

# HB1417



## 95TH GENERAL ASSEMBLY

### State of Illinois

2007 and 2008

HB1417

Introduced 2/21/2007, by Rep. Kurt M. Granberg

#### SYNOPSIS AS INTRODUCED:

20 ILCS 3501/825-65  
20 ILCS 3501/825-75

Amends the Illinois Finance Authority Act. Provides that "clean coal and energy projects" includes new gasification facilities. Makes other changes.

LRB095 09801 RCE 30011 b

FISCAL NOTE ACT  
MAY APPLY

A BILL FOR

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 825-65 and 825-75 as follows:

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 and to advance clean  
14 coal technology and the use of Illinois coal are in the best  
15 interests of all of the citizens of Illinois. The Authority is  
16 authorized to issue bonds to help finance Clean Coal and Energy  
17 projects pursuant to this Section.

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

1 existing energy generating plants, or projects to provide  
2 electric transmission facilities or new gasification  
3 facilities.

4 (c) Creation of reserve funds. The Authority may establish  
5 and maintain one or more reserve funds to enhance bonds issued  
6 by the Authority for Clean Coal and Energy projects ~~to develop~~  
7 ~~alternative energy sources, including renewable energy~~  
8 ~~projects, projects to provide scrubber technology for existing~~  
9 ~~energy generating plants or projects to provide electric~~  
10 ~~transmission facilities.~~ There may be one or more accounts in  
11 these reserve funds in which there may be deposited:

12 (1) any proceeds of the bonds issued by the Authority  
13 required to be deposited therein by the terms of any  
14 contract between the Authority and its bondholders or any  
15 resolution of the Authority;

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

18 (3) any other moneys or funds made available to the  
19 Authority. Subject to the terms of any pledge to the owners  
20 of any bonds, moneys in any reserve fund may be held and  
21 applied to the payment of principal, premium, if any, and  
22 interest of such bonds.

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

24 (1) To issue bonds in one or more series pursuant to  
25 one or more resolutions of the Authority for any Clean Coal  
26 and Energy projects authorized under this Section, within

1 the authorization set forth in subsections (e) and (f).

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

5 (3) To pledge any funds of the Authority or funds made  
6 available to the Authority that may be applied to such  
7 purpose as security for any bonds or any guarantees,  
8 letters of credit, insurance contracts or similar credit  
9 support or liquidity instruments securing the bonds.

10 (4) To enter into agreements or contracts with third  
11 parties, whether public or private, including, without  
12 limitation, the United States of America, the State or any  
13 department or agency thereof, to obtain any  
14 appropriations, grants, loans or guarantees that are  
15 deemed necessary or desirable by the Authority. Any such  
16 guarantee, agreement or contract may contain terms and  
17 provisions necessary or desirable in connection with the  
18 program, subject to the requirements established by the  
19 Act.

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

22 (e) Clean Coal and Energy bond authorization and financing  
23 limits. In addition to any other bonds authorized to be issued  
24 under Sections 801-40(w), 825-60, 830-25 and 845-5, the  
25 Authority may have outstanding, at any time, bonds for the  
26 purpose enumerated in this Section 825-65 in an aggregate

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

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

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

1 (20 ILCS 3501/825-75)

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

1 reserve fund to the level required in the resolution or  
2 indenture securing those bonds. The Governor shall submit the  
3 amount so certified to the General Assembly as soon as  
4 practicable, but no later than the end of the current State  
5 fiscal year. The Authority shall obtain written approval from  
6 the Governor for any bonds and notes to be issued under this  
7 Section.

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