

1 AN ACT concerning economic development.

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

4 Section 1. Short title. This Act may be cited as the
5 Southern Illinois Economic Development Authority Act.

6 Section 10. Findings. The General Assembly determines and
7 declares the following:

8 (1) that labor surplus areas currently exist in southern
9 Illinois;

10 (2) that the economic burdens resulting from involuntary
11 unemployment fall, in part, upon the State in the form of
12 increased need for public assistance and reduced tax revenues
13 and, in the event that the unemployed worker and his or her
14 family migrate elsewhere to find work, the burden may also fall
15 upon the municipalities and other taxing districts within the
16 areas of unemployment in the form of reduced tax revenues,
17 thereby endangering their financial ability to support
18 necessary governmental services for their remaining
19 inhabitants;

20 (3) that the State has a responsibility to help create a
21 favorable climate for new and improved job opportunities for
22 its citizens by encouraging the development of tourism,
23 commercial, and service businesses and industrial and
24 manufacturing plants within southern Illinois;

25 (4) that a lack of decent housing contributes to urban
26 blight, crime, anti-social behavior, disease, a higher need for
27 public assistance, reduced tax revenues, and the migration of
28 workers and their families away from areas which fail to offer
29 adequate, decent, and affordable housing;

30 (5) that decent, affordable housing is a necessary
31 ingredient of life affording each citizen basic human dignity,
32 a sense of self worth, confidence, and a firm foundation upon

1 which to build a family and educate children;

2 (6) that in order to foster civic and neighborhood pride,
3 citizens require access to educational institutions,
4 recreation, parks and open spaces, entertainment, sports, a
5 reliable transportation network, cultural facilities, and
6 theaters; and

7 (7) that the main purpose of this Act is to promote
8 industrial, commercial, residential, service, transportation,
9 and recreational activities and facilities, thereby reducing
10 the evils attendant upon unemployment and enhancing the public
11 health, safety, morals, happiness, and general welfare of the
12 State.

13 Section 15. Definitions. In this Act:

14 "Authority" means the Southern Illinois Economic
15 Development Authority.

16 "Governmental agency" means any federal, State, or local
17 governmental body and any agency or instrumentality thereof,
18 corporate or otherwise.

19 "Person" means any natural person, firm, partnership,
20 corporation, both domestic and foreign, company, association
21 or joint stock association and includes any trustee, receiver,
22 assignee or personal representative thereof.

23 "Revenue bond" means any bond issued by the Authority, the
24 principal and interest of which is payable solely from revenues
25 or income derived from any project or activity of the
26 Authority.

27 "Board" means the Board of Directors of the Southern
28 Illinois Economic Development Authority.

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

30 "City" means any city, village, incorporated town, or
31 township within the geographical territory of the Authority.

32 "Industrial project" means the following:

33 (1) a capital project, including one or more buildings and
34 other structures, improvements, machinery and equipment
35 whether or not on the same site or sites now existing or

1 hereafter acquired, suitable for use by any manufacturing,
2 industrial, research, transportation or commercial enterprise
3 including but not limited to use as a factory, mill, processing
4 plant, assembly plant, packaging plant, fabricating plant,
5 ethanol plant, office building, industrial distribution
6 center, warehouse, repair, overhaul or service facility,
7 freight terminal, research facility, test facility, power
8 generation facility, mining operation, railroad facility,
9 solid waste and wastewater treatment and disposal sites and
10 other pollution control facilities, resource or waste
11 reduction, recovery, treatment and disposal facilities,
12 tourism-related facilities, including hotels, theaters, water
13 parks, and amusement parks, and including also the sites
14 thereof and other rights in land therefore whether improved or
15 unimproved, site preparation and landscaping and all
16 appurtenances and facilities incidental thereto such as
17 utilities, access roads, railroad sidings, truck docking and
18 similar facilities, parking facilities, dockage, wharfage,
19 railroad roadbed, track, trestle, depot, terminal, switching
20 and signaling equipment or related equipment and other
21 improvements necessary or convenient thereto; or

22 (2) any land, buildings, machinery or equipment comprising
23 an addition to or renovation, rehabilitation or improvement of
24 any existing capital project.

25 "Commercial project" means any project, including, but not
26 limited to, one or more buildings and other structures,
27 improvements, machinery, and equipment, whether or not on the
28 same site or sites now existing or hereafter acquired, suitable
29 for use by any retail or wholesale concern, distributorship, or
30 agency, or health facility or retirement facility.

31 "Project" means an industrial, housing, residential,
32 commercial, or service project, or any combination thereof,
33 provided that all uses fall within one of the categories
34 described above. Any project automatically includes all site
35 improvements and new construction involving sidewalks, sewers,
36 solid waste and wastewater treatment and disposal sites and

1 other pollution control facilities, resource or waste
2 reduction, recovery, treatment and disposal facilities, parks,
3 open spaces, wildlife sanctuaries, streets, highways, and
4 runways.

5 "Lease agreement" means an agreement in which a project
6 acquired by the Authority by purchase, gift, or lease is leased
7 to any person or corporation that will use, or cause the
8 project to be used, as a project, upon terms providing for
9 lease rental payments at least sufficient to pay, when due, all
10 principal of and interest and premium, if any, on any bonds,
11 notes, or other evidences of indebtedness of the Authority,
12 issued with respect to the project, providing for the
13 maintenance, insurance, and operation of the project on terms
14 satisfactory to the Authority and providing for disposition of
15 the project upon termination of the lease term, including
16 purchase options or abandonment of the premises, with other
17 terms as may be deemed desirable by the Authority.

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

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

35 "Costs incurred in connection with the development,
36 construction, acquisition or improvement of a project" means

1 the following:

2 (1) the cost of purchase and construction of all lands and
3 improvements in connection therewith and equipment and other
4 property, rights, easements, and franchises acquired which are
5 deemed necessary for the construction;

6 (2) financing charges;

7 (3) interest costs with respect to bonds, notes, and other
8 evidences of indebtedness of the Authority prior to and during
9 construction and for a period of 6 months thereafter;

10 (4) engineering and legal expenses; and

11 (5) the costs of plans, specifications, surveys, and
12 estimates of costs and other expenses necessary or incident to
13 determining the feasibility or practicability of any project,
14 together with such other expenses as may be necessary or
15 incident to the financing, insuring, acquisition, and
16 construction of a specific project and the placing of the same
17 in operation.

18 Section 20. Creation.

19 (a) There is created a political subdivision, body politic,
20 and municipal corporation named the Southern Illinois Economic
21 Development Authority. The territorial jurisdiction of the
22 Authority is that geographic area within the boundaries of the
23 following counties: Franklin, Williamson, Jackson, Union,
24 Alexander, Pulaski, Massac, Pope, Saline, Hardin, Gallatin,
25 and Johnson and any navigable waters and air space located
26 therein.

27 (b) The governing and administrative powers of the
28 Authority shall be vested in a body consisting of 10 members as
29 follows:

30 (1) Nine members shall be appointed by the Governor
31 with the advice and consent of the Senate.

32 (2) One member shall be appointed by the Director of
33 Commerce and Economic Opportunity.

34 All public members shall reside within the territorial
35 jurisdiction of the Authority. The public members shall be

1 persons of recognized ability and experience in one or more of
2 the following areas: economic development, finance, banking,
3 industrial development, state or local government, commercial
4 agriculture, small business management, real estate
5 development, community development, venture finance, organized
6 labor, or civic or community organization.

7 (c) Six members shall constitute a quorum.

8 (d) The chairman of the Authority shall be elected annually
9 by the Board.

10 (e) The terms of all initial members of the Authority shall
11 begin 30 days after the effective date of this Act. Of the 10
12 original members appointed pursuant to subsection (b), one
13 shall serve until the third Monday in January, 2007; one shall
14 serve until the third Monday in January, 2008; 2 shall serve
15 until the third Monday in January, 2009; 2 shall serve until
16 the third Monday in January, 2010; 2 shall serve until the
17 third Monday in January, 2011; and 2 shall serve until the
18 third Monday in January, 2012. All successors to these original
19 public members shall be appointed by the Governor with the
20 advice and consent of the Senate, or by the Director of
21 Commerce and Economic Opportunity, as the case may be, pursuant
22 to subsection (b), and shall hold office for a term of 3 years
23 commencing the third Monday in January of the year in which
24 their term commences, except in the case of an appointment to
25 fill a vacancy. Vacancies occurring among the public members
26 shall be filled for the remainder of the term. In case of
27 vacancy in a Governor-appointed membership when the Senate is
28 not in session, the Governor may make a temporary appointment
29 until the next meeting of the Senate when a person shall be
30 nominated to fill the office and, upon confirmation by the
31 Senate, he or she shall hold office during the remainder of the
32 term and until a successor is appointed and qualified. Members
33 of the Authority are not entitled to compensation for their
34 services as members but are entitled to reimbursement for all
35 necessary expenses incurred in connection with the performance
36 of their duties as members. Members of the Board may

1 participate in Board meetings by teleconference or video
2 conference.

3 (f) The Governor may remove any public member of the
4 Authority appointed by the Governor, and the Director of
5 Commerce and Economic Opportunity may remove any public member
6 appointed by the Director, in case of incompetence, neglect of
7 duty, or malfeasance in office.

8 (g) The Board shall appoint an Executive Director who shall
9 have a background in finance, including familiarity with the
10 legal and procedural requirements of issuing bonds, real
11 estate, or economic development and administration. The
12 Executive Director shall hold office at the discretion of the
13 Board. The Executive Director shall be the chief administrative
14 and operational officer of the Authority, shall direct and
15 supervise its administrative affairs and general management,
16 perform such other duties as may be prescribed from time to
17 time by the members, and receive compensation fixed by the
18 Authority. The Executive Director shall attend all meetings of
19 the Authority. However, no action of the Authority shall be
20 invalid on account of the absence of the Executive Director
21 from a meeting. The Authority may engage the services of the
22 Illinois Finance Authority, attorneys, appraisers, engineers,
23 accountants, credit analysts, and other consultants, if the
24 Southern Illinois Economic Development Authority deems it
25 advisable.

26 Section 25. Duty. All official acts of the Authority shall
27 require the approval of at least 6 members. It shall be the
28 duty of the Authority to promote development within the
29 territorial jurisdiction of the Authority. The Authority shall
30 use the powers conferred upon it to assist in the development,
31 construction, and acquisition of industrial, commercial,
32 housing, or residential projects within its territorial
33 jurisdiction.

34 Section 30. Powers.

1 (a) The Authority possesses all the powers of a body
2 corporate necessary and convenient to accomplish the purposes
3 of this Act, including, without any intended limitation upon
4 the general powers hereby conferred, the following powers:

5 (1) to enter into loans, contracts, agreements, and
6 mortgages in any matter connected with any of its corporate
7 purposes and to invest its funds;

8 (2) to sue and be sued;

9 (3) to utilize services of the Illinois Finance
10 Authority;

11 (4) to have and use a common seal and to alter the seal
12 at its discretion;

13 (5) to adopt all needful ordinances, resolutions,
14 by-laws, rules, and regulations for the conduct of its
15 business and affairs and for the management and use of the
16 projects developed, constructed, acquired, and improved in
17 furtherance of its purposes;

18 (6) to own or finance communications projects such as
19 telecommunications, fiber optics, and data transfer
20 projects;

21 (7) to designate the fiscal year for the Authority;

22 (8) to accept and expend appropriations;

23 (9) to acquire, own, lease, sell, or otherwise dispose
24 of interests in and to real property and improvements
25 situated on that real property and in personal property
26 necessary to fulfill the purposes of the Authority;

27 (10) to engage in any activity or operation which is
28 incidental to and in furtherance of efficient operation to
29 accomplish the Authority's primary purpose;

30 (11) to acquire, own, construct, lease, operate, and
31 maintain bridges, terminals, terminal facilities, and port
32 facilities and to fix and collect just, reasonable, and
33 nondiscriminatory charges for the use of such facilities.
34 These charges shall be used to defray the reasonable
35 expenses of the Authority and to pay the principal and
36 interest of any revenue bonds issued by the Authority;

1 (12) subject to any applicable condition imposed by
2 this Act, to locate, establish and maintain a public
3 airport, public airports and public airport facilities
4 within its corporate limits or within or upon any body of
5 water adjacent thereto and to construct, develop, expand,
6 extend and improve any such airport or airport facility;
7 and

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

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

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

23 Section 35. Bonds.

24 (a) The Authority, with the written approval of the
25 Governor, shall have the continuing power to issue bonds,
26 notes, or other evidences of indebtedness in an aggregate
27 amount not to exceed \$250,000,000 for the following purposes:
28 (i) development, construction, acquisition, or improvement of
29 projects, including those established by business entities
30 locating or expanding property within the territorial
31 jurisdiction of the Authority; (ii) entering into venture
32 capital agreements with businesses locating or expanding
33 within the territorial jurisdiction of the Authority; (iii)
34 acquisition and improvement of any property necessary and
35 useful in connection therewith; and (iv) for the purposes of

1 the Employee Ownership Assistance Act. For the purpose of
2 evidencing the obligations of the Authority to repay any money
3 borrowed, the Authority may, pursuant to resolution, from time
4 to time, issue and dispose of its interest-bearing revenue
5 bonds, notes, or other evidences of indebtedness and may also
6 from time to time issue and dispose of such bonds, notes, or
7 other evidences of indebtedness to refund, at maturity, at a
8 redemption date or in advance of either, any bonds, notes, or
9 other evidences of indebtedness pursuant to redemption
10 provisions or at any time before maturity. All such bonds,
11 notes, or other evidences of indebtedness shall be payable
12 solely and only from the revenues or income to be derived from
13 loans made with respect to projects, from the leasing or sale
14 of the projects, or from any other funds available to the
15 Authority for such purposes. The bonds, notes, or other
16 evidences of indebtedness may bear such date or dates, may
17 mature at such time or times not exceeding 40 years from their
18 respective dates, may bear interest at such rate or rates not
19 exceeding the maximum rate permitted by the Bond Authorization
20 Act, may be in such form, may carry such registration
21 privileges, may be executed in such manner, may be payable at
22 such place or places, may be made subject to redemption in such
23 manner and upon such terms, with or without premium, as is
24 stated on the face thereof, may be authenticated in such manner
25 and may contain such terms and covenants as may be provided by
26 an applicable resolution.

27 (b) The holder or holders of any bonds, notes, or other
28 evidences of indebtedness issued by the Authority may bring
29 suits at law or proceedings in equity to compel the performance
30 and observance by any corporation or person or by the Authority
31 or any of its agents or employees of any contract or covenant
32 made with the holders of the bonds, notes, or other evidences
33 of indebtedness, to compel such corporation, person, the
34 Authority, and any of its agents or employees to perform any
35 duties required to be performed for the benefit of the holders
36 of the bonds, notes, or other evidences of indebtedness by the

1 provision of the resolution authorizing their issuance and to
2 enjoin the corporation, person, the Authority, and any of its
3 agents or employees from taking any action in conflict with any
4 contract or covenant.

5 (c) If the Authority fails to pay the principal of or
6 interest on any of the bonds or premium, if any, as the bond
7 becomes due, a civil action to compel payment may be instituted
8 in the appropriate circuit court by the holder or holders of
9 the bonds on which the default of payment exists or by an
10 indenture trustee acting on behalf of the holders. Delivery of
11 a summons and a copy of the complaint to the chairman of the
12 Board shall constitute sufficient service to give the circuit
13 court jurisdiction over the subject matter of the suit and
14 jurisdiction over the Authority and its officers named as
15 defendants for the purpose of compelling such payment. Any
16 case, controversy, or cause of action concerning the validity
17 of this Act relates to the revenue of the State of Illinois.

18 (d) Notwithstanding the form and tenor of any bond, note,
19 or other evidence of indebtedness and in the absence of any
20 express recital on its face that it is non-negotiable, all such
21 bonds, notes, and other evidences of indebtedness shall be
22 negotiable instruments. Pending the preparation and execution
23 of any bonds, notes, or other evidences of indebtedness,
24 temporary bonds, notes, or evidences of indebtedness may be
25 issued as provided by ordinance.

26 (e) To secure the payment of any or all of such bonds,
27 notes, or other evidences of indebtedness, the revenues to be
28 received by the Authority from a lease agreement or loan
29 agreement shall be pledged, and, for the purpose of setting
30 forth the covenants and undertakings of the Authority in
31 connection with the issuance of the bonds, notes, or other
32 evidences of indebtedness and the issuance of any additional
33 bonds, notes or other evidences of indebtedness payable from
34 such revenues, income, or other funds to be derived from
35 projects, the Authority may execute and deliver a mortgage or
36 trust agreement. A remedy for any breach or default of the

1 terms of any mortgage or trust agreement by the Authority may
2 be by mandamus proceeding in the appropriate circuit court to
3 compel performance and compliance under the terms of the
4 mortgage or trust agreement, but the trust agreement may
5 prescribe by whom or on whose behalf the action may be
6 instituted.

7 (f) Bonds or notes shall be secured as provided in the
8 authorizing ordinance which may include, notwithstanding any
9 other provision of this Act, in addition to any other security,
10 a specific pledge, assignment of and lien on, or security
11 interest in any or all revenues or money of the Authority, from
12 whatever source, which may, by law, be used for debt service
13 purposes and a specific pledge, or assignment of and lien on,
14 or security interest in any funds or accounts established or
15 provided for by ordinance of the Authority authorizing the
16 issuance of the bonds or notes.

17 (g) The State of Illinois pledges to and agrees with the
18 holders of the bonds and notes of the Authority issued pursuant
19 to this Section that the State will not limit or alter the
20 rights and powers vested in the Authority by this Act so as to
21 impair the terms of any contract made by the Authority with the
22 holders of bonds or notes or in any way impair the rights and
23 remedies of those holders until the bonds and notes, together
24 with interest thereon, with interest on any unpaid installments
25 of interest, and all costs and expenses in connection with any
26 action or proceedings by or on behalf of the holders, are fully
27 met and discharged. In addition, the State pledges to and
28 agrees with the holders of the bonds and notes of the Authority
29 issued pursuant to this Section that the State will not limit
30 or alter the basis on which State funds are to be paid to the
31 Authority as provided in this Act, or the use of such funds, so
32 as to impair the terms of any such contract. The Authority is
33 authorized to include these pledges and agreements of the State
34 in any contract with the holders of bonds or notes issued
35 pursuant to this Section.

1 Section 40. Bonds and notes; exemption from taxation. The
2 creation of the Authority is in all respects for the benefit of
3 the people of Illinois and for the improvement of their health,
4 safety, welfare, comfort, and security, and its purposes are
5 public purposes. In consideration thereof, the notes and bonds
6 of the Authority issued pursuant to this Act and the income
7 from these notes and bonds may be free from all taxation by the
8 State or its political subdivisions, except for estate,
9 transfer, and inheritance taxes. The exemption from taxation
10 provided by the preceding sentence shall apply to the income on
11 any notes or bonds of the Authority only if the Authority in
12 its sole judgment determines that the exemption enhances the
13 marketability of the bonds or notes or reduces the interest
14 rates that would otherwise be borne by the bonds or notes. For
15 purposes of Section 250 of the Illinois Income Tax Act, the
16 exemption of the Authority shall terminate after all of the
17 bonds have been paid. The amount of such income that shall be
18 added and then subtracted on the Illinois income tax return of
19 a taxpayer, subject to Section 203 of the Illinois Income Tax
20 Act, from federal adjusted gross income or federal taxable
21 income in computing Illinois base income shall be the interest
22 net of any bond premium amortization.

23 Section 45. Acquisition.

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

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

35 (c) The Authority shall have power to develop, construct,

1 and improve, either under its own direction or through
2 collaboration with any approved applicant, or to acquire,
3 through purchase or otherwise, any project, using for this
4 purpose the proceeds derived from its sale of revenue bonds,
5 notes, or other evidences of indebtedness or governmental loans
6 or grants and shall have the power to hold title to those
7 projects in the name of the Authority.

8 (d) The Authority shall have the power to enter into
9 intergovernmental agreements with the State of Illinois, the
10 counties of Franklin, Williamson, Jackson, Union, Alexander,
11 Pulaski, Massac, Pope, Saline, Hardin, Gallatin, and Johnson,
12 the Illinois Development Finance Authority, the Illinois
13 Housing Development Authority, the Illinois Education
14 Facilities Authority, the Illinois Farm Development Authority,
15 the Rural Bond Bank, the United States government and any
16 agency or instrumentality of the United States, any unit of
17 local government located within the territory of the Authority,
18 or any other unit of government to the extent allowed by
19 Article VII, Section 10 of the Illinois Constitution and the
20 Intergovernmental Cooperation Act.

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

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

29 Section 55. Designation of depository. The Authority shall
30 biennially designate a national or State bank or banks as
31 depositories of its money. Such depositories shall be
32 designated only within the State and upon condition that bonds
33 approved as to form and surety by the Authority and at least
34 equal in amount to the maximum sum expected to be on deposit at
35 any one time shall be first given by such depositories to the

1 Authority, such bonds to be conditioned for the safekeeping and
2 prompt repayment of such deposits. When any of the funds of the
3 Authority shall be deposited by the treasurer in any such
4 depository, the treasurer and the sureties on his official bond
5 shall, to such extent, be exempt from liability for the loss of
6 any such deposited funds by reason of the failure, bankruptcy,
7 or any other act or default of such depository; provided that
8 the Authority may accept assignments of collateral by any
9 depository of its funds to secure such deposits to the same
10 extent and conditioned in the same manner as assignments of
11 collateral are permitted by law to secure deposits of the funds
12 of any city.

13 Section 60. Taxation prohibited. The Authority shall have
14 no right or authority to levy any tax or special assessment, to
15 pledge the credit of the State or any other subdivision or
16 municipal corporation thereof, or to incur any obligation
17 enforceable upon any property, either within or without the
18 territory of the Authority.

19 Section 65. Fees. The Authority may collect fees and
20 charges in connection with its loans, commitments, and
21 servicing and may provide technical assistance in the
22 development of the region.

23 Section 70. Reports and audit.

24 (a) The Authority shall annually submit a report of its
25 finances to the Auditor General. The Authority shall annually
26 submit a report of its activities to the Governor and to the
27 General Assembly.

28 (b) Beginning 5 years after the effective date of this Act
29 and every 5 years thereafter, the Auditor General shall conduct
30 a financial audit of the Authority.

31 Section 99. The Illinois State Auditing Act is amended by
32 changing Section 3-1 as follows:

1 (30 ILCS 5/3-1) (from Ch. 15, par. 303-1)

2 Sec. 3-1. Jurisdiction of Auditor General. The Auditor
3 General has jurisdiction over all State agencies to make post
4 audits and investigations authorized by or under this Act or
5 the Constitution.

6 The Auditor General has jurisdiction over local government
7 agencies and private agencies only:

8 (a) to make such post audits authorized by or under
9 this Act as are necessary and incidental to a post audit of
10 a State agency or of a program administered by a State
11 agency involving public funds of the State, but this
12 jurisdiction does not include any authority to review local
13 governmental agencies in the obligation, receipt,
14 expenditure or use of public funds of the State that are
15 granted without limitation or condition imposed by law,
16 other than the general limitation that such funds be used
17 for public purposes;

18 (b) to make investigations authorized by or under this
19 Act or the Constitution; and

20 (c) to make audits of the records of local government
21 agencies to verify actual costs of state-mandated programs
22 when directed to do so by the Legislative Audit Commission
23 at the request of the State Board of Appeals under the
24 State Mandates Act.

25 In addition to the foregoing, the Auditor General may
26 conduct an audit of the Metropolitan Pier and Exposition
27 Authority, the Regional Transportation Authority, the Suburban
28 Bus Division, the Commuter Rail Division and the Chicago
29 Transit Authority and any other subsidized carrier when
30 authorized by the Legislative Audit Commission. Such audit may
31 be a financial, management or program audit, or any combination
32 thereof.

33 The audit shall determine whether they are operating in
34 accordance with all applicable laws and regulations. Subject to
35 the limitations of this Act, the Legislative Audit Commission

1 may by resolution specify additional determinations to be
2 included in the scope of the audit.

3 In addition to the foregoing, the Auditor General must also
4 conduct a financial audit of the Illinois Sports Facilities
5 Authority's expenditures of public funds in connection with the
6 reconstruction, renovation, remodeling, extension, or
7 improvement of all or substantially all of any existing
8 "facility", as that term is defined in the Illinois Sports
9 Facilities Authority Act.

10 The Auditor General may also conduct an audit, when
11 authorized by the Legislative Audit Commission, of any hospital
12 which receives 10% or more of its gross revenues from payments
13 from the State of Illinois, Department of Public Aid, Medical
14 Assistance Program.

15 The Auditor General is authorized to conduct financial and
16 compliance audits of the Illinois Distance Learning Foundation
17 and the Illinois Conservation Foundation.

18 As soon as practical after the effective date of this
19 amendatory Act of 1995, the Auditor General shall conduct a
20 compliance and management audit of the City of Chicago and any
21 other entity with regard to the operation of Chicago O'Hare
22 International Airport, Chicago Midway Airport and Merrill C.
23 Meigs Field. The audit shall include, but not be limited to, an
24 examination of revenues, expenses, and transfers of funds;
25 purchasing and contracting policies and practices; staffing
26 levels; and hiring practices and procedures. When completed,
27 the audit required by this paragraph shall be distributed in
28 accordance with Section 3-14.

29 The Auditor General shall conduct a financial and
30 compliance and program audit of distributions from the
31 Municipal Economic Development Fund during the immediately
32 preceding calendar year pursuant to Section 8-403.1 of the
33 Public Utilities Act at no cost to the city, village, or
34 incorporated town that received the distributions.

35 The Auditor General must conduct an audit of the Health
36 Facilities Planning Board pursuant to Section 19.5 of the

1 Illinois Health Facilities Planning Act.

2 The Auditor General of the State of Illinois shall annually
3 conduct or cause to be conducted a financial and compliance
4 audit of the books and records of any county water commission
5 organized pursuant to the Water Commission Act of 1985 and
6 shall file a copy of the report of that audit with the Governor
7 and the Legislative Audit Commission. The filed audit shall be
8 open to the public for inspection. The cost of the audit shall
9 be charged to the county water commission in accordance with
10 Section 6z-27 of the State Finance Act. The county water
11 commission shall make available to the Auditor General its
12 books and records and any other documentation, whether in the
13 possession of its trustees or other parties, necessary to
14 conduct the audit required. These audit requirements apply only
15 through July 1, 2007.

16 The Auditor General must conduct audits of the Rend Lake
17 Conservancy District as provided in Section 25.5 of the River
18 Conservancy Districts Act.

19 The Auditor General must conduct financial audits of the
20 Southeastern Illinois Economic Development Authority as
21 provided in Section 70 of the Southeastern Illinois Economic
22 Development Authority Act.

23 The Auditor General must conduct financial audits of the
24 Southern Illinois Economic Development Authority as provided
25 in Section 70 of the Southern Illinois Economic Development
26 Authority Act.

27 (Source: P.A. 93-226, eff. 7-22-03; 93-259, eff. 7-22-03;
28 93-275, eff. 7-22-03; 93-968, eff. 8-20-04.)

29 Section 999. Effective date. This Act takes effect upon
30 becoming law.