



94TH GENERAL ASSEMBLY

State of Illinois

2005 and 2006

HB5361

Introduced 01/26/06, by Rep. George Scully, Jr.

SYNOPSIS AS INTRODUCED:

20 ILCS 3501/801-1
20 ILCS 3501/801-10
20 ILCS 3501/801-40
20 ILCS 3501/825-60
20 ILCS 3501/825-65
20 ILCS 3501/830-25
20 ILCS 3501/Art. 850 heading new
20 ILCS 3501/850-5 new
20 ILCS 3501/850-10 new
20 ILCS 3501/850-15 new
20 ILCS 3501/850-20 new
20 ILCS 3501/850-25 new
20 ILCS 3501/850-30 new
20 ILCS 3501/850-35 new
20 ILCS 3501/850-40 new
20 ILCS 3501/850-45 new

Amends the Illinois Finance Authority Act. Authorizes the Illinois Finance Authority to issue bonds and to guarantee loans to finance broadband projects in the State. Sets forth the powers of the Authority with respect to broadband financing. Sets forth requirements for State guarantees of broadband financing. Requires monetary transfers and continuing appropriations to funds of the Authority for broadband financing purposes. Provides that bonds for broadband financing may be moral obligations of the State. Provides that the exercise of powers of the Authority under these provisions is exempt from certain State taxation. Makes other changes. Effective immediately.

LRB094 17974 BDD 54767 b

FISCAL NOTE ACT
MAY APPLY

1 AN ACT concerning finance.

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

4 Section 5. The Illinois Finance Authority Act is amended by
5 changing Sections 801-1, 801-10, 801-40, 825-60, 825-65, and
6 830-25 and by adding Article 850 as follows:

7 (20 ILCS 3501/801-1)

8 Sec. 801-1. Short Title. Articles 801 ~~80~~ through 850 ~~845~~ of
9 this Act may be cited as the Illinois Finance Authority Act.
10 References to "this Act" in Articles 801 through 850 ~~845~~ are
11 references to the Illinois Finance Authority Act.

12 (Source: P.A. 93-205, eff. 1-1-04; revised 9-16-03.)

13 (20 ILCS 3501/801-10)

14 Sec. 801-10. Definitions. The following terms, whenever
15 used or referred to in this Act, shall have the following
16 meanings, except in such instances where the context may
17 clearly indicate otherwise:

18 (a) The term "Authority" means the Illinois Finance
19 Authority created by this Act.

20 (b) The term "project" means an industrial project, housing
21 project, public purpose project, higher education project,
22 health facility project, cultural institution project,
23 agricultural facility or agribusiness, broadband project (as
24 defined under Section 850-10), and "project" may include any
25 combination of one or more of the foregoing undertaken jointly
26 by any person with one or more other persons.

27 (c) The term "public purpose project" means any project or
28 facility including without limitation land, buildings,
29 structures, machinery, equipment and all other real and
30 personal property, which is authorized or required by law to be
31 acquired, constructed, improved, rehabilitated, reconstructed,

1 replaced or maintained by any unit of government or any other
2 lawful public purpose which is authorized or required by law to
3 be undertaken by any unit of government.

4 (d) The term "industrial project" means the acquisition,
5 construction, refurbishment, creation, development or
6 redevelopment of any facility, equipment, machinery, real
7 property or personal property for use by any instrumentality of
8 the State or its political subdivisions, for use by any person
9 or institution, public or private, for profit or not for
10 profit, or for use in any trade or business including, but not
11 limited to, any industrial, manufacturing or commercial
12 enterprise and which is (1) a capital project including but not
13 limited to: (i) land and any rights therein, one or more
14 buildings, structures or other improvements, machinery and
15 equipment, whether now existing or hereafter acquired, and
16 whether or not located on the same site or sites; (ii) all
17 appurtenances and facilities incidental to the foregoing,
18 including, but not limited to utilities, access roads, railroad
19 sidings, track, docking and similar facilities, parking
20 facilities, dockage, wharfage, railroad roadbed, track,
21 trestle, depot, terminal, switching and signaling or related
22 equipment, site preparation and landscaping; and (iii) all
23 non-capital costs and expenses relating thereto or (2) any
24 addition to, renovation, rehabilitation or improvement of a
25 capital project or (3) any activity or undertaking which the
26 Authority determines will aid, assist or encourage economic
27 growth, development or redevelopment within the State or any
28 area thereof, will promote the expansion, retention or
29 diversification of employment opportunities within the State
30 or any area thereof or will aid in stabilizing or developing
31 any industry or economic sector of the State economy. The term
32 "industrial project" also means the production of motion
33 pictures.

34 (e) The term "bond" or "bonds" shall include bonds, notes
35 (including bond, grant or revenue anticipation notes),
36 certificates and/or other evidences of indebtedness

1 representing an obligation to pay money, including refunding
2 bonds.

3 (f) The terms "lease agreement" and "loan agreement" shall
4 mean: (i) an agreement whereby a project acquired by the
5 Authority by purchase, gift or lease is leased to any person,
6 corporation or unit of local government which will use or cause
7 the project to be used as a project as heretofore defined upon
8 terms providing for lease rental payments at least sufficient
9 to pay when due all principal of, interest and premium, if any,
10 on any bonds of the Authority issued with respect to such
11 project, providing for the maintenance, insuring and operation
12 of the project on terms satisfactory to the Authority,
13 providing for disposition of the project upon termination of
14 the lease term, including purchase options or abandonment of
15 the premises, and such other terms as may be deemed desirable
16 by the Authority, or (ii) any agreement pursuant to which the
17 Authority agrees to loan the proceeds of its bonds issued with
18 respect to a project or other funds of the Authority to any
19 person which will use or cause the project to be used as a
20 project as heretofore defined upon terms providing for loan
21 repayment installments at least sufficient to pay when due all
22 principal of, interest and premium, if any, on any bonds of the
23 Authority, if any, issued with respect to the project, and
24 providing for maintenance, insurance and other matters as may
25 be deemed desirable by the Authority.

26 (g) The term "financial aid" means the expenditure of
27 Authority funds or funds provided by the Authority through the
28 issuance of its bonds, notes or other evidences of indebtedness
29 or from other sources for the development, construction,
30 acquisition or improvement of a project.

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

35 (i) The term "unit of government" means the federal
36 government, the State or unit of local government, a school

1 district, or any agency or instrumentality, office, officer,
2 department, division, bureau, commission, college or
3 university thereof.

4 (j) The term "health facility" means: (a) any public or
5 private institution, place, building, or agency required to be
6 licensed under the Hospital Licensing Act; (b) any public or
7 private institution, place, building, or agency required to be
8 licensed under the Nursing Home Care Act; (c) any public or
9 licensed private hospital as defined in the Mental Health and
10 Developmental Disabilities Code; (d) any such facility
11 exempted from such licensure when the Director of Public Health
12 attests that such exempted facility meets the statutory
13 definition of a facility subject to licensure; (e) any other
14 public or private health service institution, place, building,
15 or agency which the Director of Public Health attests is
16 subject to certification by the Secretary, U.S. Department of
17 Health and Human Services under the Social Security Act, as now
18 or hereafter amended, or which the Director of Public Health
19 attests is subject to standard-setting by a recognized public
20 or voluntary accrediting or standard-setting agency; (f) any
21 public or private institution, place, building or agency
22 engaged in providing one or more supporting services to a
23 health facility; (g) any public or private institution, place,
24 building or agency engaged in providing training in the healing
25 arts, including but not limited to schools of medicine,
26 dentistry, osteopathy, optometry, podiatry, pharmacy or
27 nursing, schools for the training of x-ray, laboratory or other
28 health care technicians and schools for the training of
29 para-professionals in the health care field; (h) any public or
30 private congregate, life or extended care or elderly housing
31 facility or any public or private home for the aged or infirm,
32 including, without limitation, any Facility as defined in the
33 Life Care Facilities Act; (i) any public or private mental,
34 emotional or physical rehabilitation facility or any public or
35 private educational, counseling, or rehabilitation facility or
36 home, for those persons with a developmental disability, those

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

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

34 (l) The term "health facility project", means a specific
35 health facility work or improvement to be financed or
36 refinanced (including without limitation through reimbursement

1 of prior expenditures), acquired, constructed, enlarged,
2 remodeled, renovated, improved, furnished, or equipped, with
3 funds provided in whole or in part hereunder, any accounts
4 receivable, working capital, liability or insurance cost or
5 operating expense financing or refinancing program of a health
6 facility with or involving funds provided in whole or in part
7 hereunder, or any combination thereof.

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

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

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

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

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

33 (r) The term "educational facility" means any property
34 located within the State constructed or acquired before or
35 after the effective date of this Act, which is or will be, in
36 whole or in part, suitable for the instruction, feeding,

1 recreation or housing of students, the conducting of research
2 or other work of a private institution of higher education, the
3 use by a private institution of higher education in connection
4 with any educational, research or related or incidental
5 activities then being or to be conducted by it, or any
6 combination of the foregoing, including, without limitation,
7 any such property suitable for use as or in connection with any
8 one or more of the following: an academic facility,
9 administrative facility, agricultural facility, assembly hall,
10 athletic facility, auditorium, boating facility, campus,
11 communication facility, computer facility, continuing
12 education facility, classroom, dining hall, dormitory,
13 exhibition hall, fire fighting facility, fire prevention
14 facility, food service and preparation facility, gymnasium,
15 greenhouse, health care facility, hospital, housing,
16 instructional facility, laboratory, library, maintenance
17 facility, medical facility, museum, offices, parking area,
18 physical education facility, recreational facility, research
19 facility, stadium, storage facility, student union, study
20 facility, theatre or utility.

21 (s) The term "cultural facility" means any property located
22 within the State constructed or acquired before or after the
23 effective date of this Act, which is or will be, in whole or in
24 part, suitable for the particular purposes or needs of a
25 cultural institution, including, without limitation, any such
26 property suitable for use as or in connection with any one or
27 more of the following: an administrative facility, aquarium,
28 assembly hall, auditorium, botanical garden, exhibition hall,
29 gallery, greenhouse, library, museum, scientific laboratory,
30 theater or zoological facility, and shall also include, without
31 limitation, books, works of art or music, animal, plant or
32 aquatic life or other items for display, exhibition or
33 performance. The term "cultural facility" includes buildings
34 on the National Register of Historic Places which are owned or
35 operated by nonprofit entities.

36 (t) "Private institution of higher education" means a

1 not-for-profit educational institution which is not owned by
2 the State or any political subdivision, agency,
3 instrumentality, district or municipality thereof, which is
4 authorized by law to provide a program of education beyond the
5 high school level and which:

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

9 (2) Provides an educational program for which it awards
10 a bachelor's degree, or provides an educational program,
11 admission into which is conditioned upon the prior
12 attainment of a bachelor's degree or its equivalent, for
13 which it awards a postgraduate degree, or provides not less
14 than a 2-year program which is acceptable for full credit
15 toward such a degree, or offers a 2-year program in
16 engineering, mathematics, or the physical or biological
17 sciences which is designed to prepare the student to work
18 as a technician and at a semiprofessional level in
19 engineering, scientific, or other technological fields
20 which require the understanding and application of basic
21 engineering, scientific, or mathematical principles or
22 knowledge;

23 (3) Is accredited by a nationally recognized
24 accrediting agency or association or, if not so accredited,
25 is an institution whose credits are accepted, on transfer,
26 by not less than 3 institutions which are so accredited,
27 for credit on the same basis as if transferred from an
28 institution so accredited, and holds an unrevoked
29 certificate of approval under the Private College Act from
30 the Board of Higher Education, or is qualified as a "degree
31 granting institution" under the Academic Degree Act; and

32 (4) Does not discriminate in the admission of students
33 on the basis of race or color. "Private institution of
34 higher education" also includes any "academic
35 institution".

36 (u) The term "academic institution" means any

1 not-for-profit institution which is not owned by the State or
2 any political subdivision, agency, instrumentality, district
3 or municipality thereof, which institution engages in, or
4 facilitates academic, scientific, educational or professional
5 research or learning in a field or fields of study taught at a
6 private institution of higher education. Academic institutions
7 include, without limitation, libraries, archives, academic,
8 scientific, educational or professional societies,
9 institutions, associations or foundations having such
10 purposes.

11 (v) The term "cultural institution" means any
12 not-for-profit institution which is not owned by the State or
13 any political subdivision, agency, instrumentality, district
14 or municipality thereof, which institution engages in the
15 cultural, intellectual, scientific, educational or artistic
16 enrichment of the people of the State. Cultural institutions
17 include, without limitation, aquaria, botanical societies,
18 historical societies, libraries, museums, performing arts
19 associations or societies, scientific societies and zoological
20 societies.

21 (w) The term "affiliate" means, with respect to financing
22 of an agricultural facility or an agribusiness, any lender, any
23 person, firm or corporation controlled by, or under common
24 control with, such lender, and any person, firm or corporation
25 controlling such lender.

26 (x) The term "agricultural facility" means land, any
27 building or other improvement thereon or thereto, and any
28 personal properties deemed necessary or suitable for use,
29 whether or not now in existence, in farming, ranching, the
30 production of agricultural commodities (including, without
31 limitation, the products of aquaculture, hydroponics and
32 silviculture) or the treating, processing or storing of such
33 agricultural commodities when such activities are customarily
34 engaged in by farmers as a part of farming.

35 (y) The term "lender" with respect to financing of an
36 agricultural facility or an agribusiness, means any federal or

1 State chartered bank, Federal Land Bank, Production Credit
2 Association, Bank for Cooperatives, federal or State chartered
3 savings and loan association or building and loan association,
4 Small Business Investment Company or any other institution
5 qualified within this State to originate and service loans,
6 including, but without limitation to, insurance companies,
7 credit unions and mortgage loan companies. "Lender" also means
8 a wholly owned subsidiary of a manufacturer, seller or
9 distributor of goods or services that makes loans to businesses
10 or individuals, commonly known as a "captive finance company".

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

22 (1) grain handling and processing, including grain
23 storage, drying, treatment, conditioning, mailing and
24 packaging;

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

26 (3) fruit and vegetable processing, including
27 preparation, canning and packaging;

28 (4) processing of livestock and livestock products,
29 dairy products, poultry and poultry products, fish or
30 apiarian products, including slaughter, shearing,
31 collecting, preparation, canning and packaging;

32 (5) fertilizer and agricultural chemical
33 manufacturing, processing, application and supplying;

34 (6) farm machinery, equipment and implement
35 manufacturing and supplying;

36 (7) manufacturing and supplying of agricultural

1 commodity processing machinery and equipment, including
2 machinery and equipment used in slaughter, treatment,
3 handling, collecting, preparation, canning or packaging of
4 agricultural commodities;

5 (8) farm building and farm structure manufacturing,
6 construction and supplying;

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

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

12 (11) facilities and equipment for processing and
13 packaging agricultural commodities specifically for
14 export;

15 (12) facilities and equipment for forestry product
16 processing and supplying, including sawmilling operations,
17 wood chip operations, timber harvesting operations, and
18 manufacturing of prefabricated buildings, paper, furniture
19 or other goods from forestry products;

20 (13) facilities and equipment for research and
21 development of products, processes and equipment for the
22 production, processing, preparation or packaging of
23 agricultural commodities and byproducts.

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

34 (bb) The term "liability" with respect to financing of any
35 agricultural facility or any agribusiness shall include, but
36 not be limited to the following: accounts payable; notes or

1 other indebtedness owed to any source; taxes; rent; amounts
2 owed on real estate contracts or real estate mortgages;
3 judgments; accrued interest payable; and any other liability.

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

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

18 (Source: P.A. 93-205, eff. 1-1-04; 93-1101, eff. 3-31-05.)

19 (20 ILCS 3501/801-40)

20 Sec. 801-40. In addition to the powers otherwise authorized
21 by law and in addition to the foregoing general corporate
22 powers, the Authority shall also have the following additional
23 specific powers to be exercised in furtherance of the purposes
24 of this Act.

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

34 (b) The Authority shall have power to procure and enter
35 into contracts for any type of insurance and indemnity

1 agreements covering loss or damage to property from any cause,
2 including loss of use and occupancy, or covering any other
3 insurable risk.

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

1 Authority and any of its agents or employees to perform any
2 duties required to be performed for the benefit of the holders
3 of any such bonds by the provision of the resolution
4 authorizing their issuance, and to enjoin such person or the
5 Authority and any of its agents or employees from taking any
6 action in conflict with any such contract or covenant.
7 Notwithstanding the form and tenor of any such bonds and in the
8 absence of any express recital on the face thereof that it is
9 non-negotiable, all such bonds shall be negotiable
10 instruments. Pending the preparation and execution of any such
11 bonds, temporary bonds may be issued as provided by the
12 resolution. The bonds shall be sold by the Authority in such
13 manner as it shall determine. The bonds may be secured as
14 provided in the authorizing resolution by the receipts,
15 revenues, income and other available funds of the Authority and
16 by any amounts derived by the Authority from the loan agreement
17 or lease agreement with respect to the project or projects; and
18 bonds may be issued as general obligations of the Authority
19 payable from such revenues, funds and obligations of the
20 Authority as the bond resolution shall provide, or may be
21 issued as limited obligations with a claim for payment solely
22 from such revenues, funds and obligations as the bond
23 resolution shall provide. The Authority may grant a specific
24 pledge or assignment of and lien on or security interest in
25 such rights, revenues, income, or amounts and may grant a
26 specific pledge or assignment of and lien on or security
27 interest in any reserves, funds or accounts established in the
28 resolution 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
35 of whether the other parties have notice of the pledge,
36 assignment, lien or security interest. As evidence of such

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

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

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

29 (f) The Authority shall have power to develop, construct
30 and improve either under its own direction, or through
31 collaboration with any approved applicant, or to acquire
32 through purchase or otherwise, any project, using for such
33 purpose the proceeds derived from the sale of its bonds or from
34 governmental loans or grants, and to hold title in the name of
35 the Authority to such projects.

36 (g) The Authority shall have power to lease pursuant to a

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

32 (h) The Authority has the power, upon the termination of
33 any leasehold period of any project, to sell or lease for a
34 further term or terms such project on such terms and conditions
35 as the Authority shall deem reasonable and consistent with the
36 purposes of the Act. The net proceeds from all such sales and

1 the revenues or income from such leases shall be used to
2 satisfy any indebtedness of the Authority with respect to such
3 project and any balance may be used to pay any expenses of the
4 Authority or be used for the further development, construction,
5 acquisition or improvement of projects. In the event any
6 project is vacated by a tenant prior to the termination of the
7 initial leasehold period, the Authority shall sell or lease the
8 facilities of the project on the most advantageous terms
9 available. The net proceeds of any such disposition shall be
10 treated in the same manner as the proceeds from sales or the
11 revenues or income from leases subsequent to the termination of
12 any initial leasehold period.

13 (i) The Authority shall have the power to make loans to
14 persons to finance a project, to enter into loan agreements
15 with respect thereto, and to accept guarantees from persons of
16 its loans or the resultant evidences of obligations of the
17 Authority.

18 (j) The Authority may fix, determine, charge and collect
19 any premiums, fees, charges, costs and expenses, including,
20 without limitation, any application fees, commitment fees,
21 program fees, financing charges or publication fees from any
22 person in connection with its activities under this Act.

23 (k) In addition to the funds established as provided
24 herein, the Authority shall have the power to create and
25 establish such reserve funds and accounts as may be necessary
26 or desirable to accomplish its purposes under this Act and to
27 deposit its available monies into the funds and accounts.

28 (l) At the request of the governing body of any unit of
29 local government, the Authority is authorized to market such
30 local government's revenue bond offerings by preparing bond
31 issues for sale, advertising for sealed bids, receiving bids at
32 its offices, making the award to the bidder that offers the
33 most favorable terms or arranging for negotiated placements or
34 underwritings of such securities. The Authority may, at its
35 discretion, offer for concurrent sale the revenue bonds of
36 several local governments. Sales by the Authority of revenue

1 bonds under this Section shall in no way imply State guarantee
2 of such debt issue. The Authority may require such financial
3 information from participating local governments as it deems
4 necessary in order to carry out the purposes of this subsection
5 (1).

6 (m) The Authority may make grants to any county to which
7 Division 5-37 of the Counties Code is applicable to assist in
8 the financing of capital development, construction and
9 renovation of new or existing facilities for hospitals and
10 health care facilities under that Act. Such grants may only be
11 made from funds appropriated for such purposes from the Build
12 Illinois Bond Fund.

13 (n) The Authority may establish an urban development action
14 grant program for the purpose of assisting municipalities in
15 Illinois which are experiencing severe economic distress to
16 help stimulate economic development activities needed to aid in
17 economic recovery. The Authority shall determine the types of
18 activities and projects for which the urban development action
19 grants may be used, provided that such projects and activities
20 are broadly defined to include all reasonable projects and
21 activities the primary objectives of which are the development
22 of viable urban communities, including decent housing and a
23 suitable living environment, and expansion of economic
24 opportunity, principally for persons of low and moderate
25 incomes. The Authority shall enter into grant agreements from
26 monies appropriated for such purposes from the Build Illinois
27 Bond Fund. The Authority shall monitor the use of the grants,
28 and shall provide for audits of the funds as well as recovery
29 by the Authority of any funds determined to have been spent in
30 violation of this subsection (n) or any rule or regulation
31 promulgated hereunder. The Authority shall provide technical
32 assistance with regard to the effective use of the urban
33 development action grants. The Authority shall file an annual
34 report to the General Assembly concerning the progress of the
35 grant program.

36 (o) The Authority may establish a Housing Partnership

1 Program whereby the Authority provides zero-interest loans to
2 municipalities for the purpose of assisting in the financing of
3 projects for the rehabilitation of affordable multi-family
4 housing for low and moderate income residents. The Authority
5 may provide such loans only upon a municipality's providing
6 evidence that it has obtained private funding for the
7 rehabilitation project. The Authority shall provide 3 State
8 dollars for every 7 dollars obtained by the municipality from
9 sources other than the State of Illinois. The loans shall be
10 made from monies appropriated for such purpose from the Build
11 Illinois Bond Fund. The total amount of loans available under
12 the Housing Partnership Program shall not exceed \$30,000,000.
13 State loan monies under this subsection shall be used only for
14 the acquisition and rehabilitation of existing buildings
15 containing 4 or more dwelling units. The terms of any loan made
16 by the municipality under this subsection shall require
17 repayment of the loan to the municipality upon any sale or
18 other transfer of the project.

19 (p) The Authority may award grants to universities and
20 research institutions, research consortiums and other
21 not-for-profit entities for the purposes of: remodeling or
22 otherwise physically altering existing laboratory or research
23 facilities, expansion or physical additions to existing
24 laboratory or research facilities, construction of new
25 laboratory or research facilities or acquisition of modern
26 equipment to support laboratory or research operations
27 provided that such grants (i) be used solely in support of
28 project and equipment acquisitions which enhance technology
29 transfer, and (ii) not constitute more than 60 percent of the
30 total project or acquisition cost.

31 (q) Grants may be awarded by the Authority to units of
32 local government for the purpose of developing the appropriate
33 infrastructure or defraying other costs to the local government
34 in support of laboratory or research facilities provided that
35 such grants may not exceed 40% of the cost to the unit of local
36 government.

1 (r) The Authority may establish a Direct Loan Program to
2 make loans to individuals, partnerships or corporations for the
3 purpose of an industrial project, as defined in Section 801-10
4 of this Act. For the purposes of such program and not by way of
5 limitation on any other program of the Authority, the Authority
6 shall have the power to issue bonds, notes, or other evidences
7 of indebtedness including commercial paper for purposes of
8 providing a fund of capital from which it may make such loans.
9 The Authority shall have the power to use any appropriations
10 from the State made especially for the Authority's Direct Loan
11 Program for additional capital to make such loans or for the
12 purposes of reserve funds or pledged funds which secure the
13 Authority's obligations of repayment of any bond, note or other
14 form of indebtedness established for the purpose of providing
15 capital for which it intends to make such loans under the
16 Direct Loan Program. For the purpose of obtaining such capital,
17 the Authority may also enter into agreements with financial
18 institutions and other persons for the purpose of selling loans
19 and developing a secondary market for such loans. Loans made
20 under the Direct Loan Program may be in an amount not to exceed
21 \$300,000 and shall be made for a portion of an industrial
22 project which does not exceed 50% of the total project. No loan
23 may be made by the Authority unless approved by the affirmative
24 vote of at least 8 members of the board. The Authority shall
25 establish procedures and publish rules which shall provide for
26 the submission, review, and analysis of each direct loan
27 application and which shall preserve the ability of each board
28 member to reach an individual business judgment regarding the
29 propriety of making each direct loan. The collective discretion
30 of the board to approve or disapprove each loan shall be
31 unencumbered. The Authority may establish and collect such fees
32 and charges, determine and enforce such terms and conditions,
33 and charge such interest rates as it determines to be necessary
34 and appropriate to the successful administration of the Direct
35 Loan Program. The Authority may require such interests in
36 collateral and such guarantees as it determines are necessary

1 to project the Authority's interest in the repayment of the
2 principal and interest of each loan made under the Direct Loan
3 Program.

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

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

10 (u) The Authority shall have the power to issue bonds,
11 notes or other evidences of indebtedness, which may be used to
12 make loans to units of local government which are authorized to
13 enter into loan agreements and other documents and to issue
14 bonds, notes and other evidences of indebtedness for the
15 purpose of financing the protection of storm sewer outfalls,
16 the construction of adequate storm sewer outfalls, and the
17 provision for flood protection of sanitary sewage treatment
18 plans, in counties that have established a stormwater
19 management planning committee in accordance with Section
20 5-1062 of the Counties Code. Any such loan shall be made by the
21 Authority pursuant to the provisions of Section 820-5 to 820-60
22 of this Act. The unit of local government shall pay back to the
23 Authority the principal amount of the loan, plus annual
24 interest as determined by the Authority. The Authority shall
25 have the power, subject to appropriations by the General
26 Assembly, to subsidize or buy down a portion of the interest on
27 such loans, up to 4% per annum.

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

30 (w) Moral Obligation. In the event that the Authority
31 determines that monies of the Authority will not be sufficient
32 for the payment of the principal of and interest on its bonds
33 during the next State fiscal year, the Chairperson, as soon as
34 practicable, shall certify to the Governor the amount required
35 by the Authority to enable it to pay such principal of and
36 interest on the bonds. The Governor shall submit the amount so

1 certified to the General Assembly as soon as practicable, but
2 no later than the end of the current State fiscal year. This
3 subsection shall apply only to any bonds or notes as to which
4 the Authority shall have determined, in the resolution
5 authorizing the issuance of the bonds or notes, that this
6 subsection shall apply. Whenever the Authority makes such a
7 determination, that fact shall be plainly stated on the face of
8 the bonds or notes and that fact shall also be reported to the
9 Governor. In the event of a withdrawal of moneys from a reserve
10 fund established with respect to any issue or issues of bonds
11 of the Authority to pay principal or interest on those bonds,
12 the Chairperson of the Authority, as soon as practicable, shall
13 certify to the Governor the amount required to restore the
14 reserve fund to the level required in the resolution or
15 indenture securing those bonds. The Governor shall submit the
16 amount so certified to the General Assembly as soon as
17 practicable, but no later than the end of the current State
18 fiscal year. The Authority shall obtain written approval from
19 the Governor for any bonds and notes to be issued under this
20 Section. In addition to any other bonds authorized to be issued
21 under Sections 825-60, 825-65(e), 830-25, ~~and~~ 845-5, 850-25,
22 and 850-30, the principal amount of Authority bonds outstanding
23 issued under this Section 801-40(w) or under 20 ILCS 3850/1-80
24 or 30 ILCS 360/2-6(c), which have been assumed by the
25 Authority, shall not exceed \$150,000,000.

26 (Source: P.A. 93-205, eff. 1-1-04; 94-91, eff. 7-1-05.)

27 (20 ILCS 3501/825-60)

28 Sec. 825-60. Financially Distressed City Assistance
29 Program Limitation. In addition to the bonds authorized to be
30 issued under Sections 801-40(w), 825-65(e), 830-25, ~~and~~ 845-5,
31 850-25, and 850-30, the Authority may have outstanding at any
32 time, bonds for the purposes enumerated in Sections 825-20
33 through 825-60 in an aggregate principal amount that shall not
34 exceed \$50,000,000. Such bonds shall not constitute an
35 indebtedness or obligation of the State of Illinois, and it

1 shall be plainly stated on the face of each bond that it does
2 not constitute such an indebtedness or obligation but is
3 payable solely from the revenues, income or other assets of the
4 Authority pledged therefor.

5 (Source: P.A. 93-205, eff. 1-1-04.)

6 (20 ILCS 3501/825-65)

7 Sec. 825-65. Clean Coal and Energy Project Financing.

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

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

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

33 (1) any proceeds of the bonds issued by the Authority
34 required to be deposited therein by the terms of any
35 contract between the Authority and its bondholders or any

1 resolution of the Authority;

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

4 (3) any other moneys or funds made available to the
5 Authority. Subject to the terms of any pledge to the owners
6 of any bonds, moneys in any reserve fund may be held and
7 applied to the payment of principal, premium, if any, and
8 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 Coal
12 and Energy projects authorized under this Section, within
13 the authorization set forth in subsections (e) and (f).

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

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

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

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

34 (e) Clean Coal and Energy bond authorization and financing
35 limits. In addition to any other bonds authorized to be issued
36 under Sections 801-40(w), 825-60, 830-25, ~~and~~ 845-5, 850-25,

1 and 850-30, the Authority may have outstanding, at any time,
2 bonds for the purpose enumerated in this Section 825-65 in an
3 aggregate principal amount that shall not exceed
4 \$2,700,000,000, of which no more than \$300,000,000 may be
5 issued to finance transmission facilities, no more than
6 \$500,000,000 may be issued to finance scrubbers at existing
7 generating plants, no more than \$500,000,000 may be issued to
8 finance alternative energy sources, including renewable energy
9 projects and no more than \$1,400,000,000 may be issued to
10 finance new electric generating facilities, as defined in
11 Section 605-332 of the Department of Commerce and Economic
12 Opportunity Law of the Civil Administrative Code of Illinois,
13 which may include mine-mouth power plants. An application for a
14 loan financed from bond proceeds from a borrower or its
15 affiliates for a Clean Coal and Energy project may not be
16 approved by the Authority for an amount in excess of
17 \$450,000,000 for any borrower or its affiliates. These bonds
18 shall not constitute an indebtedness or obligation of the State
19 of Illinois and it shall be plainly stated on the face of each
20 bond that it does not constitute an indebtedness or obligation
21 of the State of Illinois, but is payable solely from the
22 revenues, income or other assets of the Authority pledged
23 therefor.

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

29 (Source: P.A. 93-205, eff. 1-1-04.)

30 (20 ILCS 3501/830-25)

31 Sec. 830-25. Bonded indebtedness limitation. The Authority
32 shall not have outstanding at any one time State Guarantees
33 ~~under Section 830-30 in an aggregate principal amount exceeding~~
34 ~~\$160,000,000. The Authority shall not have outstanding at any~~
35 ~~one time State Guarantees~~ under Sections 830-30, 830-35, 830-45

1 and 830-50 in the an aggregate principal amounts set forth
2 under Section 850-25 amount exceeding \$75,000,000.

3 (Source: P.A. 93-205, eff. 1-1-04.)

4 (20 ILCS 3501/Art. 850 heading new)

5 ARTICLE 850. BROADBAND DEPLOYMENT ASSISTANCE

6 (20 ILCS 3501/850-5 new)

7 Sec. 850-5. Findings and Declaration of Policy. It is
8 hereby found and declared that certain areas of the State are
9 not being adequately served with broadband services; that, for
10 the benefit of the people of the State and the improvement of
11 their health, welfare, and living conditions, the improvement
12 of the economic and educational welfare of the State, and the
13 improvement of the public safety and security of the State, it
14 is essential that the broadband infrastructure of the State be
15 expanded to provide broadband services throughout the State;
16 that the private sector should be encouraged to invest in the
17 deployment of broadband services and broadband infrastructure;
18 that financing by the Authority will encourage investment in
19 broadband services and broadband infrastructure; that the
20 provision of affordable broadband services and investment in
21 broadband infrastructure will assure the long-term growth of,
22 and the enhancement and delivery of, services by the
23 educational, medical, commercial, and governmental entities
24 within the State, including, but not limited to, municipalities
25 and counties, public safety facilities, judicial and criminal
26 facilities, telemedical facilities, schools, colleges,
27 universities, hospitals, libraries, community centers,
28 businesses, nonprofit organizations, and residential
29 properties; that providing capital access for broadband
30 financing or refinancing through the Authority is in the best
31 interest of the State and the exercise by the Authority of the
32 powers granted in this Article will promote economic
33 development resulting in increased employment and public
34 revenues; and that the provisions of this Article are hereby

1 declared to be in the public interest and for the public
2 benefit.

3 (20 ILCS 3501/850-10 new)

4 Sec. 850-10. Definitions. As used in this Article:

5 (a) "Broadband customer" means a person who subscribes for,
6 purchases, or uses broadband services.

7 (b) "Broadband developer" means a person in the business of
8 acquiring, constructing, developing, or creating any part of
9 the broadband infrastructure.

10 (c) "Broadband infrastructure" means all properties,
11 facilities, equipment, technology, hardware, software, and
12 other intellectual property necessary to provide broadband
13 services in the State, including, but not limited to, voice,
14 video, and data services.

15 (d) "Broadband operator" means a person in the business of
16 operating any part of the broadband infrastructure.

17 (e) "Broadband project" means the acquisition,
18 construction, provision, development, operation, maintenance,
19 leasing, demolition, rehabilitation, renovation, upgrade,
20 redevelopment, enhancement, or improvement of broadband
21 infrastructure, broadband services, and technologies that
22 constitute a part of, are related to, or otherwise enhance or
23 improve broadband infrastructure or broadband services, the
24 completion of which is deemed by the Authority to aid, assist,
25 or encourage the provision, access, availability, offering,
26 service, or use of broadband services to persons, whether
27 public or private, for profit or not-for-profit, within the
28 State or which will promote the expansion, retention,
29 maintenance, or diversification of broadband services or
30 broadband infrastructure within the State.

31 (f) "Broadband services" means those services, including,
32 but not limited to, voice, video, and data, that provide
33 capacity for transmission in excess of 200 kilobits per second
34 in at least one direction regardless of the technology or
35 medium used, including, but not limited to, wireless, copper

1 wire, fiber optic cable, and coaxial cable. If voice
2 transmission capacity is offered in conjunction with other
3 services utilizing transmission in excess of 200 kilobits per
4 second, the voice transmission capacity may be less than 200
5 kilobits per second. The Authority shall annually reconsider
6 the 200 kilobits threshold under this Article with a bias
7 toward raising the threshold in a manner consistent with
8 technological advances.

9 (g) "Underserved areas" means geographic areas in this
10 State identified by the Authority as having a need for
11 broadband development. In identifying underserved areas, the
12 Authority shall consider the area's economic conditions,
13 including, but not limited to, median household income,
14 availability and affordability of access to broadband
15 services, lack of options available for broadband service, low
16 percentage of residents subscribing for broadband service, and
17 any other criteria considered important by the Authority in
18 determining whether an area is underserved.

19 (20 ILCS 3501/850-15 new)

20 Sec. 850-15. Powers of the Authority. In addition to the
21 other powers of the Authority granted pursuant to this Act, the
22 Authority shall have all power and authority necessary to carry
23 out and effectuate the purposes of this Article, including, but
24 not limited to, all of the following:

25 (a) To make loans to finance or refinance all or any
26 portion of broadband projects, to enter into loan agreements
27 with respect thereto, to accept guarantees from persons of its
28 loans or the resultant evidences of obligations of the
29 Authority and to accept such interests in collateral as it
30 determines are necessary to protect the Authority's interest in
31 the repayment of the principal and interest of each loan made.
32 For the purpose of making such loans and not by way of
33 limitation on any program of the Authority, the Authority shall
34 have the power to issue bonds, notes, or other evidences of
35 indebtedness, including commercial paper for purposes of

1 providing a fund of capital from which it may make such loans.
2 The Authority shall have the power to use any appropriations
3 from the State made especially for the purpose of funding
4 broadband projects for additional capital to make such loans or
5 for the purposes of reserve funds or pledged funds that secure
6 the Authority's obligations of repayment of any bond, note, or
7 other form of indebtedness established for the purpose of
8 providing capital from which it intends to make such loans for
9 broadband projects. For the purpose of obtaining such capital,
10 the Authority may also enter into agreements with financial
11 institutions and other persons for the purpose of selling loans
12 and developing a secondary market for such loans. The Authority
13 may charge such interest rates and determine the terms and
14 conditions for the loans as it determines to be necessary and
15 appropriate to the successful administration of the loan.
16 Priority for making loans may be given for broadband projects
17 targeted to underserved areas.

18 (b) To provide a guarantee of private loans to third
19 parties up to a specified dollar amount in order to promote,
20 aid, or assist broadband projects within this State.

21 (c) To receive and distribute state or local funding,
22 including grants, loans, general appropriations, and
23 appropriations made for broadband projects.

24 (d) To purchase or to make commitments to purchase, from
25 lenders, notes, debentures, bonds, or other evidences of
26 indebtedness secured by mortgages, deeds of trust, equipment,
27 or other security or unsecured, as the Authority may determine,
28 or portions thereof or participations therein, which notes,
29 bonds, or other evidences of indebtedness shall have been or
30 will be executed by the obligors thereon to obtain funds for
31 broadband projects.

32 (e) To contract with lenders or others for the origination
33 of or the servicing of the loans made by the Authority pursuant
34 to this Article or represented by the notes, bonds, or other
35 evidences of indebtedness that it has purchased pursuant to
36 this Article.

1 (f) To provide a State guarantee of loans, notes, or other
2 evidences of indebtedness relating to broadband projects (as
3 provided in Section 850-20) with a lender or a person holding a
4 loan, note, or other evidence of indebtedness and to sell or
5 issue such State guarantees, bonds, or evidences of
6 indebtedness in a primary or secondary market.

7 (g) To fix, determine, charge and collect any premiums,
8 fees, charges, costs, and expenses, including, without
9 limitation, any application fees, commitment fees, program
10 fees, financing charges, or publication fees from any person in
11 connection with its activities under this Article.

12 (h) To issue bonds for the purpose of funding broadband
13 projects. Bonds may be issued by the Authority in one or more
14 series and may provide for the payment of any interest deemed
15 necessary on such bonds, of the costs of issuance of such
16 bonds, of any premium on any insurance, or of the cost of any
17 guarantees, letters of credit, or other similar documents, may
18 provide for the funding of the reserves deemed necessary in
19 connection with such bonds and may provide for the refunding or
20 advance refunding of any bonds or for accounts deemed necessary
21 in connection with broadband projects. The bonds may bear
22 interest payable at any time or times and at any rate or rates,
23 notwithstanding any other provision of law to the contrary, and
24 such rate or rates may be established by an index or formula
25 that may be implemented or established by persons appointed or
26 retained therefor by the Authority, or may bear no interest or
27 may bear interest payable at maturity or upon redemption prior
28 to maturity, may bear such date or dates, may be payable at
29 such time or times and at such place or places, may mature at
30 any time or times not later than 40 years from the date of
31 issuance, may be sold at public or private sale at such time or
32 times and at such price or prices, may be secured by such
33 pledges, reserves, guarantees, letters of credit, insurance
34 contracts, or other similar credit support or liquidity
35 instruments, may be executed in such manner, may be subject to
36 redemption prior to maturity, may provide for the registration

1 of the bonds, and may be subject to such other terms and
2 conditions all as may be provided by the resolution or
3 indenture authorizing the issuance of such bonds. The bonds may
4 be secured as provided in the authorizing resolution by the
5 receipts, revenues, income, and other available funds of the
6 Authority and by any amounts derived by the Authority from the
7 loan agreement or lease agreement with respect to the broadband
8 project or projects. Bonds may be issued as general obligations
9 of the Authority payable from such revenues, funds, and
10 obligations of the Authority as the bond resolution shall
11 provide, or may be issued as limited obligations with a claim
12 for payment solely from such revenues, funds, and obligations
13 as the bond resolution shall provide. The Authority may grant a
14 specific pledge or assignment of and lien on or security
15 interest in such rights, revenues, income, or amounts and may
16 grant a specific pledge or assignment of and lien on or
17 security interest in any reserves, funds, or accounts
18 established in the resolution authorizing the issuance of
19 bonds. Any such pledge, assignment, lien, or security interest
20 for the benefit of the holders of the Authority's bonds shall
21 be valid and binding from the time the bonds are issued without
22 any physical delivery or further act, and shall be valid and
23 binding as against and prior to the claims of all other parties
24 having claims against the Authority or any other person
25 irrespective of whether the other parties have notice of the
26 pledge, assignment, lien, or security interest. As evidence of
27 such pledge, assignment, lien, and security interest, the
28 Authority may execute and deliver a mortgage, trust agreement,
29 indenture, or security agreement or an assignment thereof. It
30 is expressly understood that the Authority may, but need not,
31 acquire title to any project with respect to which it exercises
32 its authority.

33 (i) To issue a single bond issue, or a series of bond
34 issues as provided in paragraph (h) above, for a group of
35 broadband projects, a group of broadband developers, a group of
36 broadband operators, a group of broadband customers, or any

1 combination thereof.

2 (j) To create and establish the Broadband Reserve Fund as
3 set forth in Section 850-40.

4 (k) To obtain and maintain guarantees, letters of credit,
5 insurance contracts, or similar credit support or liquidity
6 instruments that are deemed necessary or desirable in
7 connection with any bonds, notes, or other obligations of the
8 Authority relating to broadband projects.

9 (l) To make and enter into all other agreements and
10 contracts and execute all instruments necessary or incidental
11 to performance of the Authority's duties and execution of its
12 powers under this Article.

13 (m) To provide financing as provided in this Article to any
14 person, whether public or private, for profit or
15 not-for-profit, including, without limitation, units of
16 government and associations of units of government.

17 (n) To assist through financing and refinancing the
18 expansion of broadband infrastructure and broadband services
19 in the State.

20 (o) To exercise such other powers as are necessary or
21 incidental to the foregoing including, without limitation,
22 promulgating rules, regulations, or policies of the Authority
23 deemed necessary, desirable, appropriate, or incidental to
24 carrying out the powers of this Article.

25 (20 ILCS 3501/850-20 new)

26 Sec. 850-20. State guarantees of broadband projects.

27 (a) The Authority is authorized to issue State guarantees
28 to lenders for loans, notes, or other obligations of
29 indebtedness for eligible broadband projects. For the purposes
30 of this Section 850-20, an eligible broadband project shall be
31 a project that provides, promotes, develops, improves, or
32 otherwise enhances access to broadband services in underserved
33 areas of the State. Lenders shall apply for the State
34 guarantees on forms provided by the Authority and certify that
35 the application and any other documents submitted are true and

1 correct. The lender or borrower, or both in combination, shall
2 pay an administrative fee as determined by the Authority. The
3 applicant for a State guarantee is responsible for paying any
4 fees or charges involved in recording mortgages, releases,
5 financing statements, insurance for secondary market issues,
6 and any other similar fees or charges as the Authority may
7 require. The application shall include such information as
8 determined by the Authority to be necessary and desirable for
9 the Authority to determine the identity of the borrower and
10 lender, the creditworthiness of the borrower, and information
11 pertinent to determining the value of collateral to be used to
12 secure the State guarantee. In addition, the lender must agree
13 to charge a fixed or adjustable rate of interest on the loan
14 that, in the opinion of the Authority, is below the market rate
15 of interest for similarly-situated loans or is otherwise
16 advantageous to the borrower. If both the lender and applicant
17 agree, the interest rate on the loan may be converted to a
18 fixed interest rate at any time during the term of the loan.
19 With respect to loans for which State guarantees are provided
20 under this Section, (i) the aggregate principal amount of any
21 loans outstanding for a single borrower may not exceed
22 \$1,000,000, (ii) the loans must be set up on a payment schedule
23 not to exceed 30 years, and shall be no longer than 15 years in
24 duration, and (iii) the loans are subject to an annual review
25 and renewal by the lender and the Authority. No State guarantee
26 may be revoked by the Authority without a 90-day notice, in
27 writing, to all parties.

28 (b) The Authority shall provide or renew a State guarantee
29 to a lender if:

30 (i) The lender pays to the Authority the renewal fee
31 (which shall be established, from time to time, by the
32 Authority);

33 (ii) The application provides collateral acceptable to
34 the Authority that is at least equal to the State's portion
35 of the State guarantee to be provided;

36 (iii) The lender assumes all responsibility and costs

1 for pursuing legal action on collecting any loan that is
2 delinquent or in default; and

3 (iv) The lender is responsible for the first 15% of the
4 outstanding principal of the note for which the State
5 Guarantee has been applied.

6 (c) There is hereby created outside of the State treasury a
7 special fund to be known as the Illinois Broadband Loan
8 Guarantee Fund. The State Treasurer is the custodian of this
9 Fund. Any amounts in the Illinois Broadband Loan Guarantee Fund
10 not currently needed to meet the obligations of the Fund shall
11 be invested as provided by law, and all interest earned from
12 these investments shall be deposited into the Fund until the
13 Fund reaches the maximum amount authorized under this Section;
14 thereafter, interest earned shall be deposited into the General
15 Revenue Fund. After June 30, 2011, annual investment earnings
16 equal to 1.5% of the Fund must remain in the Fund to be used for
17 the purposes established under this Section. The Authority is
18 authorized to transfer to the Fund such amounts as are
19 necessary to satisfy claims during the duration of the State
20 Guarantee program to secure State Guarantees issued under this
21 Section. If, for any reason, the General Assembly fails to make
22 an appropriation sufficient to meet these obligations, this Act
23 shall constitute an irrevocable and continuing appropriation
24 of an amount necessary to secure guarantees as defaults occur
25 and the irrevocable and continuing authority for, and direction
26 to, the State Treasurer and the Comptroller to make the
27 necessary transfers to the Illinois Broadband Loan Guarantee
28 Fund, as directed by the Governor, out of the General Revenue
29 Fund. Within 30 days after the effective date of this Act, the
30 State shall transfer up to \$5,000,000 from available
31 appropriations into the Illinois Broadband Loan Guarantee Fund
32 for the purposes of this Act. Thereafter, the Authority may
33 transfer additional amounts into the Illinois Broadband Loan
34 Guarantee Fund to secure guarantees for defaults as defaults
35 occur. In the event of default by the borrower, the lender is
36 entitled to, and the Authority shall direct payment on, the

1 State guarantee after 90 days of delinquency. All payments by
2 the Authority shall be made from the Illinois Broadband Loan
3 Guarantee Fund to satisfy claims against the State guarantee.
4 The Illinois Broadband Loan Guarantee Fund shall guarantee
5 receipt of payment of up to 85% of the principal and interest
6 owed on the State guaranteed loan by the borrower to the
7 guarantee holder. It is the responsibility of the lender to
8 proceed with the collecting and disposing of collateral on the
9 State Guarantee within 14 months after the time the State
10 guarantee is declared delinquent; provided, however, that the
11 lender shall not collect or dispose of collateral on the State
12 guaranteed loan without the express written prior approval of
13 the Authority. If the lender does not dispose of the collateral
14 within 14 months, the lender is liable to repay to the State
15 interest on the State guaranteed loan equal to the same rate
16 that the lender charges on the State guaranteed loan; provided,
17 however, that the Authority may extend the 14-month period for
18 a lender in the case of bankruptcy or extenuating
19 circumstances. The Fund shall be reimbursed for any amounts
20 paid under this Section upon liquidation of the collateral. The
21 Authority, by resolution of the Board, may borrow sums from the
22 Fund and provide for repayment as soon as may be practical upon
23 receipt of payments of principal and interest by a borrower.
24 Money may be borrowed from the Fund by the Authority for the
25 sole purpose of paying certain interest costs for borrowers
26 associated with selling a loan subject to a State Guarantee in
27 a secondary market as may be deemed reasonable and necessary by
28 the Authority.

29 (d) Notwithstanding the provisions under this Section
30 concerning borrowers and lenders who may obtain a State
31 Guarantee, from time to time, the Authority may adopt rules
32 establishing eligibility requirements of borrowers and lenders
33 to participate in the State Guarantee program and may impose
34 terms, conditions, standards and procedures for participating
35 in the program.

1 (20 ILCS 3501/850-25 new)

2 Sec. 850-25. Loan guarantee limitation. The Authority
3 shall not have outstanding, at any one time, State guarantees
4 issued under Sections 830-30, 830-35, 830-45, 830-50, and
5 850-20 in an aggregate principal amount exceeding
6 \$235,000,000. Of this amount the Authority shall not have
7 outstanding at any one time State Guarantees (1) under Section
8 830-30 in an aggregate principal amount exceeding
9 \$160,000,000, (2) under Sections 830-35, 830-45 and 830-50 in
10 an aggregate principal amount exceeding \$75,000,000, and (3)
11 under Section 850-20 in an aggregate principal amount exceeding
12 \$50,000,000.

13 (20 ILCS 3501/850-30 new)

14 Sec. 850-30. Additional security for bonds; moral
15 obligation. If so determined by the Authority, with the written
16 approval of the Governor, the Authority may provide, as
17 additional security to any bonds or notes issued pursuant to
18 this Article, that this Section applies to an issuance of bonds
19 or notes. If so determined, (i) in the event that the Authority
20 determines that the revenues, income, or other assets of the
21 Authority pledged as security for any such bonds or notes will
22 not be sufficient for the payment of the principal of and
23 interest on the bonds issued by the Authority during the next
24 State fiscal year or (ii) in the event of a withdrawal of
25 moneys from a reserve fund established with respect to any
26 issue or issues of bonds or notes of the Authority to pay
27 principal, premium, if any, and interest on the bonds or notes,
28 the Chairperson of the Authority, as soon as practicable, shall
29 certify to the Governor the amount required by the Authority to
30 enable it to pay the principal, premium, if any, and interest
31 on the bonds or notes, or the amount required to restore the
32 reserve fund to the level required in the resolution or
33 indenture securing those bonds or notes, as the case may be.
34 The Governor shall submit the amount so certified to the
35 General Assembly as soon as practicable, but no later than the

1 end of the current State fiscal year. This Section 850-30
2 applies only to those bonds or notes as to which the Authority
3 has specifically determined, in the resolution authorizing the
4 issuance of the bonds or notes, that this Section applies.
5 Bonds or notes issued pursuant to this Section 850-30, shall
6 not constitute an indebtedness of the State of Illinois, and it
7 shall be plainly stated on the face of each bond or note that
8 it does not constitute an indebtedness of the State of
9 Illinois, but is payable solely from the revenues, income, or
10 other assets of the Authority pledged therefor, subject to the
11 General Assembly's right, but not legal obligation, to
12 determine to make an appropriation for the payment of
13 principal, premium, if any, and interest on such bonds or notes
14 or to restore the reserve fund to the level required in the
15 resolution or indenture.

16 (20 ILCS 3501/850-35 new)

17 Sec. 850-35. Moral obligation limit. In addition to any
18 other bonds or notes authorized to be issued under Sections
19 801-40(w), 825-60, 825-65(e), 830-25, 845-5, and 850-25 of the
20 Act, the aggregate principal amount of the Authority bonds
21 outstanding at any time issued under Section 850-30 shall not
22 exceed \$100,000,000. An application for a loan financed from
23 bond proceeds from a borrower or its affiliates for a broadband
24 project may not be approved by the Authority for an amount in
25 excess of \$5,000,000 for any single borrower or its affiliates.

26 (20 ILCS 3501/850-40 new)

27 Sec. 850-40. Broadband reserve fund.

28 (a) There is hereby created the Broadband Reserve Fund in
29 the Authority. The Authority shall pay into the reserve fund
30 (i) any moneys appropriated and made available by the State for
31 the purpose of the fund, (ii) any proceeds of sale of notes or
32 bonds to the extent provided in the resolution or resolutions
33 of the Authority authorizing the issuance thereof, and (iii)
34 any other moneys that may be available to the Authority for the

1 purpose of the fund from any other source or sources. All
2 moneys held in the fund, except as hereinafter provided, shall
3 be used, as required, for: (i) the payment of the principal of
4 bonds or notes secured in whole or in part by the fund or of the
5 sinking fund payments with respect to such bonds or notes, the
6 purchase or redemption of such bonds or notes, the payment of
7 interest on such bonds or notes or the payment of any
8 redemption premium required to be paid when such bonds or notes
9 are redeemed prior to maturity; (ii) the payment of the cost of
10 any letter of credit, insurance, or third-party guarantee
11 provided with respect to any notes or bonds issued by the
12 Authority; (iii) the payment of costs of the Authority incurred
13 in connection with the issuance of bonds or notes; or (iv) the
14 enhancement of the credit of any bond or note issued by the
15 Authority. Moneys in the fund may not be withdrawn at any time
16 in an amount that would reduce the amount of the fund to less
17 than the minimum amount necessary to satisfy the obligations
18 secured by the fund as provided by the resolutions of the
19 Authority, except for the purpose of making, with respect to
20 bonds or notes secured, in whole or in part, by such fund,
21 payment when due, for the purposes provided above. Any income
22 or interest earned by, or increment to, the reserve fund due to
23 the investment of fund moneys shall be maintained in the fund
24 and used for the purposes provided in this Section.

25 (b) The Authority may not at any time issue bonds or notes,
26 secured in whole or in part, by the reserve fund, if upon the
27 issuance of the bonds or notes, the amount in the reserve fund
28 will be less than the minimum amount necessary to pay
29 obligations secured by the fund, unless the Authority, at the
30 time of issuance of the bonds or notes deposits into the fund
31 from the proceeds of the bonds or notes to be issued, or from
32 other sources an amount that, together with the amount then in
33 the fund, will not be less than the minimum amount necessary to
34 satisfy the obligations secured by the fund.

35 (c) In computing the amount of the reserve fund for the
36 purpose of this Section, securities in which all or a portion

1 of the fund is invested must be valued either (i) at par, or if
2 purchased at less than par, at their cost to the Authority or
3 (ii) as provided in the resolution authorizing the issuance of
4 the bonds or notes that are to be secured by the fund.

5 (d) In addition to, or in lieu of, depositing money in the
6 fund, the Authority may obtain or pledge letters of credit,
7 insurance policies, surety bonds, guarantees, or other
8 security arrangements. The amount available under letters of
9 credit, insurance policies, surety bonds, guarantees, or other
10 security arrangements pledged to the fund shall be credited
11 toward the minimum amount necessary to satisfy the obligations
12 secured by the fund.

13 (e) The fund shall be created by the Authority, shall be
14 separate and segregated from all other funds and accounts of
15 the Authority, and, at the discretion of the Authority, may be
16 maintained by a corporate trustee (which may be any trust
17 company or bank having the power of a trust company within the
18 State).

19 (f) This Section 850-40 applies only to those bonds or
20 notes, for such purposes, and in such amounts as to which the
21 Authority has specifically determined, in the resolution
22 authorizing the issuance of the bonds or notes, that this
23 Section applies.

24 (g) The State may transfer moneys from available
25 appropriations to the Broadband Reserve Fund. To initially
26 establish the Broadband Reserve Fund, the State may transfer up
27 to \$5,000,000 to the Fund from available appropriations.

28 (20 ILCS 3501/850-45 new)

29 Sec. 850-45. Tax Exemption. The exercise of the powers
30 granted in this Article are in all respects for the benefit of
31 the people of Illinois and, in consideration thereof are free
32 from all taxation by the State or its political subdivisions,
33 except for estate, transfer, and inheritance taxes. For the
34 purposes of Section 250 of the Illinois Income Tax Act, the
35 exemption of the income from bonds issued under this Article

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

8 Section 99. Effective date. This Act takes effect upon
9 becoming law.