance Authority  
11 Act, and, notwithstanding such pledge of such funds, shall  
12 not in any event constitute an indebtedness of the  
13 municipality within the meaning of any constitutional or  
14 statutory limitation. It shall be plainly stated on the face  
15 of each bond that it has been issued under the provisions of  
16 this Division 119 and that it does not constitute an  
17 indebtedness of the municipality within any constitutional or  
18 statutory limitation.

19 (Source: P.A. 85-659.)

20 (65 ILCS 5/11-129-3) (from Ch. 24, par. 11-129-3)

21 Sec. 11-129-3. The corporate authorities of any  
22 municipality availing itself of the provisions of this  
23 Division 129 shall adopt an ordinance describing in a general  
24 way the contemplated project. If it is intended to purchase  
25 an existing waterworks or water supply system, the ordinance  
26 shall describe in a general way the system to be purchased.  
27 If it is intended to build a waterworks or water supply  
28 system or to improve or extend a waterworks or water supply  
29 system owned and operated by the municipality, the ordinance  
30 shall describe in a general way the waterworks or water  
31 supply system to be constructed or the improvements or  
32 extensions to be made. It shall not be necessary that the  
33 ordinance refer to plans and specifications nor that there be

1 on file for public inspection prior to the adoption of such  
2 ordinance detailed plans and specifications of the project.  
3 The ordinance shall set out the estimated cost of the  
4 project, determine its period of usefulness, and fix the  
5 amount and maturities of water revenue bonds proposed to be  
6 issued, the interest rate, and all details in respect  
7 thereof. The ordinance may contain such covenants and  
8 restrictions upon the issuance of additional revenue bonds  
9 thereafter as may be deemed necessary or advisable for the  
10 assurance of payment of the bonds thereby authorized and as  
11 may be thereafter issued.

12 Revenue bonds issued under this Division 129 shall be  
13 payable solely from the revenue derived from the operation of  
14 the waterworks or water supply system on account of which the  
15 bonds are issued; provided, that bonds issued under this  
16 Division 129 may also be payable from funds pledged by the  
17 municipality issuing such bonds pursuant to ~~Section 7-59 of~~  
18 the Illinois Development Finance Authority Act.  
19 Notwithstanding any such pledge or any other matter, these  
20 bonds shall not in any event constitute an indebtedness of  
21 the municipality within the meaning of any constitutional or  
22 statutory limitation and it shall be so stated on the face of  
23 each bond.

24 (Source: P.A. 85-659.)

25 (65 ILCS 5/11-139-7) (from Ch. 24, par. 11-139-7)

26 Sec. 11-139-7. Revenue bonds issued under this Division  
27 139 shall be payable solely from the revenue derived from the  
28 operation of the combined waterworks and sewerage system on  
29 account of which the bonds are issued; provided, that bonds  
30 issued under this Division 139 may also be payable from funds  
31 pledged by the municipality issuing such bonds pursuant to  
32 ~~Section 7-59 of~~ the Illinois Development Finance Authority  
33 Act. Notwithstanding any such pledge or any other matter,

1 these bonds shall not in any event constitute an indebtedness  
2 of the municipality within the meaning of any constitutional  
3 or statutory limitation and it shall be so stated on the face  
4 of each bond.

5 (Source: P.A. 85-659.)

6 (65 ILCS 5/11-141-5) (from Ch. 24, par. 11-141-5)

7 Sec. 11-141-5. All bonds issued under this Division 141  
8 are payable solely from the revenue derived from the  
9 operation of the sewerage system; provided, that bonds issued  
10 under this Division 141 may also be payable from funds  
11 pledged by the municipality issuing such bonds pursuant to  
12 ~~Section--7-59--of~~ the Illinois Development Finance Authority  
13 Act. Notwithstanding any such pledge or any other matter,  
14 these bonds shall not, in any event, constitute an  
15 indebtedness of the municipality within the meaning of any  
16 constitutional or statutory limitation. It shall be plainly  
17 stated on the face of each bond that the bond has been issued  
18 under this Division 141 and that it does not constitute an  
19 indebtedness of the municipality within any constitutional or  
20 statutory limitation.

21 (Source: P.A. 85-659.)

22 Section 890-16. The Joliet Arsenal Development Authority  
23 Act is amended by changing Section 40 as follows:

24 (70 ILCS 508/40)

25 Sec. 40. Acquisition.

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

28 (b) The Authority shall have power to acquire by  
29 purchase, lease, gift, or otherwise any property or rights  
30 therein from any person, the State of Illinois, any municipal  
31 corporation, any local unit of government, the government of

1 the United States, any agency or instrumentality of the  
2 United States, any body politic, or any county useful for its  
3 purposes, whether improved for the purposes of any  
4 prospective project or unimproved. The Authority may also  
5 accept any donation of funds for its purposes from any of  
6 those sources.

7 (c) The Authority shall have power to develop,  
8 construct, and improve, either under its own direction or  
9 through collaboration with any approved applicant, or to  
10 acquire through purchase or otherwise any project, using for  
11 that purpose the proceeds derived from its sale of revenue  
12 bonds, notes, or other evidences of indebtedness or  
13 governmental loans or grants, and to hold title in the name  
14 of the Authority to those projects.

15 (d) The Authority shall have the power to enter into  
16 intergovernmental agreements with the State of Illinois, the  
17 county of Will, the Illinois Development Finance Authority,  
18 ~~the Illinois Education Facilities Authority,~~ the Metropolitan  
19 Pier and Exposition Authority, the United States government,  
20 any agency or instrumentality of the United States, any unit  
21 of local government located within the territory of the  
22 Authority, or any other unit of government to the extent  
23 allowed by Article VII, Section 10 of the Illinois  
24 Constitution and the Intergovernmental Cooperation Act.

25 (e) The Authority shall have the power to share  
26 employees with other units of government, including agencies  
27 of the United States, agencies of the State of Illinois, and  
28 agencies or personnel of any unit of local government.

29 (f) Subject to subsection (i) of Section 35 of this Act,  
30 the Authority shall have the power to exercise powers and  
31 issue revenue bonds as if it were a municipality so  
32 authorized in Divisions 12.1, 74, 74.1, 74.3, and 74.5 of  
33 Article 11 of the Illinois Municipal Code.

34 (Source: P.A. 89-333, eff. 8-17-95.)

1 Section 890-17. The Quad Cities Regional Economic  
2 Development Authority Act, approved September 22, 1987, is  
3 amended by changing Section 14 as follows:

4 (70 ILCS 510/14) (from Ch. 85, par. 6214)

5 Sec. 14. Additional powers and duties. (a) The  
6 Authority may, but need not, acquire title to any project  
7 with respect to which it exercises its authority.

8 (b) The Authority shall have the power to enter into  
9 intergovernmental agreements with the State of Illinois, the  
10 counties of Rock Island, Henry or Mercer, the State of Iowa  
11 or any authority established by the State of Iowa, the  
12 Illinois Development Finance Authority, the Illinois Housing  
13 Development Authority, the--Illinois--Education--Facilities  
14 Authority, the United States government and any agency or  
15 instrumentality of the United States, any unit of local  
16 government located within the territory of the Authority or  
17 any other unit of government to the extent allowed by Article  
18 VII, Section 10 of the Illinois Constitution and the  
19 Intergovernmental Cooperation Act.

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

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

28 (Source: P.A. 85-713.)

29 Section 890-18. The Quad Cities Regional Economic  
30 Development Authority Act, certified December 30, 1987, is  
31 amended by changing Section 13 as follows:

1 (70 ILCS 515/13) (from Ch. 85, par. 6513)

2 Sec. 13. Additional powers and duties. (a) The  
3 Authority may, but need not, acquire title to any project  
4 with respect to which it exercises its authority.

5 (b) The Authority shall have the power to enter into  
6 intergovernmental agreements with the State of Illinois, the  
7 counties of Rock Island, Henry or Mercer, the State of Iowa  
8 or any authority established by the State of Iowa, the  
9 Illinois Development Finance Authority, the Illinois Housing  
10 Development Authority, the--Illinois--Education--Facilities  
11 Authority, the United States government and any agency or  
12 instrumentality of the United States, any unit of local  
13 government located within the territory of the Authority or  
14 any other unit of government to the extent allowed by Article  
15 VII, Section 10 of the Illinois Constitution and the  
16 Intergovernmental Cooperation Act.

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

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

25 (Source: P.A. 85-988.)

26 Section 890-19. The Southwestern Illinois Development  
27 Authority Act is amended by changing Section 8 as follows:

28 (70 ILCS 520/8) (from Ch. 85, par. 6158)

29 Sec. 8. (a) The Authority may, but need not, acquire  
30 title to any project with respect to which it exercises its  
31 authority.

32 (b) The Authority shall have power to acquire by

1 purchase, lease, gift or otherwise any property or rights  
2 therein from any person or persons, the State of Illinois,  
3 any municipal corporation, any local unit of government, the  
4 government of the United States and any agency or  
5 instrumentality of the United States, any body politic or any  
6 county useful for its purposes, whether improved for the  
7 purposes of any prospective project or unimproved. The  
8 Authority may also accept any donation of funds for its  
9 purposes from any such source. The Authority may acquire any  
10 real property, or rights therein, upon condemnation. The  
11 acquisition by eminent domain of such real property or any  
12 interest therein by the Authority shall be in the manner  
13 provided by the "Code of Civil Procedure", as now or  
14 hereafter amended, including Section 7-103 thereof.

15 The Authority shall not exercise any quick-take eminent  
16 domain powers granted by State law within the corporate  
17 limits of a municipality unless the governing authority of  
18 the municipality authorizes the Authority to do so. The  
19 Authority shall not exercise any quick-take eminent domain  
20 powers granted by State law within the unincorporated areas  
21 of a county unless the county board authorizes the Authority  
22 to do so.

23 (c) The Authority shall have power to develop, construct  
24 and improve, either under its own direction or through  
25 collaboration with any approved applicant, or to acquire  
26 through purchase or otherwise any project, using for such  
27 purpose the proceeds derived from its sale of revenue bonds,  
28 notes or other evidences of indebtedness or governmental  
29 loans or grants and to hold title in the name of the  
30 Authority to such projects.

31 (d) The Authority shall have the power to enter into  
32 intergovernmental agreements with the State of Illinois, the  
33 counties of Madison or St. Clair, the Southwest Regional Port  
34 District, the Illinois Development Finance Authority, the



1 Illinois Housing Development Authority, the---Illinois  
2 Education--Facilities--Autherity, the Metropolitan Pier and  
3 Exposition Authority, the United States government and any  
4 agency or instrumentality of the United States, the city of  
5 East St. Louis, any unit of local government located within  
6 the territory of the Authority or any other unit of  
7 government to the extent allowed by Article VII, Section 10  
8 of the Illinois Constitution and the Intergovernmental  
9 Cooperation Act.

10 (e) The Authority shall have the power to share  
11 employees with other units of government, including agencies  
12 of the United States, agencies of the State of Illinois and  
13 agencies or personnel of any unit of local government.

14 (f) The Authority shall have the power to exercise  
15 powers and issue bonds as if it were a municipality so  
16 authorized in Divisions 12.1, 74, 74.1, 74.3 and 74.5 of  
17 Article 11 of the Illinois Municipal Code.

18 (Source: P.A. 89-343, eff. 8-17-95.)

19 Section 890-20. The Tri-County River Valley Development  
20 Authority Law is amended by changing Section 2008 as follows:

21 (70 ILCS 525/2008) (from Ch. 85, par. 7508)  
22 Sec. 2008. Acquisition.

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

25 (b) The Authority shall have power to acquire by  
26 purchase, lease, gift or otherwise any property or rights  
27 therein from any person or persons, the State of Illinois,  
28 any municipal corporation, any local unit of government, the  
29 government of the United States and any agency or  
30 instrumentality of the United States, any body politic or any  
31 county useful for its purposes, whether improved for the  
32 purposes of any prospective project or unimproved. The

1 Authority may also accept any donation of funds for its  
2 purposes from any such source.

3 (c) The Authority shall have power to develop, construct  
4 and improve, either under its own direction or through  
5 collaboration with any approved applicant, or to acquire  
6 through purchase or otherwise any project, using for such  
7 purpose the proceeds derived from its sale of revenue bonds,  
8 notes or other evidences of indebtedness or governmental  
9 loans or grants and to hold title in the name of the  
10 Authority to such projects.

11 (d) The Authority shall have the power to enter into  
12 intergovernmental agreements with the State of Illinois, the  
13 counties of Peoria, Tazewell or Woodford, the Illinois  
14 Development Finance Authority, the Illinois Housing  
15 Development Authority, the--Illinois--Education--Facilities  
16 Authority, the Metropolitan Pier and Exposition Authority,  
17 the United States government and any agency or  
18 instrumentality of the United States, any unit of local  
19 government located within the territory of the Authority or  
20 any other unit of government to the extent allowed by Article  
21 VII, Section 10 of the Illinois Constitution and the  
22 Intergovernmental Cooperation Act.

23 (e) The Authority shall have the power to share  
24 employees with other units of government, including agencies  
25 of the United States, agencies of the State of Illinois and  
26 agencies or personnel of any unit of local government.

27 (f) The Authority shall have the power to exercise  
28 powers and issue bonds as if it were a municipality so  
29 authorized in Divisions 12.1, 74, 74.1, 74.3 and 74.5 of  
30 Article 11 of the Illinois Municipal Code.

31 (Source: P.A. 86-1489.)

32 Section 890-21. The Upper Illinois River Valley  
33 Development Authority Act is amended by changing Section 8 as

1 follows:

2 (70 ILCS 530/8) (from Ch. 85, par. 7158)

3 Sec. 8. Acquisition.

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

6 (b) The Authority shall have power to acquire by  
7 purchase, lease, gift or otherwise any property or rights  
8 therein from any person or persons, the State of Illinois,  
9 any municipal corporation, any local unit of government, the  
10 government of the United States and any agency or  
11 instrumentality of the United States, any body politic or any  
12 county useful for its purposes, whether improved for the  
13 purposes of any prospective project or unimproved. The  
14 Authority may also accept any donation of funds for its  
15 purposes from any such source.

16 (c) The Authority shall have power to develop, construct  
17 and improve, either under its own direction or through  
18 collaboration with any approved applicant, or to acquire  
19 through purchase or otherwise any project, using for such  
20 purpose the proceeds derived from its sale of revenue bonds,  
21 notes or other evidences of indebtedness or governmental  
22 loans or grants and to hold title in the name of the  
23 Authority to such projects.

24 (d) The Authority shall have the power to enter into  
25 intergovernmental agreements with the State of Illinois, the  
26 counties of Grundy, LaSalle, Bureau, Putnam or Marshall, the  
27 Illinois Development Finance Authority, the Illinois Housing  
28 Development Authority, the--Illinois--Education--Facilities  
29 Authority, the Metropolitan Pier and Exposition Authority,  
30 the United States government and any agency or  
31 instrumentality of the United States, any unit of local  
32 government located within the territory of the Authority or  
33 any other unit of government to the extent allowed by Article

1 VII, Section 10 of the Illinois Constitution and the  
2 Intergovernmental Cooperation Act.

3 (e) The Authority shall have the power to share  
4 employees with other units of government, including agencies  
5 of the United States, agencies of the State of Illinois and  
6 agencies or personnel of any unit of local government.

7 (f) The Authority shall have the power to exercise  
8 powers and issue bonds as if it were a municipality so  
9 authorized in Divisions 12.1, 74, 74.1, 74.3 and 74.5 of  
10 Article 11 of the Illinois Municipal Code.

11 (Source: P.A. 86-1024; 87-895.)

12 Section 890-22. The Will-Kankakee Regional Development  
13 Authority Law is amended by changing Section 8 as follows:

14 (70 ILCS 535/8) (from Ch. 85, par. 7458)

15 Sec. 8. Acquisition.

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

18 (b) The Authority shall have power to acquire by  
19 purchase, lease, gift or otherwise any property or rights  
20 therein from any person or persons, the State of Illinois,  
21 any municipal corporation, any local unit of government, the  
22 government of the United States and any agency or  
23 instrumentality of the United States, any body politic or any  
24 county useful for its purposes, whether improved for the  
25 purposes of any prospective project or unimproved. The  
26 Authority may also accept any donation of funds for its  
27 purposes from any such source.

28 (c) The Authority shall have power to develop, construct  
29 and improve, either under its own direction or through  
30 collaboration with any approved applicant, or to acquire  
31 through purchase or otherwise any project, using for such  
32 purpose the proceeds derived from its sale of revenue bonds,

1 notes or other evidences of indebtedness or governmental  
2 loans or grants and to hold title in the name of the  
3 Authority to such projects.

4 (d) The Authority shall have the power to enter into  
5 intergovernmental agreements with the State of Illinois, the  
6 counties of Will and Kankakee, the Illinois Development  
7 Finance Authority, ~~the---Illinois---Education--Facilities~~  
8 ~~Authority~~, the Metropolitan Pier and Exposition Authority,  
9 the United States government and any agency or  
10 instrumentality of the United States, any unit of local  
11 government located within the territory of the Authority or  
12 any other unit of government to the extent allowed by Article  
13 VII, Section 10 of the Illinois Constitution and the  
14 Intergovernmental Cooperation Act.

15 (e) The Authority shall have the power to share  
16 employees with other units of government, including agencies  
17 of the United States, agencies of the State of Illinois and  
18 agencies or personnel of any unit of local government.

19 (f) The Authority shall have the power to exercise  
20 powers and issue bonds as if it were a municipality so  
21 authorized in Divisions 12.1, 74, 74.1, 74.3 and 74.5 of  
22 Article 11 of the Illinois Municipal Code.

23 (Source: P.A. 86-1481.)

24 Section 890-23. The Sanitary District Act of 1907 is  
25 amended by changing Section 17.1 as follows:

26 (70 ILCS 2205/17.1) (from Ch. 42, par. 263.1)

27 Sec. 17.1. The board of trustees of a sanitary district  
28 that owns and operates a wastewater treatment plant in a  
29 county which has established a stormwater management planning  
30 committee in accordance with Section 5-1062 of the Counties  
31 Code may levy a tax upon all taxable property within its  
32 district at a rate not to exceed 0.03% of the value of such

1 property, as equalized or assessed by the Department of  
2 Revenue, for the purposes of protecting pumping stations,  
3 wastewater treatment plants and combined sewer outfalls from  
4 the 100-year flood, paying the principal of and interest on  
5 any bonds issued pursuant to this Section for any of the  
6 foregoing purposes, and paying the principal of, premium, if  
7 any, and interest on, and any fees relating to, any loan made  
8 to such sanitary district by the Illinois Development Finance  
9 Authority, pursuant to ~~subsection--(t)--of--Section--7--of~~ the  
10 Illinois Development Finance Authority Act, for any of the  
11 foregoing purposes, or any bond, note or other evidence of  
12 indebtedness of such municipality issued in connection with  
13 any such loan. The 0.03% limitation provided in this Section  
14 may be increased or decreased by referendum in accordance  
15 with the provisions of Sections 18-120, 18-125, and 18-130 of  
16 the Property Tax Code.

17 The tax authorized by this Section may be levied without  
18 referendum by any sanitary district that is located at least  
19 partly in a township declared after July 1, 1986 by  
20 presidential declaration to be a disaster area as a result of  
21 flooding. However, the tax authorized by this Section shall  
22 not be levied by any sanitary district not so located unless  
23 the question of its adoption, either for a specified period  
24 or indefinitely, is submitted to the electors thereof and  
25 approved by a majority of those voting on the question. This  
26 question may be submitted at any election held in the  
27 sanitary district after the adoption of a resolution by the  
28 board of trustees of the sanitary district providing for the  
29 submission of the question to the electors of the sanitary  
30 district. The board of trustees shall certify the resolution  
31 and proposition to the proper election officials, who shall  
32 submit the proposition at an election in accordance with the  
33 general election law. If a majority of the votes cast on the  
34 question is in favor of the levy of such tax, it may

1 thereafter be levied in such sanitary district for the  
2 specified period or indefinitely, as provided in the  
3 proposition. The question shall be put in substantially the  
4 following form:

5 -----

6	Shall an annual tax be levied	
7	for stormwater management purposes	YES
8	(for a period of not more than	
9	..... years) at a rate not exceeding	-----
10	0.03% of the equalized assessed	
11	value of the taxable property of	NO
12	the ..... Sanitary District?	

13 -----

14 Any sanitary district in a county that has established a  
15 stormwater management planning committee in accordance with  
16 Section 5-1062 of the Counties Code is hereby authorized to  
17 borrow money and to issue its bonds for the purposes of  
18 protecting pumping stations, wastewater treatment plants and  
19 combined sewer outfalls from the 100-year flood.

20 Any sanitary district in a county that has established a  
21 stormwater management planning committee in accordance with  
22 Section 5-1062 of the Counties Code is hereby further  
23 authorized to borrow money from the Illinois Development  
24 Finance Authority for the purpose of financing the provision  
25 of flood protection for sanitary sewage treatment plants,  
26 pursuant to subsection--(t)--of--Section--7--of the Illinois  
27 Development Finance Authority Act, and is hereby authorized  
28 to enter into loan agreements and other documents with the  
29 Illinois Development Finance Authority and to issue its  
30 bonds, notes or other evidences of indebtedness to evidence  
31 its obligation to repay such loan to the Illinois Development  
32 Finance Authority. Without the submission of the question to  
33 the electors, notwithstanding any other provision of law to  
34 the contrary, such sanitary district is hereby authorized to

1 execute such loan agreements and other documents and to issue  
2 such bonds, notes or other evidences of indebtedness, which  
3 loan agreements, documents, bonds, notes or other evidences  
4 of indebtedness may bear such date or dates, may bear  
5 interest at such rate or rates, payable at such time or  
6 times, may mature at any time or times not later than 40  
7 years from the date of issuance, may be payable at such place  
8 or places, may be payable from any funds of such sanitary  
9 district on hand and lawfully available therefor, including  
10 without limitation the taxes levied pursuant to this Section  
11 or from any other taxes or revenues of such sanitary district  
12 pledged to their payment, may be negotiated at such price or  
13 prices, may be executed in such manner, may be subject to  
14 redemption prior to maturity, may be in such form, may be  
15 secured, and may be subject to such other terms and  
16 conditions, all as may be provided in a resolution or  
17 ordinance authorizing the execution of any such loan  
18 agreement or other document or the issuance of such bonds,  
19 notes or other evidences of indebtedness.

20 (Source: P.A. 88-670, eff. 12-2-94.)

21 Section 890-24. The Family Practice Residency Act is  
22 amended by changing Section 10 as follows:

23 (110 ILCS 935/10) (from Ch. 144, par. 1460)

24 Sec. 10. Scholarship recipients who fail to fulfill the  
25 obligation described in subsection (d) of Section 3.07 of  
26 this Act shall pay to the Department a sum equal to 3 times  
27 the amount of the annual scholarship grant for each year the  
28 recipient fails to fulfill such obligation. A scholarship  
29 recipient who fails to fulfill the obligation described in  
30 subsection (d) of Section 3.07 shall have 30 days from the  
31 date on which that failure begins in which to enter into a  
32 contract with the Department that sets forth the manner in



1 which that sum is required to be paid. If the contract is  
2 not entered into within that 30 day period or if the contract  
3 is entered into but the required payments are not made in the  
4 amounts and at the times provided in the contract, the  
5 scholarship recipient also shall be required to pay to the  
6 Department interest at the rate of 9% per annum on the amount  
7 of that sum remaining due and unpaid. The amounts paid to the  
8 Department under this Section shall be deposited into the  
9 Community Health Center Care Fund and shall be used by the  
10 Department to improve access to primary health care services  
11 as authorized by subsection (a) of Section 2310-200 of the  
12 Department of Public Health Powers and Duties Law (20 ILCS  
13 2310/2310-200).

14 The Department may transfer to the Illinois Development  
15 Finance Authority, into an account outside the State  
16 treasury, moneys in the Community Health Center Care Fund as  
17 needed, but not to exceed an amount established, by rule, by  
18 the Department to establish a reserve or credit enhancement  
19 escrow account to support a financing program or a loan or  
20 equipment leasing program to provide moneys to support the  
21 purposes of subsection (a) of Section 2310-200 of the  
22 Department of Public Health Powers and Duties Law (20 ILCS  
23 2310/2310-200). The disposition of moneys at the conclusion  
24 of any financing program under this Section shall be  
25 determined by an interagency agreement.

26 (Source: P.A. 90-405, eff. 1-1-98; 91-239, eff. 1-1-00.)

27 Section 890-25. The Illinois Public Aid Code is amended  
28 by changing Sections 11-3 and 11-3.3 as follows:

29 (305 ILCS 5/11-3) (from Ch. 23, par. 11-3)

30 Sec. 11-3. Assignment and attachment of aid prohibited.  
31 Except as provided below in this Section and in Section  
32 11-3.3, all financial aid given under Articles III, IV, V,

1 and VI and money payments for child care services provided by  
2 a child care provider under Articles IX and IXA shall not be  
3 subject to assignment, sale, attachment, garnishment, or  
4 otherwise. Provided, however, that a medical vendor may use  
5 his right to receive vendor payments as collateral for loans  
6 from financial institutions so long as such arrangements do  
7 not constitute any activity prohibited under Section  
8 1902(a)(32) of the Social Security Act and regulations  
9 promulgated thereunder, or any other applicable laws or  
10 regulations. Provided further, however, that a medical or  
11 other vendor or a service provider may assign, reassign,  
12 sell, pledge or grant a security interest in any such  
13 financial aid, vendor payments or money payments or grants  
14 which he has a right to receive to the Illinois Health  
15 Facilities Authority, in connection with any financing  
16 program undertaken by the Illinois Health Facilities  
17 Authority, or to the Illinois Development Finance Authority,  
18 in connection with any financing program undertaken by the  
19 Illinois Development Finance Authority. Each Authority may  
20 utilize a trustee or agent to accept, accomplish, effectuate  
21 or realize upon any such assignment, reassignment, sale,  
22 pledge or grant on that Authority's behalf. Provided further,  
23 however, that nothing herein shall prevent the Illinois  
24 Department from collecting any assessment, fee, interest or  
25 penalty due under Article V-A, V-B, V-C, or V-E by  
26 withholding financial aid as payment of such assessment, fee,  
27 interest, or penalty. Any alienation in contravention of this  
28 statute does not diminish and does not affect the validity,  
29 legality or enforceability of any underlying obligations for  
30 which such alienation may have been made as collateral  
31 between the parties to the alienation. This amendatory Act  
32 shall be retroactive in application and shall pertain to  
33 obligations existing prior to its enactment.

34 (Source: P.A. 92-111, eff. 1-1-02.)

1 (305 ILCS 5/11-3.3) (from Ch. 23, par. 11-3.3)  
2 Sec. 11-3.3. Payment to provider or governmental agency  
3 or entity. Payments under this Code shall be made to the  
4 provider, except that the Department may issue or may agree  
5 to issue the payment directly to the Illinois Health  
6 Facilities Authority, the Illinois Development Finance  
7 Authority, or any other governmental agency or entity,  
8 including any bond trustee for that agency or entity, to whom  
9 the provider has assigned, reassigned, sold, pledged or  
10 granted a security interest in the payments that the provider  
11 has a right to receive, provided that the issuance or  
12 agreement to issue is not prohibited under Section  
13 1902(a)(32) of the Social Security Act.

14 (Source: P.A. 87-842.)

15 Section 890-26. The Illinois Affordable Housing Act is  
16 amended by changing Section 6 as follows:

17 (310 ILCS 65/6) (from Ch. 67 1/2, par. 1256)

18 Sec. 6. Advisory Commission.

19 (a) There is hereby created the Illinois Affordable  
20 Housing Advisory Commission. The Commission shall consist of  
21 15 members. Three of the Commissioners shall be the Directors  
22 of the Illinois Housing Development Authority, the Illinois  
23 Development Finance Authority and the Department of Commerce  
24 and Community Affairs or their representatives. One of the  
25 Commissioners shall be the Commissioner of the Chicago  
26 Department of Housing or its representative. The remaining 11  
27 members shall be appointed by the Governor, with the advice  
28 and consent of the Senate, and not more than 4 of these  
29 Commission members shall reside in any one county in the  
30 State. At least one Commission member shall be an  
31 administrator of a public housing authority from other than a  
32 municipality having a population in excess of 2,000,000; at

1 least 2 Commission members shall be representatives of  
2 special needs populations as described in subsection (e) of  
3 Section 8; at least 4 Commission members shall be  
4 representatives of community-based organizations engaged in  
5 the development or operation of housing for low-income and  
6 very low-income households; and at least 4 Commission members  
7 shall be representatives of advocacy organizations, one of  
8 which shall represent a tenants' advocacy organization. The  
9 Governor shall consider nominations made by advocacy  
10 organizations and community-based organizations.

11 (b) Members appointed to the Commission shall serve a  
12 term of 3 years; however, 3 members first appointed under  
13 this Act shall serve an initial term of one year, and 4  
14 members first appointed under this Act shall serve a term of  
15 2 years. Individual terms of office shall be chosen by lot  
16 at the initial meeting of the Commission. The Governor shall  
17 appoint the Chairman of the Commission, and the Commission  
18 members shall elect a Vice Chairman.

19 (c) Members of the Commission shall not be entitled to  
20 compensation, but shall receive reimbursement for actual and  
21 reasonable expenses incurred in the performance of their  
22 duties.

23 (d) Eight members of the Commission shall constitute a  
24 quorum for the transaction of business.

25 (e) The Commission shall meet at least quarterly and its  
26 duties and responsibilities are:

27 (1) the study and review of the availability of  
28 affordable housing for low-income and very low-income  
29 households in the State of Illinois and the development  
30 of a plan which addresses the need for additional  
31 affordable housing;

32 (2) encouraging collaboration between federal and  
33 State agencies, local government and the private sector  
34 in the planning, development and operation of affordable

1 housing for low-income and very low-income households;

2 (3) studying, evaluating and soliciting new and  
3 expanded sources of funding for affordable housing;

4 (4) developing, proposing, reviewing, and  
5 commenting on priorities, policies and procedures for  
6 uses and expenditures of Trust Fund monies, including  
7 policies which assure equitable distribution of funds  
8 statewide;

9 (5) making recommendations to the Program  
10 Administrator concerning proposed expenditures from the  
11 Trust Fund;

12 (6) making recommendations to the Program  
13 Administrator concerning the developments proposed to be  
14 financed with the proceeds of Affordable Housing Program  
15 Trust Fund Bonds or Notes;

16 (7) reviewing and commenting on the development of  
17 priorities, policies and procedures for the  
18 administration of the Program;

19 (8) monitoring and evaluating all allocations of  
20 funds under this Program; and

21 (9) making recommendations to the General Assembly  
22 for further legislation that may be necessary in the area  
23 of affordable housing.

24 (Source: P.A. 88-93; 89-286, eff. 8-10-95.)

25 Section 890-27. The Illinois Rural/Downstate Health Act  
26 is amended by changing Section 4 as follows:

27 (410 ILCS 65/4) (from Ch. 111 1/2, par. 8054)

28 Sec. 4. The Center shall have the authority:

29 (a) To assist rural communities and communities in  
30 designated shortage areas by providing technical assistance  
31 to community leaders in defining their specific health care  
32 needs and identifying strategies to address those needs.

1           (b) To link rural communities and communities in  
2 designated shortage areas with other units in the Department  
3 or other State agencies which can assist in the solution of a  
4 health care access problem.

5           (c) To maintain and disseminate information on  
6 innovative health care strategies, either directly or  
7 indirectly.

8           (d) To administer State or federal grant programs  
9 relating to rural health or medically underserved areas  
10 established by State or federal law for which funding has  
11 been made available.

12           (e) To promote the development of primary care services  
13 in rural areas and designated shortage areas. Subject to  
14 available appropriations, the Department may annually award  
15 grants of up to \$300,000 each to enable the health services  
16 in those areas to offer multi-service comprehensive  
17 ambulatory care, thereby improving access to primary care  
18 services. Grants may cover operational and facility  
19 construction and renovation expenses, including but not  
20 limited to the cost of personnel, medical supplies and  
21 equipment, patient transportation, and health provider  
22 recruitment. The Department shall prescribe by rule standards  
23 and procedures for the provision of local matching funds in  
24 relation to each grant application. Grants provided under  
25 this paragraph (e) shall be in addition to support and  
26 assistance provided under subsection (a) of Section 2310-200  
27 of the Department of Public Health Powers and Duties Law (20  
28 ILCS 2310/2310-200). Eligible applicants shall include, but  
29 not be limited to, community-based organizations, hospitals,  
30 local health departments, and Community Health Centers as  
31 defined in Section 4.1 of this Act.

32           (f) To annually provide grants from available  
33 appropriations to hospitals located in medically underserved  
34 areas or health manpower shortage areas as defined by the

1 United States Department of Health and Human Services, whose  
2 governing boards include significant representation of  
3 consumers of hospital services residing in the area served by  
4 the hospital, and which agree not to discriminate in any way  
5 against any consumer of hospital services based upon the  
6 consumer's source of payment for those services. Grants that  
7 may be awarded under this paragraph (f) shall be limited to  
8 \$500,000 and shall not exceed 50% of the total project need  
9 indicated in each application. Expenses covered by the grants  
10 may include but are not limited to facility renovation,  
11 equipment acquisition and maintenance, recruitment of health  
12 personnel, diversification of services, and joint venture  
13 arrangements.

14 (g) To establish a recruitment center which shall  
15 actively recruit physicians and other health care  
16 practitioners to participate in the program, maintain  
17 contacts with participating practitioners, actively promote  
18 health care professional practice in designated shortage  
19 areas, assist in matching the skills of participating medical  
20 students with the needs of community health centers in  
21 designated shortage areas, and assist participating medical  
22 students in locating in designated shortage areas.

23 (h) To assist communities in designated shortage areas  
24 find alternative services or temporary health care providers  
25 when existing health care providers are called into active  
26 duty with the armed forces of the United States.

27 (i) To develop, in cooperation with the Illinois  
28 Development Finance Authority, financing programs whose goals  
29 and purposes shall be to provide moneys to carry out the  
30 purpose of this Act, including, but not limited to, revenue  
31 bond programs, revolving loan programs, equipment leasing  
32 programs, and working cash programs. The Department may  
33 transfer to the Illinois Development Finance Authority, into  
34 an account outside of the State treasury, moneys in special

1 funds of the Department for the purposes of establishing  
2 those programs. The disposition of any moneys so transferred  
3 shall be determined by an interagency agreement.

4 (Source: P.A. 91-239, eff. 1-1-00; 91-357, eff. 7-29-99;  
5 92-16, eff. 6-28-01.)

6 Section 890-28. The Prevailing Wage Act is amended by  
7 changing Section 2 as follows:

8 (820 ILCS 130/2) (from Ch. 48, par. 39s-2)

9 Sec. 2. This Act applies to the wages of laborers,  
10 mechanics and other workers employed in any public works, as  
11 hereinafter defined, by any public body and to anyone under  
12 contracts for public works.

13 As used in this Act, unless the context indicates  
14 otherwise:

15 "Public works" means all fixed works constructed for  
16 public use by any public body, other than work done directly  
17 by any public utility company, whether or not done under  
18 public supervision or direction, or paid for wholly or in  
19 part out of public funds. "Public works" as defined herein  
20 includes all projects financed in whole or in part with bonds  
21 issued under the Industrial Project Revenue Bond Act (Article  
22 11, Division 74 of the Illinois Municipal Code), the  
23 Industrial Building Revenue Bond Act, the Illinois  
24 Development Finance Authority Act, the Illinois Sports  
25 Facilities Authority Act, or the Build Illinois Bond Act, and  
26 all projects financed in whole or in part with loans or other  
27 funds made available pursuant to the Build Illinois Act.

28 "Construction" means all work on public works involving  
29 laborers, workers or mechanics.

30 "Locality" means the county where the physical work upon  
31 public works is performed, except (1) that if there is not  
32 available in the county a sufficient number of competent



1 skilled laborers, workers and mechanics to construct the  
2 public works efficiently and properly, "locality" includes  
3 any other county nearest the one in which the work or  
4 construction is to be performed and from which such persons  
5 may be obtained in sufficient numbers to perform the work and  
6 (2) that, with respect to contracts for highway work with the  
7 Department of Transportation of this State, "locality" may at  
8 the discretion of the Secretary of the Department of  
9 Transportation be construed to include two or more adjacent  
10 counties from which workers may be accessible for work on  
11 such construction.

12 "Public body" means the State or any officer, board or  
13 commission of the State or any political subdivision or  
14 department thereof, or any institution supported in whole or  
15 in part by public funds, authorized by law to construct  
16 public works or to enter into any contract for the  
17 construction of public works, and includes every county,  
18 city, town, village, township, school district, irrigation,  
19 utility, reclamation improvement or other district and every  
20 other political subdivision, district or municipality of the  
21 state whether such political subdivision, municipality or  
22 district operates under a special charter or not.

23 The terms "general prevailing rate of hourly wages",  
24 "general prevailing rate of wages" or "prevailing rate of  
25 wages" when used in this Act mean the hourly cash wages plus  
26 fringe benefits for training and apprenticeship programs  
27 approved by the U.S. Department of Labor, Bureau of  
28 Apprenticeship and Training, health and welfare, insurance,  
29 vacations and pensions paid generally, in the locality in  
30 which the work is being performed, to employees engaged in  
31 work of a similar character on public works.

32 (Source: P.A. 91-105, eff. 1-1-00; 91-935, eff. 6-1-01;  
33 92-16, eff. 6-28-01.)

1 Section 890-29. The Transportation Cooperation Act of  
2 1971 is amended by changing Section 2 as follows:

3 (5 ILCS 225/2) (from Ch. 111 2/3, par. 602)

4 Sec. 2. For the purposes of this Act:

5 (a) "Railroad passenger service" means any railroad  
6 passenger service within the State of Illinois, including the  
7 equipment and facilities used in connection therewith, with  
8 the exception of the basic system operated by the National  
9 Railroad Passenger Corporation pursuant to Title II and  
10 Section 403(a) of the Federal Rail Passenger Service Act of  
11 1970.

12 (b) "Federal Railroad Corporation" means the National  
13 Railroad Passenger Corporation established pursuant to an Act  
14 of Congress known as the "Rail Passenger Service Act of  
15 1970."

16 (c) "Transportation system" means any and all modes of  
17 public transportation within the State, including, but not  
18 limited to, transportation of persons or property by rapid  
19 transit, rail, bus, and aircraft, and all equipment,  
20 facilities and property, real and personal, used in  
21 connection therewith.

22 (d) "Carrier" means any corporation, authority,  
23 partnership, association, person or district authorized to  
24 maintain a transportation system within the State with the  
25 exception of the Federal Railroad Corporation.

26 (e) "Units of local government" means cities, villages,  
27 incorporated towns, counties, municipalities, townships, and  
28 special districts, including any district created pursuant to  
29 the "Local Mass Transit District Act", approved July 21,  
30 1959, as amended; any Authority created pursuant to the  
31 "Metropolitan Transit Authority Act", approved April 12,  
32 1945, as amended; and, any authority, commission or other  
33 entity which by virtue of an interstate compact approved by

1 Congress is authorized to provide mass transportation.

2 (f) "Universities" means all public institutions of  
3 higher education as defined in an "Act creating a Board of  
4 Higher Education, defining its powers and duties, making an  
5 appropriation therefor, and repealing an Act herein named",  
6 approved August 22, 1961, as amended, and all private  
7 institutions of higher education as defined in the Illinois  
8 Finance Educational-Facilities Authority Act.

9 (g) "Department" means the Illinois Department of  
10 Transportation, or such other department designated by law to  
11 perform the duties and functions of the Illinois Department  
12 of Transportation prior to January 1, 1972.

13 (h) "Association" means any Transportation Service  
14 Association created pursuant to Section 4 of this Act.

15 (i) "Contracting Parties" means any units of local  
16 government or universities which have associated and joined  
17 together pursuant to Section 3 of this Act.

18 (j) "Governing authorities" means (1) the city council  
19 or similar legislative body of a city; (2) the board of  
20 trustees or similar body of a village or incorporated town;  
21 (3) the council of a municipality under the commission form  
22 of municipal government; (4) the board of trustees in a  
23 township; (5) the Board of Trustees of the University of  
24 Illinois, the Board of Trustees of Southern Illinois  
25 University, the Board of Trustees of Chicago State  
26 University, the Board of Trustees of Eastern Illinois  
27 University, the Board of Trustees of Governors State  
28 University, the Board of Trustees of Illinois State  
29 University, the Board of Trustees of Northeastern Illinois  
30 University, the Board of Trustees of Northern Illinois  
31 University, the Board of Trustees of Western Illinois  
32 University, and the Illinois Community College Board; (6) the  
33 county board of a county; and (7) the trustees,  
34 commissioners, board members, or directors of a university,

1 special district, authority or similar agency.

2 (Source: P.A. 89-4, eff. 1-1-96.)

3 Section 890-30. The Capital Development Board Act is  
4 amended by changing Section 3 as follows:

5 (20 ILCS 3105/3) (from Ch. 127, par. 773)

6 Sec. 3. As used in this Act, unless the context  
7 otherwise requires:

8 "Board" means the Capital Development Board.

9 "State agency" means and includes each officer,  
10 department, board, commission, institution, body politic and  
11 corporate of the State including the Illinois Building  
12 Authority, school districts, and any other person expending  
13 or encumbering State or federal funds by virtue of an  
14 appropriation or other authorization by the General Assembly  
15 or federal authorization or grant. Except as otherwise  
16 expressly authorized by the General Assembly, the term does  
17 not include the Department of Transportation, the Department  
18 of Natural Resources, or Environmental Protection Agency,  
19 except as respects buildings used by the Department or Agency  
20 for its officers, employees, or equipment, or any of them,  
21 and for capital improvements related to such buildings. Nor  
22 does the term include the Illinois Housing Development  
23 Authority, the Illinois Finance ~~Eduational---~~ ~~Facilities~~  
24 Authority or the St. Louis Metropolitan Area Airport  
25 Authority.

26 "School District" means any school district or special  
27 charter district as defined in Section 1-3 of "The School  
28 Code", approved March 18, 1961, as amended, or any  
29 administrative district, or governing board, of a joint  
30 agreement organized under Section 10-22.31 of the School  
31 Code.

32 (Source: P.A. 89-445, eff. 2-7-96.)

1 Section 890-31. The Higher Education Loan Act is amended  
2 by changing the title and Sections 3, 3.01, and 5 as follows:

3 (110 ILCS 945/Act title)

4 An Act relating to the Illinois Finance Educational  
5 Facilities Authority and certain of its powers and duties.

6 (Source: P.A. 85-1326.)

7 (110 ILCS 945/3) (from Ch. 144, par. 1603)

8 Sec. 3. Definitions. In this Act, unless the context  
9 otherwise requires, the terms specified in Sections 3.01  
10 through 3.13 of this Act and ~~Sections 3.01 through 3.09 of~~  
11 the Illinois Finance Educational Facilities Authority Act  
12 have the meanings ascribed to them in those Acts Sections.

13 (Source: P.A. 88-555, eff. 7-27-94.)

14 (110 ILCS 945/3.01) (from Ch. 144, par. 1603.01)

15 Sec. 3.01. Authority. "Authority" means the Illinois  
16 State Finance Educational-Facilities Authority created by the  
17 Illinois State Finance Educational-Facilities Authority Act.

18 (Source: P.A. 85-1326.)

19 (110 ILCS 945/5) (from Ch. 144, par. 1605)

20 Sec. 5. Transfer of functions from the Illinois  
21 Educational Facilities Independent--Higher--Education--Loan  
22 Authority to the Illinois Finance Educational--Facilities  
23 Authority. The Illinois Finance Educational--Facilities  
24 Authority created by the Illinois Finance Educational  
25 Facilities Authority Act shall succeed to, assume and  
26 exercise all rights, powers, duties and responsibilities  
27 formerly exercised by the Illinois Educational Facilities  
28 Independent--Higher--Education--Loan Authority prior to the  
29 abolition of that Authority by this amendatory Act of the  
30 93rd General Assembly 1988. All books, records, papers,

1 documents and pending business in any way pertaining to the  
2 former Illinois Educational Facilities Independent-Higher  
3 Educational-Lean Authority are transferred to the Illinois  
4 State Finance Educational--Facilities Authority, but any  
5 rights or obligations of any person under any contract made  
6 by, or under any rules, regulations, uniform standards,  
7 criteria and guidelines established or approved by, such  
8 former Illinois Educational Facilities Independent--Higher  
9 Educational--Lean Authority shall be unaffected thereby. All  
10 bonds, notes or other evidences of indebtedness outstanding  
11 on the effective date of this amendatory Act of the 93rd  
12 General Assembly 1988 shall be unaffected by the transfer of  
13 functions to the Illinois Finance Educational-Facilities  
14 Authority. No rule, regulation, standard, criteria or  
15 guideline promulgated, established or approved by the former  
16 Illinois Educational Facilities Independent-Higher--Education  
17 Lean Authority pursuant to an exercise of any right, power,  
18 duty or responsibility assumed by and transferred to the  
19 Illinois Finance Educational--Facilities Authority shall be  
20 affected by this amendatory Act of the 93rd General Assembly  
21 1988, and all such rules, regulations, standards, criteria  
22 and guidelines shall become those of the Illinois Finance  
23 Educational--Facilities Authority until such time as they are  
24 amended or repealed by the Authority.

25 (Source: P.A. 85-1326.)

26 Section 890-32. The Rural Diversification Act is amended  
27 by changing Sections 2, 3, 4, and 5 as follows:

28 (20 ILCS 690/2) (from Ch. 5, par. 2252)

29 Sec. 2. Findings and declaration of policy. The General  
30 Assembly hereby finds, determines and declares:

31 (a) That Illinois is a state of diversified economic  
32 strength and that an important economic strength in Illinois

1 is derived from rural business production and the  
2 agribusiness industry;

3 (b) That the Illinois rural economy is in a state of  
4 transition, which presents a unique opportunity for the State  
5 to act on its growth and development;

6 (c) That full and continued growth and development of  
7 Illinois' rural economy, especially in the small towns and  
8 farm communities, is vital for Illinois;

9 (d) That by encouraging the development of diversified  
10 rural business and agricultural production, nonproduction and  
11 processing activities in Illinois, the State creates a  
12 beneficial climate for new and improved job opportunities for  
13 its citizens and expands jobs and job training opportunities;

14 (e) That in order to cultivate strong rural economic  
15 growth and development in Illinois, it is necessary to  
16 proceed with a plan which encourages Illinois rural  
17 businesses and agribusinesses to expand business employment  
18 opportunities through diversification of business and  
19 industries, offers managerial, technical and financial  
20 assistance to or on behalf of rural businesses and  
21 agribusiness, and works in a cooperative venture and spirit  
22 with Illinois' business, labor, local government, educational  
23 and scientific communities;

24 (f) That dedication of State resources over a multi-year  
25 period targeted to promoting the growth and development of  
26 one or more classes of diversified rural products,  
27 particularly new agricultural products, is an effective use  
28 of State funds;

29 (g) That the United States Congress, having identified  
30 similar needs and purposes has enacted legislation creating  
31 the United States Department of Agriculture/Farmers Home  
32 Administration Non-profit National Finance Corporations Loan  
33 and Grant Program and made funding available to the states  
34 consistent with the purposes of this Act.

1           (h) That the Illinois General Assembly has enacted  
2 "Rural Revival" and a series of "Harvest the Heartland"  
3 initiatives which create within the Illinois Finance Farm  
4 Development Authority a "Seed Capital Fund" to provide  
5 venture capital for emerging new agribusinesses, and to help  
6 coordinate cooperative research and development on new  
7 agriculture technologies in conjunction with the Agricultural  
8 Research and Development Consortium in Peoria, the United  
9 State Department of Agriculture Northern Regional Research  
10 Laboratory in Peoria, the institutions of higher learning in  
11 Illinois, and the agribusiness community of this State,  
12 identify the need for enhanced efforts by the State to  
13 promote the use of fuels utilizing ethanol made from Illinois  
14 grain, and promote forestry development in this State; and

15           (i) That there is a need to coordinate the many programs  
16 offered by the State of Illinois Departments of Agriculture,  
17 Commerce and Community Affairs, and Natural Resources, and  
18 the Illinois Finance Farm--Development Authority that are  
19 targeted to agriculture and the rural community with those  
20 offered by the federal government. Therefore it is desirable  
21 that the fullest measure of coordination and integration of  
22 the programs offered by the various state agencies and the  
23 federal government be achieved.

24 (Source: P.A. 89-445, eff. 2-7-96.)

25           (20 ILCS 690/3) (from Ch. 5, par. 2253)

26           Sec. 3. Definitions. The following words and phrases  
27 shall have the meaning ascribed to each of them in this  
28 Section unless the context clearly indicates otherwise:

29           (a) "Office" means the Office of Rural Community  
30 Development within the Illinois Department of Commerce and  
31 Community Affairs.

32           (b) "Rural business" means a business, including a  
33 cooperative, proprietorship, partnership, corporation or



1 other entity, that is located in a municipality of 20,000  
2 population or less, or in an unincorporated area of a county  
3 with a population of less than 350,000, but not in a  
4 municipality which is contiguous to a municipality or  
5 municipalities with a population greater than 20,000. The  
6 business must also be engaged in manufacturing, mining,  
7 agriculture, wholesale, transportation, tourism, or utilities  
8 or in research and development or services to these basic  
9 industrial sectors.

10 (c) "Agribusiness", for purpose of this Act, means a  
11 rural business that is defined as an agribusiness pursuant to  
12 ~~subsection (i) of Section 2 of~~ the Illinois Finance Authority  
13 Farm-Development Act.

14 (d) "Rural diversification project" means financing to a  
15 rural business for a specific activity undertaken to promote:  
16 (i) the improvement and expansion of business and industry in  
17 rural areas; (ii) creation of entrepreneurial and  
18 self-employment businesses; (iii) industry or region wide  
19 research directed to profit oriented uses of rural resources,  
20 and (iv) value added agricultural supply, production  
21 processing or reprocessing facilities or operations and shall  
22 include but not be limited to agricultural diversification  
23 projects.

24 (e) "Financing" means direct loans at market or below  
25 market rate interest, grants, technical assistance contracts,  
26 or other means whereby monetary assistance is provided to or  
27 on behalf of rural business or agribusinesses for purposes of  
28 rural diversification.

29 (f) "Agricultural diversification project" means  
30 financing awarded to a rural business for a specific activity  
31 undertaken to promote diversification of the farm economy of  
32 this State through (i) profit oriented nonproduction uses of  
33 Illinois land resources, (ii) growth and development of new  
34 crops or livestock not customarily grown or produced in this

1 State, or (iii) developments which emphasize a vertical  
2 integration of grain or livestock produced or raised in this  
3 State into a finished product for consumption or use. "New  
4 crops or livestock not customarily grown or produced in this  
5 State" does not include corn, soybeans, wheat, swine, or beef  
6 or dairy cattle. "Vertical integration of grain or livestock  
7 produced or raised in this State" includes any new or  
8 existing grain or livestock grown or produced in this State.  
9 (Source: P.A. 85-180.)

10 (20 ILCS 690/4) (from Ch. 5, par. 2254)

11 Sec. 4. Powers of the Office. The Office has the  
12 following powers, in addition to those granted to it by other  
13 law:

14 (a) To provide financing pursuant to the provisions of  
15 this Act, from appropriations made by the General Assembly  
16 from the General Revenue Fund, Federal trust funds, and the  
17 Rural Diversification Revolving Fund created herein, to or on  
18 behalf of rural business and agribusiness to promote rural  
19 diversification.

20 (b) To provide financing in the form of direct loans and  
21 grants from State funds for qualifying agricultural and rural  
22 diversification projects independent of federal financial  
23 participation, except that no grants from State funds shall  
24 be made directly with a rural business.

25 (c) To provide financing in the form of direct loans,  
26 grants, and technical assistance contracts from State funds  
27 for qualifying agricultural and rural diversification  
28 projects in coordination with federal financial participation  
29 in the form of loan guarantees, direct loans, and grant and  
30 technical assistance contract reimbursements.

31 (d) To consider in the award of State funded financing  
32 the satisfaction of matching requirements associated with  
33 federal financing participation and the maximization of

1 federal financing participation to the benefit of the rural  
2 Illinois economy.

3 (e) To enter into agreements or contracts, accept funds  
4 or grants, and cooperate with agencies of the Federal  
5 Government, State or Local Governments, the private sector or  
6 non-profit organizations to carry out the purposes of this  
7 Act;

8 (f) To enter into agreements or contracts for the  
9 promotion, application origination, analysis or servicing of  
10 the financings made by the Office pursuant to this Act;

11 (g) To receive and accept, from any source, aid or  
12 contributions of money, property or labor for the furtherance  
13 of this Act and collect fees, charges or advances as the  
14 Department may determine in connection with its financing;

15 (h) To establish application, notification, contract and  
16 other procedures and other procedures and rules deemed  
17 necessary and appropriate by the Office to carry out the  
18 provisions of this Act;

19 (i) To foreclose any mortgage, deed of trust, note,  
20 debenture, bond or other security interest held by the Office  
21 and to take all such actions as may be necessary to enforce  
22 any obligation held by the Office;

23 (j) To analyze opportunities and needs of rural  
24 communities, primarily those communities experiencing farm  
25 worker distress including consultation with regional  
26 commissions, governments, or diversification organizations,  
27 and work to strengthen the coordination of existing programs  
28 offered through the Office, the Department of Agriculture,  
29 the Department of Natural Resources, the Illinois Finance  
30 ~~Farm-Development~~ Authority, the Cooperative Extension Service  
31 and others for rural and agribusiness development and  
32 assistance; and

33 (k) To cooperate with an existing committee comprised of  
34 representatives from the Office, the Rural Affairs Council or

1 its successor, the Department of Agriculture, the Illinois  
2 Finance Farm-Development Authority and others to coordinate  
3 departmental policies with other State agencies and to  
4 promote agricultural and rural diversification in the State.

5 (1) To exercise such other right, powers and duties as  
6 are necessary to fulfill the purposes of this Act.

7 (Source: P.A. 89-445, eff. 2-7-96.)

8 (20 ILCS 690/5) (from Ch. 5, par. 2255)

9 Sec. 5. Agricultural and rural diversification  
10 financing. (a) The Office's financing to or on behalf of  
11 rural businesses or agribusinesses in the State shall be for  
12 the purpose of assisting in the cost of agricultural and  
13 rural diversification projects including (i) acquisition,  
14 construction, reconstruction, replacement, repair,  
15 rehabilitation, alteration, expansion or extension of real  
16 property, buildings or machinery and equipment but not the  
17 acquisition of unimproved land for the production of crops or  
18 livestock; (ii) working capital items including but not  
19 limited to, inventory, accounts receivable and prepaid  
20 expenses; (iii) organizational expenses including, but not  
21 limited to, architectural and engineering costs, legal  
22 services, marketing analyses, production analyses, or other  
23 professional services; (iv) needed leasehold improvements,  
24 easements, and other amenities required to prepare a site;  
25 (v) information, technical support and technical assistance  
26 contracts to local officials or not-for-profit agencies  
27 regarding private, state and federal resources, programs or  
28 grant assistances and the needs and opportunities for  
29 diversification; and (vi) when conducted in cooperation with  
30 federal reimbursement programs, financing costs including  
31 guarantee fees, packaging fees and origination fees but not  
32 debt refinancing.

33 (b) Agricultural or rural diversification financing to a

1 rural business or agribusiness under this Act shall be used  
2 only where it can be shown that the agricultural or rural  
3 diversification project for which financing is being sought  
4 has the potential to achieve commercial success and will  
5 increase employment, directly or indirectly retain jobs, or  
6 promote local diversification.

7 (c) The Office shall establish an internal review  
8 committee with the Director of the Rural Affairs Council, or  
9 his designee, the Director of the Department of Agriculture,  
10 or his designee, and the Director of the Illinois Finance  
11 Farm--Development Authority, or his designee, as members to  
12 assist in the review of all project applications.

13 (d) The Office shall not provide financing to a rural  
14 business or agribusiness unless the application includes  
15 convincing evidence that a specific agricultural or rural  
16 diversification project is ready to occur and will only occur  
17 if the financing is made. The Office shall also consider the  
18 applicability of other state and federal programs prior to  
19 financing any project.

20 (Source: P.A. 85-180.)

21 Section 890-33. The Emergency Farm Credit Allocation Act  
22 is amended by changing Sections 3 and 4 as follows:

23 (20 ILCS 3610/3) (from Ch. 5, par. 1253)

24 Sec. 3. As used in this Act unless the context otherwise  
25 requires:

26 (a) "Applicant" means an Illinois farmer applying for an  
27 operating loan.

28 (b) "Operating loan" means a loan to an applicant in  
29 connection with cultivating the soil, or in connection with  
30 raising or harvesting any agricultural or horticultural  
31 commodity, including the raising, feeding and management of  
32 livestock or poultry on a farm of which the applicant is the

1 owner, tenant, or operator, for the current year's operating  
2 expenses.

3 (c) "Lender" means any federal or State chartered bank,  
4 federal land bank, production credit association, bank for  
5 cooperatives, federal or State chartered savings and loan  
6 association or building and loan association, business  
7 investment company or any other institution qualified within  
8 this State to originate and service loans, including, but  
9 without limitation to, insurance companies, credit unions and  
10 mortgage loan companies.

11 (d) "Payment adjustment" means an amount of money equal  
12 to one-half of the total interest payable on the principal of  
13 the operating loan.

14 (e) "Authority" means the Illinois Finance Farm  
15 Development Authority.

16 (f) "Asset" shall include, but not be limited to the  
17 following: cash crops or feed on hand; livestock held for  
18 sale; breeding stock; marketable bonds and securities;  
19 securities not readily marketable; accounts receivable; notes  
20 receivable; cash invested in growing crops; net cash value of  
21 life insurance; machinery and equipment; cars and trucks;  
22 farm and other real estate including life estates and  
23 personal residence; value of beneficial interests in trusts;  
24 government payments or grants; and any other assets.

25 (g) "Liability" shall include, but not be limited to the  
26 following: accounts payable; notes or other indebtedness owed  
27 to any source; taxes; rent; amounts owed on real estate  
28 contracts or real estate mortgages; judgments; accrued  
29 interest payable; and any other liability.

30 (h) "Debt to asset ratio" means the current outstanding  
31 liabilities of the farmer divided by the current outstanding  
32 assets of the farmer.

33 (Source: P.A. 84-1; 84-1106.)

1 (20 ILCS 3610/4) (from Ch. 5, par. 1254)

2 Sec. 4. There is hereby created a payment adjustment  
3 program to be administered by the Illinois Finance Farm  
4 Development Authority. The Authority shall have the authority  
5 to promulgate and adopt rules and regulations which are  
6 consistent with this Act. The Authority may impose a minimal  
7 fee to cover the costs of administering the program. On or  
8 before May 1 of each of the next six years, or until all  
9 repayments have been received on payment adjustments, the  
10 Authority shall submit a report to the General Assembly and  
11 the Governor concerning the status of the payment adjustment  
12 program. The Authority shall grant no payment adjustments  
13 after June 15, 1986.

14 (Source: P.A. 84-1; 84-1106.)

15 Section 890-34. The Build Illinois Act is amended by  
16 changing Section 8-3 as follows:

17 (30 ILCS 750/8-3) (from Ch. 127, par. 2708-3)

18 Sec. 8-3. Powers of the Department. The Department has  
19 the power to:

20 (a) provide business development public infrastructure  
21 loans or grants from appropriations from the Build Illinois  
22 Bond Fund, the Build Illinois Purposes Fund, the Fund for  
23 Illinois' Future, and the Public Infrastructure Construction  
24 Loan Fund to local governments to provide or improve a  
25 community's public infrastructure so as to create or retain  
26 private sector jobs pursuant to the provisions of this  
27 Article;

28 (b) provide affordable financing of public  
29 infrastructure loans and grants to, or on behalf of, local  
30 governments, local public entities, medical facilities, and  
31 public health clinics from appropriations from the Public  
32 Infrastructure Construction Loan Fund for the purpose of

1 assisting with the financing, or application and access to  
2 financing, of a community's public infrastructure necessary  
3 to health, safety, and economic development;

4 (c) enter into agreements, accept funds or grants, and  
5 engage in cooperation with agencies of the federal  
6 government, or state or local governments to carry out the  
7 purposes of this Article, and to use funds appropriated  
8 pursuant to this Article to participate in federal  
9 infrastructure loan and grant programs upon such terms and  
10 conditions as may be established by the federal government;

11 (d) establish application, notification, contract, and  
12 other procedures, rules, or regulations deemed necessary and  
13 appropriate to carry out the provisions of this Article;

14 (e) coordinate assistance under this program with  
15 activities of the Illinois Development Finance Authority in  
16 order to maximize the effectiveness and efficiency of State  
17 development programs;

18 (f) coordinate assistance under the Affordable Financing  
19 of Public Infrastructure Loan and Grant Program with the  
20 activities of the Illinois Development Finance Authority,  
21 Illinois Rural Bond Bank, Illinois Finance Farm-Development  
22 Authority, Illinois Housing Development Authority, Illinois  
23 Environmental Protection Agency, and other federal and State  
24 programs and entities providing financing assistance to  
25 communities for public health, safety, and economic  
26 development infrastructure;

27 (f-5) provide staff, administration, and related support  
28 required to manage the programs authorized under this Article  
29 and pay for the staffing, administration, and related support  
30 from the Public Infrastructure Construction Loan Revolving  
31 Fund;

32 (g) exercise such other powers as are necessary or  
33 incidental to the foregoing.

34 (Source: P.A. 90-454, eff. 8-16-97; 91-34, eff. 7-1-99.)



1 Section 890-35. The Livestock Management Facilities Act  
2 is amended by changing Section 17 as follows:

3 (510 ILCS 77/17)

4 Sec. 17. Financial responsibility. Owners of new or  
5 modified lagoons registered under the provisions of this Act  
6 shall establish and maintain evidence of financial  
7 responsibility to provide for the closure of the lagoons and  
8 the proper disposal of their contents within the time  
9 provisions outlined in this Act. Financial responsibility  
10 may be evidenced by any combination of the following:

- 11 (1) Commercial or private insurance;
- 12 (2) Guarantee;
- 13 (3) Surety bond;
- 14 (4) Letter of credit;
- 15 (5) Certificate of Deposit or designated savings  
16 account;
- 17 (6) Participation in a livestock waste lagoon closure  
18 fund managed by the Illinois Finance Farm--Development  
19 Authority.

20 The level of surety required shall be determined by rule  
21 and be based upon the volumetric capacity of the lagoon.  
22 Surety instruments required under this Section shall be  
23 required after the effective date of rules adopted for the  
24 implementation of this Act.

25 (Source: P.A. 89-456, eff. 5-21-96; 90-565, eff. 6-1-98.)

26 Section 890-36. The Illinois Forestry Development Act is  
27 amended by changing Sections 4 and 6a as follows:

28 (525 ILCS 15/4) (from Ch. 96 1/2, par. 9104)

29 Sec. 4. The Department shall: (a) Implement the forestry  
30 development cost share program created by Section 5 of this  
31 Act and coordinate with the United States Department of

1 Agriculture - Soil Conservation Service and the Agricultural  
2 Stabilization and Conservation Service in the administration  
3 of such program.

4 (b) Approve acceptable forestry management plans as  
5 required by Section 5 of this Act.

6 (c) Provide assistance to the Illinois Council on  
7 Forestry Development.

8 (d) Promote the development of an active forestry  
9 industry in this State by providing information to timber  
10 growers relating to acceptable management practices,  
11 suitability of various kinds of timber to various land types,  
12 marketability of various types of timber, market strategies  
13 including marketing cooperatives, availability of State and  
14 federal government assistance, soil and water conservation  
15 benefits, and wildlife habitat enhancement opportunities.

16 (e) Provide any aid or information requested by the  
17 Illinois Finance Farm--Development Authority in relation to  
18 forestry industry assistance programs implemented under the  
19 "Illinois Finance Authority Farm-Development Act".

20 (Source: P.A. 86-779.)

21 (525 ILCS 15/6a) (from Ch. 96 1/2, par. 9106a)

22 (Section scheduled to be repealed on December 31, 2008)

23 Sec. 6a. Illinois Forestry Development Council.

24 (a) The Illinois Forestry Development Council is hereby  
25 re-created by this amendatory Act of the 91st General  
26 Assembly.

27 (b) The Council shall consist of 24 members appointed as  
28 follows:

29 (1) four members of the General Assembly, one  
30 appointed by the President of the Senate, one appointed  
31 by the Senate Minority Leader, one appointed by the  
32 Speaker of the House of Representatives, and one  
33 appointed by the House Minority Leader;

1           (2) one member appointed by the Governor to  
2 represent the Governor;

3           (3) the Directors of the Departments of Natural  
4 Resources, Agriculture, and Commerce and Community  
5 Affairs, the Executive Director of the Illinois Finance  
6 Farm--Development Authority, and the Director of the  
7 Office of Rural Affairs, or their designees;

8           (4) the chairman of the Department of Forestry or a  
9 forestry academician, appointed by the Dean of  
10 Agriculture at Southern Illinois University at  
11 Carbondale;

12           (5) the head of the Department of Natural Resources  
13 and Environmental Sciences or a forestry academician,  
14 appointed by the Dean of Agriculture at the University of  
15 Illinois;

16           (6) two members, appointed by the Governor, who  
17 shall be private timber growers;

18           (7) one member, appointed by the president of the  
19 Illinois Wood Products Association, who shall be involved  
20 in primary forestry industry;

21           (8) one member, appointed by the president of the  
22 Illinois Wood Products Association, who shall be involved  
23 in secondary forestry industry;

24           (9) one member who is actively involved in  
25 environmental issues, appointed by the Governor;

26           (10) the president of the Association of Illinois  
27 Soil and Water Conservation Districts;

28           (11) two persons who are actively engaged in  
29 farming, appointed by the Governor;

30           (12) one member, appointed by the Governor, whose  
31 primary area of expertise is urban forestry;

32           (13) one member appointed by the President of the  
33 Illinois Arborists Association;

34           (14) the Supervisor of the Shawnee National Forest

1 and the United States Department of Agriculture Natural  
2 Resource Conservation Service's State Conservationist, ex  
3 officio, or their designees.

4 (c) Members of the Council shall serve without  
5 compensation but shall be reimbursed for actual expenses  
6 incurred in the performance of their duties which are not  
7 otherwise reimbursed.

8 (d) The Council shall select from its membership a  
9 chairperson and such other officers as it considers  
10 necessary.

11 (e) Other individuals, agencies and organizations may be  
12 invited to participate as deemed advisable by the Council.

13 (f) The Council shall study and evaluate the forestry  
14 resources and forestry industry of Illinois. The Council  
15 shall:

16 (1) determine the magnitude, nature and extent of  
17 the State's forestry resources;

18 (2) determine current uses and project future  
19 demand for forest products, services and benefits in  
20 Illinois;

21 (3) determine and evaluate the ownership  
22 characteristics of the State's forests, the motives for  
23 forest ownership and the success of incentives necessary  
24 to stimulate development of forest resources;

25 (4) determine the economic development and  
26 management opportunities that could result from  
27 improvements in local and regional forest product  
28 marketing and from the establishment of new or additional  
29 wood-related businesses in Illinois;

30 (5) confer with and offer assistance to the  
31 Illinois Finance Farm-Development Authority relating to  
32 its implementation of forest industry assistance programs  
33 authorized by the Illinois Finance Authority Farm  
34 Development Act;

1           (6) determine the opportunities for increasing  
2 employment and economic growth through development of  
3 forest resources;

4           (7) determine the effect of current governmental  
5 policies and regulations on the management of woodlands  
6 and the location of wood products markets;

7           (8) determine the staffing and funding needs for  
8 forestry and other conservation programs to support and  
9 enhance forest resources development;

10          (9) determine the needs of forestry education  
11 programs in this State;

12          (10) confer with and offer assistance to the  
13 Department of Natural Resources relating to the  
14 implementation of urban forestry assistance grants  
15 pursuant to the Urban and Community Forestry Assistance  
16 Act; and

17          (11) determine soil and water conservation benefits  
18 and wildlife habitat enhancement opportunities that can  
19 be promoted through approved forestry management plans.

20          (g) The Council shall report (i) its findings and  
21 recommendations for future State action and (ii) its  
22 evaluation of Urban/Community Forestry Assistance Grants to  
23 the General Assembly no later than July 1 of each year.

24          (h) This Section 6a is repealed December 31, 2008.

25          (Source: P.A. 90-809, eff. 12-31-98; 91-157, eff. 7-16-99.)

26          Section 890-37. The Public Funds Investment Act is  
27 amended by changing Section 6 as follows:

28          (30 ILCS 235/6) (from Ch. 85, par. 906)

29          Sec. 6. Report of financial institutions.

30          (a) No bank shall receive any public funds unless it has  
31 furnished the corporate authorities of a public agency  
32 submitting a deposit with copies of the last two sworn

1 statements of resources and liabilities which the bank is  
2 required to furnish to the Commissioner of Banks and Real  
3 Estate or to the Comptroller of the Currency. Each bank  
4 designated as a depository for public funds shall, while  
5 acting as such depository, furnish the corporate authorities  
6 of a public agency with a copy of all statements of resources  
7 and liabilities which it is required to furnish to the  
8 Commissioner of Banks and Real Estate or to the Comptroller  
9 of the Currency; provided, that if such funds or moneys are  
10 deposited in a bank, the amount of all such deposits not  
11 collateralized or insured by an agency of the federal  
12 government shall not exceed 75% of the capital stock and  
13 surplus of such bank, and the corporate authorities of a  
14 public agency submitting a deposit shall not be discharged  
15 from responsibility for any funds or moneys deposited in any  
16 bank in excess of such limitation.

17 (b) No savings bank or savings and loan association  
18 shall receive public funds unless it has furnished the  
19 corporate authorities of a public agency submitting a deposit  
20 with copies of the last 2 sworn statements of resources and  
21 liabilities which the savings bank or savings and loan  
22 association is required to furnish to the Commissioner of  
23 Banks and Real Estate or the Federal Deposit Insurance  
24 Corporation. Each savings bank or savings and loan  
25 association designated as a depository for public funds  
26 shall, while acting as such depository, furnish the corporate  
27 authorities of a public agency with a copy of all statements  
28 of resources and liabilities which it is required to furnish  
29 to the Commissioner of Banks and Real Estate or the Federal  
30 Deposit Insurance Corporation; provided, that if such funds  
31 or moneys are deposited in a savings bank or savings and loan  
32 association, the amount of all such deposits not  
33 collateralized or insured by an agency of the federal  
34 government shall not exceed 75% of the net worth of such

1 savings bank or savings and loan association as defined by  
2 the Federal Deposit Insurance Corporation, and the corporate  
3 authorities of a public agency submitting a deposit shall not  
4 be discharged from responsibility for any funds or moneys  
5 deposited in any savings bank or savings and loan association  
6 in excess of such limitation.

7 (c) No credit union shall receive public funds unless it  
8 has furnished the corporate authorities of a public agency  
9 submitting a share deposit with copies of the last two  
10 reports of examination prepared by or submitted to the  
11 Illinois Department of Financial Institutions or the National  
12 Credit Union Administration. Each credit union designated as  
13 a depository for public funds shall, while acting as such  
14 depository, furnish the corporate authorities of a public  
15 agency with a copy of all reports of examination prepared by  
16 or furnished to the Illinois Department of Financial  
17 Institutions or the National Credit Union Administration;  
18 provided that if such funds or moneys are invested in a  
19 credit union account, the amount of all such investments not  
20 collateralized or insured by an agency of the federal  
21 government or other approved share insurer shall not exceed  
22 50% of the unimpaired capital and surplus of such credit  
23 union, which shall include shares, reserves and undivided  
24 earnings and the corporate authorities of a public agency  
25 making an investment shall not be discharged from  
26 responsibility for any funds or moneys invested in a credit  
27 union in excess of such limitation.

28 (d) Whenever a public agency deposits any public funds  
29 in a financial institution, the public agency may enter into  
30 an agreement with the financial institution requiring any  
31 funds not insured by the Federal Deposit Insurance  
32 Corporation or the National Credit Union Administration or  
33 other approved share insurer to be collateralized by  
34 securities, mortgages, letters of credit issued by a Federal

1 Home Loan Bank, or loans covered by a State Guaranty under  
2 the Illinois Finance Authority Farm-Development Act in an  
3 amount equal to at least market value of that amount of funds  
4 deposited exceeding the insurance limitation provided by the  
5 Federal Deposit Insurance Corporation or the National Credit  
6 Union Administration or other approved share insurer.

7 (e) Paragraphs (a), (b), (c), and (d) of this Section do  
8 not apply to the University of Illinois, Southern Illinois  
9 University, Chicago State University, Eastern Illinois  
10 University, Governors State University, Illinois State  
11 University, Northeastern Illinois University, Northern  
12 Illinois University, Western Illinois University, the  
13 Cooperative Computer Center and public community colleges.

14 (Source: P.A. 91-324, eff. 1-1-00; 91-773, eff. 6-9-00.)

15 Section 890-38. The Children and Family Services Act is  
16 amended by changing Section 22.4 as follows:

17 (20 ILCS 505/22.4) (from Ch. 23, par. 5022.4)

18 Sec. 22.4. Low-interest loans for child care facilities;  
19 Department of Human Services. The Department of Human  
20 Services may establish, with financing to be provided through  
21 the issuance of bonds by the Illinois Finance Health  
22 Facilities Authority pursuant to the Illinois Finance Health  
23 Facilities Authority Act, ~~as--new--or--hereafter--amended,~~ a  
24 low-interest loan program to help child care centers and  
25 family day care homes accomplish the following:

26 (a) establish a child care program;

27 (b) meet federal, State and local child care  
28 standards as well as any applicable health and safety  
29 standards; or

30 (c) build facilities or renovate or expand existing  
31 facilities.

32 Such loans shall be available only to child care centers



1 and family day care homes serving children of low income  
2 families.

3 (Source: P.A. 89-507, eff. 7-1-97.)

4 Section 890-39. The Energy Conservation and Coal  
5 Development Act is amended by changing Section 15 as follows:

6 (20 ILCS 1105/15) (from Ch. 96 1/2, par. 7415)

7 Sec. 15. (a) The Department, in cooperation with the  
8 Illinois Development Finance Authority, shall establish a  
9 program to assist units of local government, as defined in  
10 the Illinois Development Finance Authority Act, to identify  
11 and arrange financing for energy conservation projects for  
12 buildings and facilities owned or leased by those units of  
13 local government.

14 (b) The Department, in cooperation with the Illinois  
15 Finance Health--Facilities Authority, shall establish a  
16 program to assist health facilities to identify and arrange  
17 financing for energy conservation projects for buildings and  
18 facilities owned or leased by those health facilities.

19 (Source: P.A. 87-852; 88-45.)

20 Section 890-40. The Illinois Public Aid Code is amended  
21 by changing Sections 11-3 and 11-3.3 as follows:

22 (305 ILCS 5/11-3) (from Ch. 23, par. 11-3)

23 Sec. 11-3. Assignment and attachment of aid prohibited.  
24 Except as provided below in this Section and in Section  
25 11-3.3, all financial aid given under Articles III, IV, V,  
26 and VI and money payments for child care services provided by  
27 a child care provider under Articles IX and IXA shall not be  
28 subject to assignment, sale, attachment, garnishment, or  
29 otherwise. Provided, however, that a medical vendor may use  
30 his right to receive vendor payments as collateral for loans

1 from financial institutions so long as such arrangements do  
2 not constitute any activity prohibited under Section  
3 1902(a)(32) of the Social Security Act and regulations  
4 promulgated thereunder, or any other applicable laws or  
5 regulations. Provided further, however, that a medical or  
6 other vendor or a service provider may assign, reassign,  
7 sell, pledge or grant a security interest in any such  
8 financial aid, vendor payments or money payments or grants  
9 which he has a right to receive to the Illinois Finance  
10 Health-Facilities Authority, in connection with any financing  
11 program undertaken by the Illinois Finance Health-Facilities  
12 Authority, or to the Illinois Development Finance Authority,  
13 in connection with any financing program undertaken by the  
14 Illinois Development Finance Authority. Each Authority may  
15 utilize a trustee or agent to accept, accomplish, effectuate  
16 or realize upon any such assignment, reassignment, sale,  
17 pledge or grant on that Authority's behalf. Provided further,  
18 however, that nothing herein shall prevent the Illinois  
19 Department from collecting any assessment, fee, interest or  
20 penalty due under Article V-A, V-B, V-C, or V-E by  
21 withholding financial aid as payment of such assessment, fee,  
22 interest, or penalty. Any alienation in contravention of this  
23 statute does not diminish and does not affect the validity,  
24 legality or enforceability of any underlying obligations for  
25 which such alienation may have been made as collateral  
26 between the parties to the alienation. This amendatory Act  
27 shall be retroactive in application and shall pertain to  
28 obligations existing prior to its enactment.

29 (Source: P.A. 92-111, eff. 1-1-02.)

30 (305 ILCS 5/11-3.3) (from Ch. 23, par. 11-3.3)

31 Sec. 11-3.3. Payment to provider or governmental agency  
32 or entity. Payments under this Code shall be made to the  
33 provider, except that the Department may issue or may agree

1 to issue the payment directly to the Illinois Finance Health  
2 Facilities Authority, the Illinois Development Finance  
3 Authority, or any other governmental agency or entity,  
4 including any bond trustee for that agency or entity, to whom  
5 the provider has assigned, reassigned, sold, pledged or  
6 granted a security interest in the payments that the provider  
7 has a right to receive, provided that the issuance or  
8 agreement to issue is not prohibited under Section  
9 1902(a)(32) of the Social Security Act.

10 (Source: P.A. 87-842.)

11 Section 890-41. The AIDS Confidentiality Act is amended  
12 by changing Section 3 as follows:

13 (410 ILCS 305/3) (from Ch. 111 1/2, par. 7303)

14 Sec. 3. When used in this Act:

15 (a) "Department" means the Illinois Department of Public  
16 Health.

17 (b) "AIDS" means acquired immunodeficiency syndrome.

18 (c) "HIV" means the Human Immunodeficiency Virus or any  
19 other identified causative agent of AIDS.

20 (d) "Written informed consent" means an agreement in  
21 writing executed by the subject of a test or the subject's  
22 legally authorized representative without undue inducement or  
23 any element of force, fraud, deceit, duress or other form of  
24 constraint or coercion, which entails at least the following:

25 (1) a fair explanation of the test, including its  
26 purpose, potential uses, limitations and the meaning of its  
27 results; and

28 (2) a fair explanation of the procedures to be followed,  
29 including the voluntary nature of the test, the right to  
30 withdraw consent to the testing process at any time, the  
31 right to anonymity to the extent provided by law with respect  
32 to participation in the test and disclosure of test results,

1 and the right to confidential treatment of information  
2 identifying the subject of the test and the results of the  
3 test, to the extent provided by law.

4 (e) "Health facility" means a hospital, nursing home,  
5 blood bank, blood center, sperm bank, or other health care  
6 institution, including any "health facility" as that term is  
7 defined in the Illinois Finance Health--Facilities Authority  
8 Act.

9 (f) "Health care provider" means any physician, nurse,  
10 paramedic, psychologist or other person providing medical,  
11 nursing, psychological, or other health care services of any  
12 kind.

13 (g) "Test" or "HIV test" means a test to determine the  
14 presence of the antibody or antigen to HIV, or of HIV  
15 infection.

16 (h) "Person" includes any natural person, partnership,  
17 association, joint venture, trust, governmental entity,  
18 public or private corporation, health facility or other legal  
19 entity.

20 (Source: P.A. 85-677; 85-679.)

21 Section 890-42. The State Employees Group Insurance Act  
22 of 1971 is amended by changing Section 3 as follows:

23 (5 ILCS 375/3) (from Ch. 127, par. 523)

24 Sec. 3. Definitions. Unless the context otherwise  
25 requires, the following words and phrases as used in this Act  
26 shall have the following meanings. The Department may define  
27 these and other words and phrases separately for the purpose  
28 of implementing specific programs providing benefits under  
29 this Act.

30 (a) "Administrative service organization" means any  
31 person, firm or corporation experienced in the handling of  
32 claims which is fully qualified, financially sound and

1 capable of meeting the service requirements of a contract of  
2 administration executed with the Department.

3 (b) "Annuitant" means (1) an employee who retires, or  
4 has retired, on or after January 1, 1966 on an immediate  
5 annuity under the provisions of Articles 2, 14, 15 (including  
6 an employee who has retired under the optional retirement  
7 program established under Section 15-158.2), paragraphs (2),  
8 (3), or (5) of Section 16-106, or Article 18 of the Illinois  
9 Pension Code; (2) any person who was receiving group  
10 insurance coverage under this Act as of March 31, 1978 by  
11 reason of his status as an annuitant, even though the annuity  
12 in relation to which such coverage was provided is a  
13 proportional annuity based on less than the minimum period of  
14 service required for a retirement annuity in the system  
15 involved; (3) any person not otherwise covered by this Act  
16 who has retired as a participating member under Article 2 of  
17 the Illinois Pension Code but is ineligible for the  
18 retirement annuity under Section 2-119 of the Illinois  
19 Pension Code; (4) the spouse of any person who is receiving a  
20 retirement annuity under Article 18 of the Illinois Pension  
21 Code and who is covered under a group health insurance  
22 program sponsored by a governmental employer other than the  
23 State of Illinois and who has irrevocably elected to waive  
24 his or her coverage under this Act and to have his or her  
25 spouse considered as the "annuitant" under this Act and not  
26 as a "dependent"; or (5) an employee who retires, or has  
27 retired, from a qualified position, as determined according  
28 to rules promulgated by the Director, under a qualified local  
29 government or a qualified rehabilitation facility or a  
30 qualified domestic violence shelter or service. (For  
31 definition of "retired employee", see (p) post).

32 (b-5) "New SERS annuitant" means a person who, on or  
33 after January 1, 1998, becomes an annuitant, as defined in  
34 subsection (b), by virtue of beginning to receive a

1 retirement annuity under Article 14 of the Illinois Pension  
2 Code, and is eligible to participate in the basic program of  
3 group health benefits provided for annuitants under this Act.

4 (b-6) "New SURS annuitant" means a person who (1) on or  
5 after January 1, 1998, becomes an annuitant, as defined in  
6 subsection (b), by virtue of beginning to receive a  
7 retirement annuity under Article 15 of the Illinois Pension  
8 Code, (2) has not made the election authorized under Section  
9 15-135.1 of the Illinois Pension Code, and (3) is eligible to  
10 participate in the basic program of group health benefits  
11 provided for annuitants under this Act.

12 (b-7) "New TRS State annuitant" means a person who, on  
13 or after July 1, 1998, becomes an annuitant, as defined in  
14 subsection (b), by virtue of beginning to receive a  
15 retirement annuity under Article 16 of the Illinois Pension  
16 Code based on service as a teacher as defined in paragraph  
17 (2), (3), or (5) of Section 16-106 of that Code, and is  
18 eligible to participate in the basic program of group health  
19 benefits provided for annuitants under this Act.

20 (c) "Carrier" means (1) an insurance company, a  
21 corporation organized under the Limited Health Service  
22 Organization Act or the Voluntary Health Services Plan Act, a  
23 partnership, or other nongovernmental organization, which is  
24 authorized to do group life or group health insurance  
25 business in Illinois, or (2) the State of Illinois as a  
26 self-insurer.

27 (d) "Compensation" means salary or wages payable on a  
28 regular payroll by the State Treasurer on a warrant of the  
29 State Comptroller out of any State, trust or federal fund, or  
30 by the Governor of the State through a disbursing officer of  
31 the State out of a trust or out of federal funds, or by any  
32 Department out of State, trust, federal or other funds held  
33 by the State Treasurer or the Department, to any person for  
34 personal services currently performed, and ordinary or

1 accidental disability benefits under Articles 2, 14, 15  
2 (including ordinary or accidental disability benefits under  
3 the optional retirement program established under Section  
4 15-158.2), paragraphs (2), (3), or (5) of Section 16-106, or  
5 Article 18 of the Illinois Pension Code, for disability  
6 incurred after January 1, 1966, or benefits payable under the  
7 Workers' Compensation or Occupational Diseases Act or  
8 benefits payable under a sick pay plan established in  
9 accordance with Section 36 of the State Finance Act.  
10 "Compensation" also means salary or wages paid to an employee  
11 of any qualified local government or qualified rehabilitation  
12 facility or a qualified domestic violence shelter or service.

13 (e) "Commission" means the State Employees Group  
14 Insurance Advisory Commission authorized by this Act.  
15 Commencing July 1, 1984, "Commission" as used in this Act  
16 means the Illinois Economic and Fiscal Commission as  
17 established by the Legislative Commission Reorganization Act  
18 of 1984.

19 (f) "Contributory", when referred to as contributory  
20 coverage, shall mean optional coverages or benefits elected  
21 by the member toward the cost of which such member makes  
22 contribution, or which are funded in whole or in part through  
23 the acceptance of a reduction in earnings or the foregoing of  
24 an increase in earnings by an employee, as distinguished from  
25 noncontributory coverage or benefits which are paid entirely  
26 by the State of Illinois without reduction of the member's  
27 salary.

28 (g) "Department" means any department, institution,  
29 board, commission, officer, court or any agency of the State  
30 government receiving appropriations and having power to  
31 certify payrolls to the Comptroller authorizing payments of  
32 salary and wages against such appropriations as are made by  
33 the General Assembly from any State fund, or against trust  
34 funds held by the State Treasurer and includes boards of

1 trustees of the retirement systems created by Articles 2, 14,  
2 15, 16 and 18 of the Illinois Pension Code. "Department"  
3 also includes the Illinois Comprehensive Health Insurance  
4 Board, the Board of Examiners established under the Illinois  
5 Public Accounting Act, and the Illinois Finance Authority  
6 Rural-Bond-Bank.

7 (h) "Dependent", when the term is used in the context of  
8 the health and life plan, means a member's spouse and any  
9 unmarried child (1) from birth to age 19 including an adopted  
10 child, a child who lives with the member from the time of the  
11 filing of a petition for adoption until entry of an order of  
12 adoption, a stepchild or recognized child who lives with the  
13 member in a parent-child relationship, or a child who lives  
14 with the member if such member is a court appointed guardian  
15 of the child, or (2) age 19 to 23 enrolled as a full-time  
16 student in any accredited school, financially dependent upon  
17 the member, and eligible to be claimed as a dependent for  
18 income tax purposes, or (3) age 19 or over who is mentally or  
19 physically handicapped. For the health plan only, the term  
20 "dependent" also includes any person enrolled prior to the  
21 effective date of this Section who is dependent upon the  
22 member to the extent that the member may claim such person as  
23 a dependent for income tax deduction purposes; no other such  
24 person may be enrolled. For the health plan only, the term  
25 "dependent" also includes any person who has received after  
26 June 30, 2000 an organ transplant and who is financially  
27 dependent upon the member and eligible to be claimed as a  
28 dependent for income tax purposes.

29 (i) "Director" means the Director of the Illinois  
30 Department of Central Management Services.

31 (j) "Eligibility period" means the period of time a  
32 member has to elect enrollment in programs or to select  
33 benefits without regard to age, sex or health.

34 (k) "Employee" means and includes each officer or



1 employee in the service of a department who (1) receives his  
2 compensation for service rendered to the department on a  
3 warrant issued pursuant to a payroll certified by a  
4 department or on a warrant or check issued and drawn by a  
5 department upon a trust, federal or other fund or on a  
6 warrant issued pursuant to a payroll certified by an elected  
7 or duly appointed officer of the State or who receives  
8 payment of the performance of personal services on a warrant  
9 issued pursuant to a payroll certified by a Department and  
10 drawn by the Comptroller upon the State Treasurer against  
11 appropriations made by the General Assembly from any fund or  
12 against trust funds held by the State Treasurer, and (2) is  
13 employed full-time or part-time in a position normally  
14 requiring actual performance of duty during not less than 1/2  
15 of a normal work period, as established by the Director in  
16 cooperation with each department, except that persons elected  
17 by popular vote will be considered employees during the  
18 entire term for which they are elected regardless of hours  
19 devoted to the service of the State, and (3) except that  
20 "employee" does not include any person who is not eligible by  
21 reason of such person's employment to participate in one of  
22 the State retirement systems under Articles 2, 14, 15 (either  
23 the regular Article 15 system or the optional retirement  
24 program established under Section 15-158.2) or 18, or under  
25 paragraph (2), (3), or (5) of Section 16-106, of the Illinois  
26 Pension Code, but such term does include persons who are  
27 employed during the 6 month qualifying period under Article  
28 14 of the Illinois Pension Code. Such term also includes any  
29 person who (1) after January 1, 1966, is receiving ordinary  
30 or accidental disability benefits under Articles 2, 14, 15  
31 (including ordinary or accidental disability benefits under  
32 the optional retirement program established under Section  
33 15-158.2), paragraphs (2), (3), or (5) of Section 16-106, or  
34 Article 18 of the Illinois Pension Code, for disability

1 incurred after January 1, 1966, (2) receives total permanent  
2 or total temporary disability under the Workers' Compensation  
3 Act or Occupational Disease Act as a result of injuries  
4 sustained or illness contracted in the course of employment  
5 with the State of Illinois, or (3) is not otherwise covered  
6 under this Act and has retired as a participating member  
7 under Article 2 of the Illinois Pension Code but is  
8 ineligible for the retirement annuity under Section 2-119 of  
9 the Illinois Pension Code. However, a person who satisfies  
10 the criteria of the foregoing definition of "employee" except  
11 that such person is made ineligible to participate in the  
12 State Universities Retirement System by clause (4) of  
13 subsection (a) of Section 15-107 of the Illinois Pension Code  
14 is also an "employee" for the purposes of this Act.  
15 "Employee" also includes any person receiving or eligible for  
16 benefits under a sick pay plan established in accordance with  
17 Section 36 of the State Finance Act. "Employee" also includes  
18 each officer or employee in the service of a qualified local  
19 government, including persons appointed as trustees of  
20 sanitary districts regardless of hours devoted to the service  
21 of the sanitary district, and each employee in the service of  
22 a qualified rehabilitation facility and each full-time  
23 employee in the service of a qualified domestic violence  
24 shelter or service, as determined according to rules  
25 promulgated by the Director.

26 (l) "Member" means an employee, annuitant, retired  
27 employee or survivor.

28 (m) "Optional coverages or benefits" means those  
29 coverages or benefits available to the member on his or her  
30 voluntary election, and at his or her own expense.

31 (n) "Program" means the group life insurance, health  
32 benefits and other employee benefits designed and contracted  
33 for by the Director under this Act.

34 (o) "Health plan" means a health benefits program

1 offered by the State of Illinois for persons eligible for the  
2 plan.

3 (p) "Retired employee" means any person who would be an  
4 annuitant as that term is defined herein but for the fact  
5 that such person retired prior to January 1, 1966. Such term  
6 also includes any person formerly employed by the University  
7 of Illinois in the Cooperative Extension Service who would be  
8 an annuitant but for the fact that such person was made  
9 ineligible to participate in the State Universities  
10 Retirement System by clause (4) of subsection (a) of Section  
11 15-107 of the Illinois Pension Code.

12 (q) "Survivor" means a person receiving an annuity as a  
13 survivor of an employee or of an annuitant. "Survivor" also  
14 includes: (1) the surviving dependent of a person who  
15 satisfies the definition of "employee" except that such  
16 person is made ineligible to participate in the State  
17 Universities Retirement System by clause (4) of subsection  
18 (a) of Section 15-107 of the Illinois Pension Code; and (2)  
19 the surviving dependent of any person formerly employed by  
20 the University of Illinois in the Cooperative Extension  
21 Service who would be an annuitant except for the fact that  
22 such person was made ineligible to participate in the State  
23 Universities Retirement System by clause (4) of subsection  
24 (a) of Section 15-107 of the Illinois Pension Code.

25 (q-5) "New SERS survivor" means a survivor, as defined  
26 in subsection (q), whose annuity is paid under Article 14 of  
27 the Illinois Pension Code and is based on the death of (i) an  
28 employee whose death occurs on or after January 1, 1998, or  
29 (ii) a new SERS annuitant as defined in subsection (b-5).

30 (q-6) "New SERS survivor" means a survivor, as defined  
31 in subsection (q), whose annuity is paid under Article 15 of  
32 the Illinois Pension Code and is based on the death of (i) an  
33 employee whose death occurs on or after January 1, 1998, or  
34 (ii) a new SERS annuitant as defined in subsection (b-6).

1           (q-7) "New TRS State survivor" means a survivor, as  
2 defined in subsection (q), whose annuity is paid under  
3 Article 16 of the Illinois Pension Code and is based on the  
4 death of (i) an employee who is a teacher as defined in  
5 paragraph (2), (3), or (5) of Section 16-106 of that Code and  
6 whose death occurs on or after July 1, 1998, or (ii) a new  
7 TRS State annuitant as defined in subsection (b-7).

8           (r) "Medical services" means the services provided  
9 within the scope of their licenses by practitioners in all  
10 categories licensed under the Medical Practice Act of 1987.

11           (s) "Unit of local government" means any county,  
12 municipality, township, school district (including a  
13 combination of school districts under the Intergovernmental  
14 Cooperation Act), special district or other unit, designated  
15 as a unit of local government by law, which exercises limited  
16 governmental powers or powers in respect to limited  
17 governmental subjects, any not-for-profit association with a  
18 membership that primarily includes townships and township  
19 officials, that has duties that include provision of research  
20 service, dissemination of information, and other acts for the  
21 purpose of improving township government, and that is funded  
22 wholly or partly in accordance with Section 85-15 of the  
23 Township Code; any not-for-profit corporation or association,  
24 with a membership consisting primarily of municipalities,  
25 that operates its own utility system, and provides research,  
26 training, dissemination of information, or other acts to  
27 promote cooperation between and among municipalities that  
28 provide utility services and for the advancement of the goals  
29 and purposes of its membership; the Southern Illinois  
30 Collegiate Common Market, which is a consortium of higher  
31 education institutions in Southern Illinois; and the Illinois  
32 Association of Park Districts. "Qualified local government"  
33 means a unit of local government approved by the Director and  
34 participating in a program created under subsection (i) of

1 Section 10 of this Act.

2 (t) "Qualified rehabilitation facility" means any  
3 not-for-profit organization that is accredited by the  
4 Commission on Accreditation of Rehabilitation Facilities or  
5 certified by the Department of Human Services (as successor  
6 to the Department of Mental Health and Developmental  
7 Disabilities) to provide services to persons with  
8 disabilities and which receives funds from the State of  
9 Illinois for providing those services, approved by the  
10 Director and participating in a program created under  
11 subsection (j) of Section 10 of this Act.

12 (u) "Qualified domestic violence shelter or service"  
13 means any Illinois domestic violence shelter or service and  
14 its administrative offices funded by the Department of Human  
15 Services (as successor to the Illinois Department of Public  
16 Aid), approved by the Director and participating in a program  
17 created under subsection (k) of Section 10.

18 (v) "TRS benefit recipient" means a person who:

19 (1) is not a "member" as defined in this Section;  
20 and

21 (2) is receiving a monthly benefit or retirement  
22 annuity under Article 16 of the Illinois Pension Code;  
23 and

24 (3) either (i) has at least 8 years of creditable  
25 service under Article 16 of the Illinois Pension Code, or  
26 (ii) was enrolled in the health insurance program offered  
27 under that Article on January 1, 1996, or (iii) is the  
28 survivor of a benefit recipient who had at least 8 years  
29 of creditable service under Article 16 of the Illinois  
30 Pension Code or was enrolled in the health insurance  
31 program offered under that Article on the effective date  
32 of this amendatory Act of 1995, or (iv) is a recipient or  
33 survivor of a recipient of a disability benefit under  
34 Article 16 of the Illinois Pension Code.

1 (w) "TRS dependent beneficiary" means a person who:  
2 (1) is not a "member" or "dependent" as defined in  
3 this Section; and  
4 (2) is a TRS benefit recipient's: (A) spouse, (B)  
5 dependent parent who is receiving at least half of his or  
6 her support from the TRS benefit recipient, or (C)  
7 unmarried natural or adopted child who is (i) under age  
8 19, or (ii) enrolled as a full-time student in an  
9 accredited school, financially dependent upon the TRS  
10 benefit recipient, eligible to be claimed as a dependent  
11 for income tax purposes, and either is under age 24 or  
12 was, on January 1, 1996, participating as a dependent  
13 beneficiary in the health insurance program offered under  
14 Article 16 of the Illinois Pension Code, or (iii) age 19  
15 or over who is mentally or physically handicapped.

16 (x) "Military leave with pay and benefits" refers to  
17 individuals in basic training for reserves, special/advanced  
18 training, annual training, emergency call up, or activation  
19 by the President of the United States with approved pay and  
20 benefits.

21 (y) "Military leave without pay and benefits" refers to  
22 individuals who enlist for active duty in a regular component  
23 of the U.S. Armed Forces or other duty not specified or  
24 authorized under military leave with pay and benefits.

25 (z) "Community college benefit recipient" means a person  
26 who:

27 (1) is not a "member" as defined in this Section;  
28 and

29 (2) is receiving a monthly survivor's annuity or  
30 retirement annuity under Article 15 of the Illinois  
31 Pension Code; and

32 (3) either (i) was a full-time employee of a  
33 community college district or an association of community  
34 college boards created under the Public Community College

1 Act (other than an employee whose last employer under  
2 Article 15 of the Illinois Pension Code was a community  
3 college district subject to Article VII of the Public  
4 Community College Act) and was eligible to participate in  
5 a group health benefit plan as an employee during the  
6 time of employment with a community college district  
7 (other than a community college district subject to  
8 Article VII of the Public Community College Act) or an  
9 association of community college boards, or (ii) is the  
10 survivor of a person described in item (i).

11 (aa) "Community college dependent beneficiary" means a  
12 person who:

13 (1) is not a "member" or "dependent" as defined in  
14 this Section; and

15 (2) is a community college benefit recipient's: (A)  
16 spouse, (B) dependent parent who is receiving at least  
17 half of his or her support from the community college  
18 benefit recipient, or (C) unmarried natural or adopted  
19 child who is (i) under age 19, or (ii) enrolled as a  
20 full-time student in an accredited school, financially  
21 dependent upon the community college benefit recipient,  
22 eligible to be claimed as a dependent for income tax  
23 purposes and under age 23, or (iii) age 19 or over and  
24 mentally or physically handicapped.

25 (Source: P.A. 91-390, eff. 7-30-99; 91-395, eff. 7-30-99;  
26 91-617, eff. 8-19-99; 92-16, eff. 6-28-01; 92-186, eff.  
27 1-1-02; 92-204, eff. 8-1-01; 92-651, eff. 7-11-02.)

28 Section 890-43. The Build Illinois Act is amended by  
29 changing Section 8-3 as follows:

30 (30 ILCS 750/8-3) (from Ch. 127, par. 2708-3)

31 Sec. 8-3. Powers of the Department. The Department has  
32 the power to:

1 (a) provide business development public infrastructure  
2 loans or grants from appropriations from the Build Illinois  
3 Bond Fund, the Build Illinois Purposes Fund, the Fund for  
4 Illinois' Future, and the Public Infrastructure Construction  
5 Loan Fund to local governments to provide or improve a  
6 community's public infrastructure so as to create or retain  
7 private sector jobs pursuant to the provisions of this  
8 Article;

9 (b) provide affordable financing of public  
10 infrastructure loans and grants to, or on behalf of, local  
11 governments, local public entities, medical facilities, and  
12 public health clinics from appropriations from the Public  
13 Infrastructure Construction Loan Fund for the purpose of  
14 assisting with the financing, or application and access to  
15 financing, of a community's public infrastructure necessary  
16 to health, safety, and economic development;

17 (c) enter into agreements, accept funds or grants, and  
18 engage in cooperation with agencies of the federal  
19 government, or state or local governments to carry out the  
20 purposes of this Article, and to use funds appropriated  
21 pursuant to this Article to participate in federal  
22 infrastructure loan and grant programs upon such terms and  
23 conditions as may be established by the federal government;

24 (d) establish application, notification, contract, and  
25 other procedures, rules, or regulations deemed necessary and  
26 appropriate to carry out the provisions of this Article;

27 (e) coordinate assistance under this program with  
28 activities of the Illinois Development Finance Authority in  
29 order to maximize the effectiveness and efficiency of State  
30 development programs;

31 (f) coordinate assistance under the Affordable Financing  
32 of Public Infrastructure Loan and Grant Program with the  
33 activities of the Illinois Development Finance Authority,  
34 Illinois Finance Authority Rural--Bond-Bank, Illinois Farm



1 Development Authority, Illinois Housing Development  
2 Authority, Illinois Environmental Protection Agency, and  
3 other federal and State programs and entities providing  
4 financing assistance to communities for public health,  
5 safety, and economic development infrastructure;

6 (f-5) provide staff, administration, and related support  
7 required to manage the programs authorized under this Article  
8 and pay for the staffing, administration, and related support  
9 from the Public Infrastructure Construction Loan Revolving  
10 Fund;

11 (g) exercise such other powers as are necessary or  
12 incidental to the foregoing.

13 (Source: P.A. 90-454, eff. 8-16-97; 91-34, eff. 7-1-99.)

14 Section 890-44. The Illinois Pension Code is amended by  
15 changing Section 14-103.04 as follows:

16 (40 ILCS 5/14-103.04) (from Ch. 108 1/2, par. 14-103.04)  
17 Sec. 14-103.04. Department. "Department": Any  
18 department, institution, board, commission, officer, court,  
19 or any agency of the State having power to certify payrolls  
20 to the State Comptroller authorizing payments of salary or  
21 wages against State appropriations, or against trust funds  
22 held by the State Treasurer, except those departments  
23 included under the term "employer" in the State Universities  
24 Retirement System. "Department" includes the Illinois  
25 Development Finance Authority. "Department" also includes  
26 the Illinois Comprehensive Health Insurance Board and the  
27 Illinois Finance Authority Rural-Bond-Bank.

28 (Source: P.A. 90-511, eff. 8-22-97.)

29 Section 890-90. The following Acts are repealed:

30 (20 ILCS 3505/Act rep.)

1 The Illinois Development Finance Authority Act.

2 (20 ILCS 3605/Act rep.)

3 The Illinois Farm Development Act.

4 (20 ILCS 3705/Act rep.)

5 The Illinois Health Facilities Authority Act.

6 (20 ILCS 3850/Act rep.)

7 The Illinois Research Park Authority Act.

8 (30 ILCS 360/Act rep.)

9 The Rural Bond Bank Act.

10 (110 ILCS 1015/Act rep.)

11 The Illinois Educational Facilities Authority Act.

12 (315 ILCS 15/Act rep.)

13 The Illinois Community Development Finance Corporation  
14 Act.

15 ARTICLE 999

16 Section 999-99. Effective date. This Act takes effect  
17 on January 1, 2004.