



**94TH GENERAL ASSEMBLY**  
**State of Illinois**  
**2005 and 2006**  
**HB5225**

Introduced 01/24/06, by Rep. Robert Rita

**SYNOPSIS AS INTRODUCED:**

605 ILCS 10/17

from Ch. 121, par. 100-17

Amends the Toll Highway Act. Provides that the Illinois State Toll Highway Authority, in connection with its issuance of bonds under the Act, is authorized to enter into agreements commonly known as interest rate swaps, subject to limitations specified in the Bond Authorization Act. Effective immediately.

LRB094 16684 DRH 51954 b

FISCAL NOTE ACT  
MAY APPLY

1 AN ACT concerning transportation.

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

4 Section 5. The Toll Highway Act is amended by changing  
5 Section 17 as follows:

6 (605 ILCS 10/17) (from Ch. 121, par. 100-17)

7 Sec. 17. (a) The Authority may from time to time issue  
8 bonds for any lawful purpose including, without limitation, the  
9 costs of issuance thereof and all such bonds or other  
10 obligations of the Authority issued pursuant to this Act shall  
11 be and are hereby declared to be negotiable for all purposes  
12 notwithstanding their payment from a limited source and without  
13 regard to any other law or laws.

14 (b) The bonds of every issue shall be payable solely out of  
15 revenues of the Authority, accumulated reserves or sinking  
16 funds, bond proceeds, proceeds of refunding bonds, or  
17 investment earnings as the Authority shall specify in a bond  
18 resolution.

19 (c) The bonds may be issued as serial bonds or as term  
20 bonds, or the Authority, in its discretion, may issue bonds of  
21 both types. The bonds shall be authorized by a bond resolution  
22 of the Authority, may be issued in one or more series and shall  
23 bear such date or dates, mature at such time or times not  
24 exceeding 25 years from their respective date or dates of  
25 issue, bear interest at such rate or rates, fixed or variable,  
26 without regard to any limit contained in any other statute or  
27 law of the State of Illinois, be payable as to principal and  
28 interest at such time or times, be in such denominations, be in  
29 such form, either coupon or fully registered, carry such  
30 registration and conversion privileges, be payable in lawful  
31 money of the United States of America at such places, be  
32 subject to such terms of redemption and may contain such other

1 terms and provisions, as such bond resolution or resolutions  
2 may provide. The bonds shall be executed by the manual or  
3 facsimile signatures of the Chairman and the Secretary. In case  
4 any of the officers whose signature appears on the bonds or  
5 coupons, if any, shall cease to be an officer before the  
6 delivery of such bonds, such signature shall nevertheless be  
7 valid and sufficient for all purposes, as if he had remained in  
8 office until such delivery. The bonds shall be sold in such  
9 manner as the Authority shall determine. The proceeds from the  
10 sale of such bonds shall be paid to the Treasurer of the State  
11 of Illinois as ex officio custodian. Pending preparation of the  
12 definitive bonds, the Authority may issue interim receipts or  
13 certificates which shall be exchanged for such definitive  
14 bonds.

15 (d) Any bond resolution, or trust indenture entered into  
16 pursuant to a bond resolution, may contain provisions, which  
17 shall be a part of the contract with the holders of the bonds  
18 to be authorized, as to: (i) pledging or creating a lien upon  
19 all or part of the revenues of the Authority or any reserves,  
20 sinking funds, bond proceeds or investment earnings; (ii) the  
21 setting aside of reserves or sinking funds, and the regulation,  
22 investment and disposition thereof; (iii) the use and  
23 maintenance requirements for the toll highways; (iv) the  
24 purposes to which or the investments in which the proceeds of  
25 sale of any series or issue of bonds then or thereafter to be  
26 issued may be applied; (v) the issuance of additional bonds,  
27 the terms upon which additional bonds may be issued and  
28 secured, the purposes for such additional bonds, and the terms  
29 upon which additional bonds may rank on a parity with, or be  
30 subordinate or superior to other bonds; (vi) the refunding of  
31 outstanding bonds; (vii) the procedure, if any, by which the  
32 terms of any contract with bondholders may be amended or  
33 abrogated, the amount of bonds the holders of which must  
34 consent thereto, and the manner in which such consent may be  
35 given; (viii) defining the acts or omissions to act which shall  
36 constitute a default in the duties of the Authority to holders

1 of its obligations and providing the rights and remedies of  
2 such holders in the event of a default; (ix) any other matters  
3 relating to the bonds which the Authority deems desirable.

4 (d-5) The Authority is authorized to enter into agreements  
5 commonly known as interest rate swaps, subject to the  
6 limitations set forth in Section 7 of the Bond Authorization  
7 Act.

8 (e) Neither the directors of the Authority nor any person  
9 executing the bonds shall be liable personally on the bonds or  
10 be subject to any personal liability or accountability by  
11 reason of the issuance thereof.

12 (f) The Authority shall have power out of any funds  
13 available therefor to purchase its bonds. The Authority may  
14 hold, pledge, cancel or resell such bonds subject to and in  
15 accordance with agreements with bondholders.

16 (g) In the discretion of the Authority any bonds issued  
17 under the provisions of this Act may be secured by a trust  
18 indenture by and between the Authority and a trustee or  
19 trustees, which may be any trust company or bank in the State  
20 of Illinois having the powers of a trust company and possessing  
21 capital and surplus of not less than \$50,000,000. The bond  
22 resolution or trust indenture providing for the issuance of  
23 bonds so secured shall pledge such revenues of the Authority,  
24 sinking funds, bond proceeds, or investment earnings as may be  
25 specified therein, may contain such provisions for protecting  
26 and enforcing the rights and remedies of the bondholders as may  
27 be reasonable and proper and not in violation of law, including  
28 particularly such provisions as have hereinabove been  
29 specifically authorized to be included in any bond resolution  
30 or trust indenture of the Authority, and may restrict the  
31 individual right of action by bondholders. In addition to the  
32 foregoing, any bond resolution or trust indenture may contain  
33 such other provisions as the Authority may deem reasonable and  
34 proper for the security of the bondholders, including, but not  
35 limited to, the purchase of bond insurance and the arrangement  
36 of letters of credit, lines of credit or other credit or

1 liquidity enhancement facilities; provided there shall be no  
2 pledge of the toll highway or any part thereof. All expenses  
3 incurred in carrying out the provisions of any bond resolution  
4 or trust indenture may be treated as a part of the cost of the  
5 operation of the toll highways.

6 (h) Bonds issued under the authority of this Act do not,  
7 and shall state upon the face of each bond that they do not,  
8 represent or constitute a debt of the Authority or of the State  
9 of Illinois within the meaning of any constitutional or  
10 statutory limitation or a pledge of the faith and credit of the  
11 Authority or the State of Illinois, or grant to the owners or  
12 holders thereof any right to have the Authority or the General  
13 Assembly levy any taxes or appropriate any funds for the  
14 payment of the principal thereof or interest thereon. Such  
15 bonds shall be payable and shall state that they are payable  
16 solely from the revenues and the sources authorized under this  
17 Act and pledged for their payment in accordance with the bond  
18 resolution or trust indenture.

19 Nothing in this Act shall be construed to authorize the  
20 Authority or any department, board, commission or other agency  
21 to create an obligation of the State of Illinois within the  
22 meaning of the Constitution or Statutes of Illinois.

23 (i) Any resolution or trust indenture authorizing the  
24 issuance of the bonds may include provision for the issuance of  
25 additional bonds. All resolutions of the Authority to carry  
26 such adopted bond resolutions into effect, to provide for the  
27 sale and delivery of the bonds, for letting of contracts for  
28 the construction of toll highways and the acquisition of real  
29 and personal property deemed by the Authority necessary or  
30 convenient for the construction thereof, shall not require the  
31 approval of the Governor or of any other department, division,  
32 commission, bureau, board or other agency of the State.

33 (Source: P.A. 83-1258.)

34 Section 99. Effective date. This Act takes effect upon  
35 becoming law.