



95TH GENERAL ASSEMBLY

State of Illinois

2007 and 2008

HB1458

Introduced 2/21/2007, 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.

LRB095 10071 BDD 30285 b

FISCAL NOTE ACT
MAY APPLY

STATE DEBT
IMPACT 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 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,

1 agricultural facility or agribusiness, broadband project (as
2 defined under Section 850-10), and "project" may include any
3 combination of one or more of the foregoing undertaken jointly
4 by any person with one or more other persons.

5 (c) The term "public purpose project" means any project or
6 facility including without limitation land, buildings,
7 structures, machinery, equipment and all other real and
8 personal property, which is authorized or required by law to be
9 acquired, constructed, improved, rehabilitated, reconstructed,
10 replaced or maintained by any unit of government or any other
11 lawful public purpose which is authorized or required by law to
12 be undertaken by any unit of government.

13 (d) The term "industrial project" means the acquisition,
14 construction, refurbishment, creation, development or
15 redevelopment of any facility, equipment, machinery, real
16 property or personal property for use by any instrumentality of
17 the State or its political subdivisions, for use by any person
18 or institution, public or private, for profit or not for
19 profit, or for use in any trade or business including, but not
20 limited to, any industrial, manufacturing or commercial
21 enterprise and which is (1) a capital project including but not
22 limited to: (i) land and any rights therein, one or more
23 buildings, structures or other improvements, machinery and
24 equipment, whether now existing or hereafter acquired, and
25 whether or not located on the same site or sites; (ii) all
26 appurtenances and facilities incidental to the foregoing,

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

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

22 (f) The terms "lease agreement" and "loan agreement" shall
23 mean: (i) an agreement whereby a project acquired by the
24 Authority by purchase, gift or lease is leased to any person,
25 corporation or unit of local government which will use or cause
26 the project to be used as a project as heretofore defined upon

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

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

24 (h) The term "person" means an individual, corporation,
25 unit of government, business trust, estate, trust, partnership
26 or association, 2 or more persons having a joint or common

1 interest, or any other legal entity.

2 (i) The term "unit of government" means the federal
3 government, the State or unit of local government, a school
4 district, or any agency or instrumentality, office, officer,
5 department, division, bureau, commission, college or
6 university thereof.

7 (j) The term "health facility" means: (a) any public or
8 private institution, place, building, or agency required to be
9 licensed under the Hospital Licensing Act; (b) any public or
10 private institution, place, building, or agency required to be
11 licensed under the Nursing Home Care Act; (c) any public or
12 licensed private hospital as defined in the Mental Health and
13 Developmental Disabilities Code; (d) any such facility
14 exempted from such licensure when the Director of Public Health
15 attests that such exempted facility meets the statutory
16 definition of a facility subject to licensure; (e) any other
17 public or private health service institution, place, building,
18 or agency which the Director of Public Health attests is
19 subject to certification by the Secretary, U.S. Department of
20 Health and Human Services under the Social Security Act, as now
21 or hereafter amended, or which the Director of Public Health
22 attests is subject to standard-setting by a recognized public
23 or voluntary accrediting or standard-setting agency; (f) any
24 public or private institution, place, building or agency
25 engaged in providing one or more supporting services to a
26 health facility; (g) any public or private institution, place,

1 building or agency engaged in providing training in the healing
2 arts, including but not limited to schools of medicine,
3 dentistry, osteopathy, optometry, podiatry, pharmacy or
4 nursing, schools for the training of x-ray, laboratory or other
5 health care technicians and schools for the training of
6 para-professionals in the health care field; (h) any public or
7 private congregate, life or extended care or elderly housing
8 facility or any public or private home for the aged or infirm,
9 including, without limitation, any Facility as defined in the
10 Life Care Facilities Act; (i) any public or private mental,
11 emotional or physical rehabilitation facility or any public or
12 private educational, counseling, or rehabilitation facility or
13 home, for those persons with a developmental disability, those
14 who are physically ill or disabled, the emotionally disturbed,
15 those persons with a mental illness or persons with learning or
16 similar disabilities or problems; (j) any public or private
17 alcohol, drug or substance abuse diagnosis, counseling
18 treatment or rehabilitation facility, (k) any public or private
19 institution, place, building or agency licensed by the
20 Department of Children and Family Services or which is not so
21 licensed but which the Director of Children and Family Services
22 attests provides child care, child welfare or other services of
23 the type provided by facilities subject to such licensure; (l)
24 any public or private adoption agency or facility; and (m) any
25 public or private blood bank or blood center. "Health facility"
26 also means a public or private structure or structures suitable

1 primarily for use as a laboratory, laundry, nurses or interns
2 residence or other housing or hotel facility used in whole or
3 in part for staff, employees or students and their families,
4 patients or relatives of patients admitted for treatment or
5 care in a health facility, or persons conducting business with
6 a health facility, physician's facility, surgicenter,
7 administration building, research facility, maintenance,
8 storage or utility facility and all structures or facilities
9 related to any of the foregoing or required or useful for the
10 operation of a health facility, including parking or other
11 facilities or other supporting service structures required or
12 useful for the orderly conduct of such health facility.

13 (k) The term "participating health institution" means a
14 private corporation or association or public entity of this
15 State, authorized by the laws of this State to provide or
16 operate a health facility as defined in this Act and which,
17 pursuant to the provisions of this Act, undertakes the
18 financing, construction or acquisition of a project or
19 undertakes the refunding or refinancing of obligations, loans,
20 indebtedness or advances as provided in this Act.

21 (l) The term "health facility project", means a specific
22 health facility work or improvement to be financed or
23 refinanced (including without limitation through reimbursement
24 of prior expenditures), acquired, constructed, enlarged,
25 remodeled, renovated, improved, furnished, or equipped, with
26 funds provided in whole or in part hereunder, any accounts

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

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

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

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

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

26 (q) The term "cultural institution project" means, in the

1 case of a cultural institution, a cultural facility to be
2 acquired, constructed, enlarged, remodeled, renovated,
3 improved, furnished, or equipped, or any combination thereof.

4 (r) The term "educational facility" means any property
5 located within the State constructed or acquired before or
6 after the effective date of this Act, which is or will be, in
7 whole or in part, suitable for the instruction, feeding,
8 recreation or housing of students, the conducting of research
9 or other work of a private institution of higher education, the
10 use by a private institution of higher education in connection
11 with any educational, research or related or incidental
12 activities then being or to be conducted by it, or any
13 combination of the foregoing, including, without limitation,
14 any such property suitable for use as or in connection with any
15 one or more of the following: an academic facility,
16 administrative facility, agricultural facility, assembly hall,
17 athletic facility, auditorium, boating facility, campus,
18 communication facility, computer facility, continuing
19 education facility, classroom, dining hall, dormitory,
20 exhibition hall, fire fighting facility, fire prevention
21 facility, food service and preparation facility, gymnasium,
22 greenhouse, health care facility, hospital, housing,
23 instructional facility, laboratory, library, maintenance
24 facility, medical facility, museum, offices, parking area,
25 physical education facility, recreational facility, research
26 facility, stadium, storage facility, student union, study

1 facility, theatre or utility.

2 (s) The term "cultural facility" means any property located
3 within the State constructed or acquired before or after the
4 effective date of this Act, which is or will be, in whole or in
5 part, suitable for the particular purposes or needs of a
6 cultural institution, including, without limitation, any such
7 property suitable for use as or in connection with any one or
8 more of the following: an administrative facility, aquarium,
9 assembly hall, auditorium, botanical garden, exhibition hall,
10 gallery, greenhouse, library, museum, scientific laboratory,
11 theater or zoological facility, and shall also include, without
12 limitation, books, works of art or music, animal, plant or
13 aquatic life or other items for display, exhibition or
14 performance. The term "cultural facility" includes buildings
15 on the National Register of Historic Places which are owned or
16 operated by nonprofit entities.

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

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

26 (2) Provides an educational program for which it awards

1 a bachelor's degree, or provides an educational program,
2 admission into which is conditioned upon the prior
3 attainment of a bachelor's degree or its equivalent, for
4 which it awards a postgraduate degree, or provides not less
5 than a 2-year program which is acceptable for full credit
6 toward such a degree, or offers a 2-year program in
7 engineering, mathematics, or the physical or biological
8 sciences which is designed to prepare the student to work
9 as a technician and at a semiprofessional level in
10 engineering, scientific, or other technological fields
11 which require the understanding and application of basic
12 engineering, scientific, or mathematical principles or
13 knowledge;

14 (3) Is accredited by a nationally recognized
15 accrediting agency or association or, if not so accredited,
16 is an institution whose credits are accepted, on transfer,
17 by not less than 3 institutions which are so accredited,
18 for credit on the same basis as if transferred from an
19 institution so accredited, and holds an unrevoked
20 certificate of approval under the Private College Act from
21 the Board of Higher Education, or is qualified as a "degree
22 granting institution" under the Academic Degree Act; and

23 (4) Does not discriminate in the admission of students
24 on the basis of race or color. "Private institution of
25 higher education" also includes any "academic
26 institution".

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

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

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

1 (x) The term "agricultural facility" means land, any
2 building or other improvement thereon or thereto, and any
3 personal properties deemed necessary or suitable for use,
4 whether or not now in existence, in farming, ranching, the
5 production of agricultural commodities (including, without
6 limitation, the products of aquaculture, hydroponics and
7 silviculture) or the treating, processing or storing of such
8 agricultural commodities when such activities are customarily
9 engaged in by farmers as a part of farming.

10 (y) The term "lender" with respect to financing of an
11 agricultural facility or an agribusiness, means any federal or
12 State chartered bank, Federal Land Bank, Production Credit
13 Association, Bank for Cooperatives, federal or State chartered
14 savings and loan association or building and loan association,
15 Small Business Investment Company or any other institution
16 qualified within this State to originate and service loans,
17 including, but without limitation to, insurance companies,
18 credit unions and mortgage loan companies. "Lender" also means
19 a wholly owned subsidiary of a manufacturer, seller or
20 distributor of goods or services that makes loans to businesses
21 or individuals, commonly known as a "captive finance company".

22 (z) The term "agribusiness" means any sole proprietorship,
23 limited partnership, co-partnership, joint venture,
24 corporation or cooperative which operates or will operate a
25 facility located within the State of Illinois that is related
26 to the processing of agricultural commodities (including,

1 without limitation, the products of aquaculture, hydroponics
2 and silviculture) or the manufacturing, production or
3 construction of agricultural buildings, structures, equipment,
4 implements, and supplies, or any other facilities or processes
5 used in agricultural production. Agribusiness includes but is
6 not limited to the following:

7 (1) grain handling and processing, including grain
8 storage, drying, treatment, conditioning, mailing and
9 packaging;

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

11 (3) fruit and vegetable processing, including
12 preparation, canning and packaging;

13 (4) processing of livestock and livestock products,
14 dairy products, poultry and poultry products, fish or
15 apiarian products, including slaughter, shearing,
16 collecting, preparation, canning and packaging;

17 (5) fertilizer and agricultural chemical
18 manufacturing, processing, application and supplying;

19 (6) farm machinery, equipment and implement
20 manufacturing and supplying;

21 (7) manufacturing and supplying of agricultural
22 commodity processing machinery and equipment, including
23 machinery and equipment used in slaughter, treatment,
24 handling, collecting, preparation, canning or packaging of
25 agricultural commodities;

26 (8) farm building and farm structure manufacturing,

1 construction and supplying;

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

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

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

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

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

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

1 residence; value of beneficial interests in trusts; government
2 payments or grants; and any other assets.

3 (bb) The term "liability" with respect to financing of any
4 agricultural facility or any agribusiness shall include, but
5 not be limited to the following: accounts payable; notes or
6 other indebtedness owed to any source; taxes; rent; amounts
7 owed on real estate contracts or real estate mortgages;
8 judgments; accrued interest payable; and any other liability.

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

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

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

24 (20 ILCS 3501/801-40)

25 Sec. 801-40. In addition to the powers otherwise authorized

1 by law and in addition to the foregoing general corporate
2 powers, the Authority shall also have the following additional
3 specific powers to be exercised in furtherance of the purposes
4 of this Act.

5 (a) The Authority shall have power (i) to accept grants,
6 loans or appropriations from the federal government or the
7 State, or any agency or instrumentality thereof, to be used for
8 the operating expenses of the Authority, or for any purposes of
9 the Authority, including the making of direct loans of such
10 funds with respect to projects, and (ii) to enter into any
11 agreement with the federal government or the State, or any
12 agency or instrumentality thereof, in relationship to such
13 grants, loans or appropriations.

14 (b) The Authority shall have power to procure and enter
15 into contracts for any type of insurance and indemnity
16 agreements covering loss or damage to property from any cause,
17 including loss of use and occupancy, or covering any other
18 insurable risk.

19 (c) The Authority shall have the continuing power to issue
20 bonds for its corporate purposes. Bonds may be issued by the
21 Authority in one or more series and may provide for the payment
22 of any interest deemed necessary on such bonds, of the costs of
23 issuance of such bonds, of any premium on any insurance, or of
24 the cost of any guarantees, letters of credit or other similar
25 documents, may provide for the funding of the reserves deemed
26 necessary in connection with such bonds, and may provide for

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

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

1 resolution authorizing the issuance of bonds. Any such pledge,
2 assignment, lien or security interest for the benefit of the
3 holders of the Authority's bonds shall be valid and binding
4 from the time the bonds are issued without any physical
5 delivery or further act, and shall be valid and binding as
6 against and prior to the claims of all other parties having
7 claims against the Authority or any other person irrespective
8 of whether the other parties have notice of the pledge,
9 assignment, lien or security interest. As evidence of such
10 pledge, assignment, lien and security interest, the Authority
11 may execute and deliver a mortgage, trust agreement, indenture
12 or security agreement or an assignment thereof. A remedy for
13 any breach or default of the terms of any such agreement by the
14 Authority may be by mandamus proceedings in any court of
15 competent jurisdiction to compel the performance and
16 compliance therewith, but the agreement may prescribe by whom
17 or on whose behalf such action may be instituted. It is
18 expressly understood that the Authority may, but need not,
19 acquire title to any project with respect to which it exercises
20 its authority.

21 (d) With respect to the powers granted by this Act, the
22 Authority may adopt rules and regulations prescribing the
23 procedures by which persons may apply for assistance under this
24 Act. Nothing herein shall be deemed to preclude the Authority,
25 prior to the filing of any formal application, from conducting
26 preliminary discussions and investigations with respect to the

1 subject matter of any prospective application.

2 (e) The Authority shall have power to acquire by purchase,
3 lease, gift or otherwise any property or rights therein from
4 any person useful for its purposes, whether improved for the
5 purposes of any prospective project, or unimproved. The
6 Authority may also accept any donation of funds for its
7 purposes from any such source. The Authority shall have no
8 independent power of condemnation but may acquire any property
9 or rights therein obtained upon condemnation by any other
10 authority, governmental entity or unit of local government with
11 such power.

12 (f) The Authority shall have power to develop, construct
13 and improve either under its own direction, or through
14 collaboration with any approved applicant, or to acquire
15 through purchase or otherwise, any project, using for such
16 purpose the proceeds derived from the sale of its bonds or from
17 governmental loans or grants, and to hold title in the name of
18 the Authority to such projects.

19 (g) The Authority shall have power to lease pursuant to a
20 lease agreement any project so developed and constructed or
21 acquired to the approved tenant on such terms and conditions as
22 may be appropriate to further the purposes of this Act and to
23 maintain the credit of the Authority. Any such lease may
24 provide for either the Authority or the approved tenant to
25 assume initially, in whole or in part, the costs of
26 maintenance, repair and improvements during the leasehold

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

25 (h) The Authority has the power, upon the termination of
26 any leasehold period of any project, to sell or lease for a

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

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

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

26 (k) In addition to the funds established as provided

1 herein, the Authority shall have the power to create and
2 establish such reserve funds and accounts as may be necessary
3 or desirable to accomplish its purposes under this Act and to
4 deposit its available monies into the funds and accounts.

5 (l) At the request of the governing body of any unit of
6 local government, the Authority is authorized to market such
7 local government's revenue bond offerings by preparing bond
8 issues for sale, advertising for sealed bids, receiving bids at
9 its offices, making the award to the bidder that offers the
10 most favorable terms or arranging for negotiated placements or
11 underwritings of such securities. The Authority may, at its
12 discretion, offer for concurrent sale the revenue bonds of
13 several local governments. Sales by the Authority of revenue
14 bonds under this Section shall in no way imply State guarantee
15 of such debt issue. The Authority may require such financial
16 information from participating local governments as it deems
17 necessary in order to carry out the purposes of this subsection
18 (1).

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

26 (n) The Authority may establish an urban development action

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

23 (o) The Authority may establish a Housing Partnership
24 Program whereby the Authority provides zero-interest loans to
25 municipalities for the purpose of assisting in the financing of
26 projects for the rehabilitation of affordable multi-family

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

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

1 total project or acquisition cost.

2 (q) Grants may be awarded by the Authority to units of
3 local government for the purpose of developing the appropriate
4 infrastructure or defraying other costs to the local government
5 in support of laboratory or research facilities provided that
6 such grants may not exceed 40% of the cost to the unit of local
7 government.

8 (r) The Authority may establish a Direct Loan Program to
9 make loans to individuals, partnerships or corporations for the
10 purpose of an industrial project, as defined in Section 801-10
11 of this Act. For the purposes of such program and not by way of
12 limitation on any other program of the Authority, the Authority
13 shall have the power to issue bonds, notes, or other evidences
14 of indebtedness including commercial paper for purposes of
15 providing a fund of capital from which it may make such loans.
16 The Authority shall have the power to use any appropriations
17 from the State made especially for the Authority's Direct Loan
18 Program for additional capital to make such loans or for the
19 purposes of reserve funds or pledged funds which secure the
20 Authority's obligations of repayment of any bond, note or other
21 form of indebtedness established for the purpose of providing
22 capital for which it intends to make such loans under the
23 Direct Loan Program. For the purpose of obtaining such capital,
24 the Authority may also enter into agreements with financial
25 institutions and other persons for the purpose of selling loans
26 and developing a secondary market for such loans. Loans made

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

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

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

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

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

21 (w) Moral Obligation. In the event that the Authority
22 determines that monies of the Authority will not be sufficient
23 for the payment of the principal of and interest on its bonds
24 during the next State fiscal year, the Chairperson, as soon as
25 practicable, shall certify to the Governor the amount required
26 by the Authority to enable it to pay such principal of and

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

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

2 (20 ILCS 3501/825-60)

3 Sec. 825-60. Financially Distressed City Assistance
4 Program Limitation. In addition to the bonds authorized to be
5 issued under Sections 801-40(w), 825-65(e), 830-25, ~~and~~ 845-5,
6 850-25, and 850-30, the Authority may have outstanding at any
7 time, bonds for the purposes enumerated in Sections 825-20
8 through 825-60 in an aggregate principal amount that shall not
9 exceed \$50,000,000. Such bonds shall not constitute an
10 indebtedness or obligation of the State of Illinois, and it
11 shall be plainly stated on the face of each bond that it does
12 not constitute such an indebtedness or obligation but is
13 payable solely from the revenues, income or other assets of the
14 Authority pledged therefor.

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

16 (20 ILCS 3501/825-65)

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

18 (a) Findings and declaration of policy. It is hereby found
19 and declared that Illinois has abundant coal resources and, in
20 some areas of Illinois, the demand for power exceeds the
21 generating capacity. Incentives to encourage the construction
22 of coal-fired electric generating plants in Illinois to ensure
23 power generating capacity into the future are in the best
24 interests of all of the citizens of Illinois. The Authority is

1 authorized to issue bonds to help finance Clean Coal and Energy
2 projects pursuant to this Section.

3 (b) Definition. "Clean Coal and Energy projects" means new
4 electric generating facilities, as defined in Section 605-332
5 of the Department of Commerce and Economic Opportunity Law of
6 the Civil Administrative Code of Illinois, which may include
7 mine-mouth power plants, projects that employ the use of clean
8 coal technology, projects to provide scrubber technology for
9 existing energy generating plants, or projects to provide
10 electric transmission facilities.

11 (c) Creation of reserve funds. The Authority may establish
12 and maintain one or more reserve funds to enhance bonds issued
13 by the Authority for Clean Coal and Energy projects to develop
14 alternative energy sources, including renewable energy
15 projects, projects to provide scrubber technology for existing
16 energy generating plants or projects to provide electric
17 transmission facilities. There may be one or more accounts in
18 these reserve funds in which there may be deposited:

19 (1) any proceeds of the bonds issued by the Authority
20 required to be deposited therein by the terms of any
21 contract between the Authority and its bondholders or any
22 resolution of the Authority;

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

25 (3) any other moneys or funds made available to the
26 Authority. Subject to the terms of any pledge to the owners

1 of any bonds, moneys in any reserve fund may be held and
2 applied to the payment of principal, premium, if any, and
3 interest of such bonds.

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

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

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

12 (3) To pledge any funds of the Authority or funds made
13 available to the Authority that may be applied to such
14 purpose as security for any bonds or any guarantees,
15 letters of credit, insurance contracts or similar credit
16 support or liquidity instruments securing the bonds.

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

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

3 (e) Clean Coal and Energy bond authorization and financing
4 limits. In addition to any other bonds authorized to be issued
5 under Sections 801-40(w), 825-60, 830-25, ~~and~~ 845-5, 850-25,
6 and 850-30, the Authority may have outstanding, at any time,
7 bonds for the purpose enumerated in this Section 825-65 in an
8 aggregate principal amount that shall not exceed
9 \$2,700,000,000, of which no more than \$300,000,000 may be
10 issued to finance transmission facilities, no more than
11 \$500,000,000 may be issued to finance scrubbers at existing
12 generating plants, no more than \$500,000,000 may be issued to
13 finance alternative energy sources, including renewable energy
14 projects and no more than \$1,400,000,000 may be issued to
15 finance new electric generating facilities, as defined in
16 Section 605-332 of the Department of Commerce and Economic
17 Opportunity Law of the Civil Administrative Code of Illinois,
18 which may include mine-mouth power plants. An application for a
19 loan financed from bond proceeds from a borrower or its
20 affiliates for a Clean Coal and Energy project may not be
21 approved by the Authority for an amount in excess of
22 \$450,000,000 for any borrower or its affiliates. These bonds
23 shall not constitute an indebtedness or obligation of the State
24 of Illinois and it shall be plainly stated on the face of each
25 bond that it does not constitute an indebtedness or obligation
26 of the State of Illinois, but is payable solely from the

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

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

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

9 (20 ILCS 3501/830-25)

10 Sec. 830-25. Bonded indebtedness limitation. The Authority
11 shall not have outstanding at any one time State Guarantees
12 ~~under Section 830-30 in an aggregate principal amount exceeding~~
13 ~~\$160,000,000. The Authority shall not have outstanding at any~~
14 ~~one time State Guarantees~~ under Sections 830-30, 830-35, 830-45
15 and 830-50 in the an aggregate principal amounts set forth
16 under Section 850-25 ~~amount exceeding \$75,000,000.~~

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

18 (20 ILCS 3501/Art. 850 heading new)

19 ARTICLE 850. BROADBAND DEPLOYMENT ASSISTANCE

20 (20 ILCS 3501/850-5 new)

21 Sec. 850-5. Findings and declaration of policy. It is
22 hereby found and declared that certain areas of the State are
23 not being adequately served with broadband services; that, for

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

1 benefit.

2 (20 ILCS 3501/850-10 new)

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

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

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

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

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

16 (e) "Broadband project" means the acquisition,
17 construction, provision, development, operation, maintenance,
18 leasing, demolition, rehabilitation, renovation, upgrade,
19 redevelopment, enhancement, or improvement of broadband
20 infrastructure, broadband services, and technologies that
21 constitute a part of, are related to, or otherwise enhance or
22 improve broadband infrastructure or broadband services, the
23 completion of which is deemed by the Authority to aid, assist,
24 or encourage the provision, access, availability, offering,
25 service, or use of broadband services to persons, whether

1 public or private, for profit or not-for-profit, within the
2 State or which will promote the expansion, retention,
3 maintenance, or diversification of broadband services or
4 broadband infrastructure within the State.

5 (f) "Broadband services" means those services, including,
6 but not limited to, voice, video, and data, that provide
7 capacity for transmission in excess of 200 kilobits per second
8 in at least one direction regardless of the technology or
9 medium used, including, but not limited to, wireless, copper
10 wire, fiber optic cable, and coaxial cable. If voice
11 transmission capacity is offered in conjunction with other
12 services utilizing transmission in excess of 200 kilobits per
13 second, the voice transmission capacity may be less than 200
14 kilobits per second. The Authority shall annually reconsider
15 the 200 kilobits threshold under this Article with a bias
16 toward raising the threshold in a manner consistent with
17 technological advances.

18 (g) "Underserved areas" means geographic areas in this
19 State identified by the Authority as having a need for
20 broadband development. In identifying underserved areas, the
21 Authority shall consider the area's economic conditions,
22 including, but not limited to, median household income,
23 availability and affordability of access to broadband
24 services, lack of options available for broadband service, low
25 percentage of residents subscribing for broadband service, and
26 any other criteria considered important by the Authority in

1 determining whether an area is underserved.

2 (20 ILCS 3501/850-15 new)

3 Sec. 850-15. Powers of the Authority. In addition to the
4 other powers of the Authority granted pursuant to this Act, the
5 Authority shall have all power and authority necessary to carry
6 out and effectuate the purposes of this Article, including, but
7 not limited to, all of the following:

8 (a) To make loans to finance or refinance all or any
9 portion of broadband projects, to enter into loan agreements
10 with respect thereto, to accept guarantees from persons of its
11 loans or the resultant evidences of obligations of the
12 Authority and to accept such interests in collateral as it
13 determines are necessary to protect the Authority's interest in
14 the repayment of the principal and interest of each loan made.
15 For the purpose of making such loans and not by way of
16 limitation on any program of the Authority, the Authority shall
17 have the power to issue bonds, notes, or other evidences of
18 indebtedness, including commercial paper for purposes of
19 providing a fund of capital from which it may make such loans.
20 The Authority shall have the power to use any appropriations
21 from the State made especially for the purpose of funding
22 broadband projects for additional capital to make such loans or
23 for the purposes of reserve funds or pledged funds that secure
24 the Authority's obligations of repayment of any bond, note, or
25 other form of indebtedness established for the purpose of

1 providing capital from which it intends to make such loans for
2 broadband projects. For the purpose of obtaining such capital,
3 the Authority may also enter into agreements with financial
4 institutions and other persons for the purpose of selling loans
5 and developing a secondary market for such loans. The Authority
6 may charge such interest rates and determine the terms and
7 conditions for the loans as it determines to be necessary and
8 appropriate to the successful administration of the loan.
9 Priority for making loans may be given for broadband projects
10 targeted to underserved areas.

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

14 (c) To receive and distribute state or local funding,
15 including grants, loans, general appropriations, and
16 appropriations made for broadband projects.

17 (d) To purchase or to make commitments to purchase, from
18 lenders, notes, debentures, bonds, or other evidences of
19 indebtedness secured by mortgages, deeds of trust, equipment,
20 or other security or unsecured, as the Authority may determine,
21 or portions thereof or participations therein, which notes,
22 bonds, or other evidences of indebtedness shall have been or
23 will be executed by the obligors thereon to obtain funds for
24 broadband projects.

25 (e) To contract with lenders or others for the origination
26 of or the servicing of the loans made by the Authority pursuant

1 to this Article or represented by the notes, bonds, or other
2 evidences of indebtedness that it has purchased pursuant to
3 this Article.

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

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

15 (h) To issue bonds for the purpose of funding broadband
16 projects. Bonds may be issued by the Authority in one or more
17 series and may provide for the payment of any interest deemed
18 necessary on such bonds, of the costs of issuance of such
19 bonds, of any premium on any insurance, or of the cost of any
20 guarantees, letters of credit, or other similar documents, may
21 provide for the funding of the reserves deemed necessary in
22 connection with such bonds and may provide for the refunding or
23 advance refunding of any bonds or for accounts deemed necessary
24 in connection with broadband projects. The bonds may bear
25 interest payable at any time or times and at any rate or rates,
26 notwithstanding any other provision of law to the contrary, and

1 such rate or rates may be established by an index or formula
2 that may be implemented or established by persons appointed or
3 retained therefor by the Authority, or may bear no interest or
4 may bear interest payable at maturity or upon redemption prior
5 to maturity, may bear such date or dates, may be payable at
6 such time or times and at such place or places, may mature at
7 any time or times not later than 40 years from the date of
8 issuance, may be sold at public or private sale at such time or
9 times and at such price or prices, may be secured by such
10 pledges, reserves, guarantees, letters of credit, insurance
11 contracts, or other similar credit support or liquidity
12 instruments, may be executed in such manner, may be subject to
13 redemption prior to maturity, may provide for the registration
14 of the bonds, and may be subject to such other terms and
15 conditions all as may be provided by the resolution or
16 indenture authorizing the issuance of such bonds. The bonds may
17 be secured as provided in the authorizing resolution by the
18 receipts, revenues, income, and other available funds of the
19 Authority and by any amounts derived by the Authority from the
20 loan agreement or lease agreement with respect to the broadband
21 project or projects. Bonds may be issued as general obligations
22 of the Authority payable from such revenues, funds, and
23 obligations of the Authority as the bond resolution shall
24 provide, or may be issued as limited obligations with a claim
25 for payment solely from such revenues, funds, and obligations
26 as the bond resolution shall provide. The Authority may grant a

1 specific pledge or assignment of and lien on or security
2 interest in such rights, revenues, income, or amounts and may
3 grant a specific pledge or assignment of and lien on or
4 security interest in any reserves, funds, or accounts
5 established in the resolution authorizing the issuance of
6 bonds. Any such pledge, assignment, lien, or security interest
7 for the benefit of the holders of the Authority's bonds shall
8 be valid and binding from the time the bonds are issued without
9 any physical delivery or further act, and shall be valid and
10 binding as against and prior to the claims of all other parties
11 having claims against the Authority or any other person
12 irrespective of whether the other parties have notice of the
13 pledge, assignment, lien, or security interest. As evidence of
14 such pledge, assignment, lien, and security interest, the
15 Authority may execute and deliver a mortgage, trust agreement,
16 indenture, or security agreement or an assignment thereof. It
17 is expressly understood that the Authority may, but need not,
18 acquire title to any project with respect to which it exercises
19 its authority.

20 (i) To issue a single bond issue, or a series of bond
21 issues as provided in paragraph (h) above, for a group of
22 broadband projects, a group of broadband developers, a group of
23 broadband operators, a group of broadband customers, or any
24 combination thereof.

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

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

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

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

14 (n) To assist through financing and refinancing the
15 expansion of broadband infrastructure and broadband services
16 in the State.

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

22 (20 ILCS 3501/850-20 new)

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

24 (a) The Authority is authorized to issue State guarantees
25 to lenders for loans, notes, or other obligations of

1 indebtedness for eligible broadband projects. For the purposes
2 of this Section 850-20, an eligible broadband project shall be
3 a project that provides, promotes, develops, improves, or
4 otherwise enhances access to broadband services in underserved
5 areas of the State. Lenders shall apply for the State
6 guarantees on forms provided by the Authority and certify that
7 the application and any other documents submitted are true and
8 correct. The lender or borrower, or both in combination, shall
9 pay an administrative fee as determined by the Authority. The
10 applicant for a State guarantee is responsible for paying any
11 fees or charges involved in recording mortgages, releases,
12 financing statements, insurance for secondary market issues,
13 and any other similar fees or charges as the Authority may
14 require. The application shall include such information as
15 determined by the Authority to be necessary and desirable for
16 the Authority to determine the identity of the borrower and
17 lender, the creditworthiness of the borrower, and information
18 pertinent to determining the value of collateral to be used to
19 secure the State guarantee. In addition, the lender must agree
20 to charge a fixed or adjustable rate of interest on the loan
21 that, in the opinion of the Authority, is below the market rate
22 of interest for similarly-situated loans or is otherwise
23 advantageous to the borrower. If both the lender and applicant
24 agree, the interest rate on the loan may be converted to a
25 fixed interest rate at any time during the term of the loan.
26 With respect to loans for which State guarantees are provided

1 under this Section, (i) the aggregate principal amount of any
2 loans outstanding for a single borrower may not exceed
3 \$1,000,000, (ii) the loans must be set up on a payment schedule
4 not to exceed 30 years, and shall be no longer than 15 years in
5 duration, and (iii) the loans are subject to an annual review
6 and renewal by the lender and the Authority. No State guarantee
7 may be revoked by the Authority without a 90-day notice, in
8 writing, to all parties.

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

11 (i) The lender pays to the Authority the renewal fee
12 (which shall be established, from time to time, by the
13 Authority);

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

17 (iii) The lender assumes all responsibility and costs
18 for pursuing legal action on collecting any loan that is
19 delinquent or in default; and

20 (iv) The lender is responsible for the first 15% of the
21 outstanding principal of the note for which the State
22 Guarantee has been applied.

23 (c) There is hereby created outside of the State treasury a
24 special fund to be known as the Illinois Broadband Loan
25 Guarantee Fund. The State Treasurer is the custodian of this
26 Fund. Any amounts in the Illinois Broadband Loan Guarantee Fund

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

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

1 associated with selling a loan subject to a State Guarantee in
2 a secondary market as may be deemed reasonable and necessary by
3 the Authority.

4 (d) Notwithstanding the provisions under this Section
5 concerning borrowers and lenders who may obtain a State
6 Guarantee, from time to time, the Authority may adopt rules
7 establishing eligibility requirements of borrowers and lenders
8 to participate in the State Guarantee program and may impose
9 terms, conditions, standards and procedures for participating
10 in the program.

11 (20 ILCS 3501/850-25 new)

12 Sec. 850-25. Loan guarantee limitation. The Authority
13 shall not have outstanding, at any one time, State guarantees
14 issued under Sections 830-30, 830-35, 830-45, 830-50, and
15 850-20 in an aggregate principal amount exceeding
16 \$235,000,000. Of this amount the Authority shall not have
17 outstanding at any one time State Guarantees (1) under Section
18 830-30 in an aggregate principal amount exceeding
19 \$160,000,000, (2) under Sections 830-35, 830-45 and 830-50 in
20 an aggregate principal amount exceeding \$75,000,000, and (3)
21 under Section 850-20 in an aggregate principal amount exceeding
22 \$50,000,000.

23 (20 ILCS 3501/850-30 new)

24 Sec. 850-30. Additional security for bonds; moral

1 obligation. If so determined by the Authority, with the written
2 approval of the Governor, the Authority may provide, as
3 additional security to any bonds or notes issued pursuant to
4 this Article, that this Section applies to an issuance of bonds
5 or notes. If so determined, (i) in the event that the Authority
6 determines that the revenues, income, or other assets of the
7 Authority pledged as security for any such bonds or notes will
8 not be sufficient for the payment of the principal of and
9 interest on the bonds issued by the Authority during the next
10 State fiscal year or (ii) in the event of a withdrawal of
11 moneys from a reserve fund established with respect to any
12 issue or issues of bonds or notes of the Authority to pay
13 principal, premium, if any, and interest on the bonds or notes,
14 the Chairperson of the Authority, as soon as practicable, shall
15 certify to the Governor the amount required by the Authority to
16 enable it to pay the principal, premium, if any, and interest
17 on the bonds or notes, or the amount required to restore the
18 reserve fund to the level required in the resolution or
19 indenture securing those bonds or notes, as the case may be.
20 The Governor shall submit the amount so certified to the
21 General Assembly as soon as practicable, but no later than the
22 end of the current State fiscal year. This Section 850-30
23 applies only to those bonds or notes as to which the Authority
24 has specifically determined, in the resolution authorizing the
25 issuance of the bonds or notes, that this Section applies.
26 Bonds or notes issued pursuant to this Section 850-30, shall

1 not constitute an indebtedness of the State of Illinois, and it
2 shall be plainly stated on the face of each bond or note that
3 it does not constitute an indebtedness of the State of
4 Illinois, but is payable solely from the revenues, income, or
5 other assets of the Authority pledged therefor, subject to the
6 General Assembly's right, but not legal obligation, to
7 determine to make an appropriation for the payment of
8 principal, premium, if any, and interest on such bonds or notes
9 or to restore the reserve fund to the level required in the
10 resolution or indenture.

11 (20 ILCS 3501/850-35 new)

12 Sec. 850-35. Moral obligation limit. In addition to any
13 other bonds or notes authorized to be issued under Sections
14 801-40(w), 825-60, 825-65(e), 830-25, 845-5, and 850-25 of the
15 Act, the aggregate principal amount of the Authority bonds
16 outstanding at any time issued under Section 850-30 shall not
17 exceed \$100,000,000. An application for a loan financed from
18 bond proceeds from a borrower or its affiliates for a broadband
19 project may not be approved by the Authority for an amount in
20 excess of \$5,000,000 for any single borrower or its affiliates.

21 (20 ILCS 3501/850-40 new)

22 Sec. 850-40. Broadband reserve fund.

23 (a) There is hereby created the Broadband Reserve Fund in
24 the Authority. The Authority shall pay into the reserve fund

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

1 or interest earned by, or increment to, the reserve fund due to
2 the investment of fund moneys shall be maintained in the fund
3 and used for the purposes provided in this Section.

4 (b) The Authority may not at any time issue bonds or notes,
5 secured in whole or in part, by the reserve fund, if upon the
6 issuance of the bonds or notes, the amount in the reserve fund
7 will be less than the minimum amount necessary to pay
8 obligations secured by the fund, unless the Authority, at the
9 time of issuance of the bonds or notes deposits into the fund
10 from the proceeds of the bonds or notes to be issued, or from
11 other sources an amount that, together with the amount then in
12 the fund, will not be less than the minimum amount necessary to
13 satisfy the obligations secured by the fund.

14 (c) In computing the amount of the reserve fund for the
15 purpose of this Section, securities in which all or a portion
16 of the fund is invested must be valued either (i) at par, or if
17 purchased at less than par, at their cost to the Authority or
18 (ii) as provided in the resolution authorizing the issuance of
19 the bonds or notes that are to be secured by the fund.

20 (d) In addition to, or in lieu of, depositing money in the
21 fund, the Authority may obtain or pledge letters of credit,
22 insurance policies, surety bonds, guarantees, or other
23 security arrangements. The amount available under letters of
24 credit, insurance policies, surety bonds, guarantees, or other
25 security arrangements pledged to the fund shall be credited
26 toward the minimum amount necessary to satisfy the obligations

1 secured by the fund.

2 (e) The fund shall be created by the Authority, shall be
3 separate and segregated from all other funds and accounts of
4 the Authority, and, at the discretion of the Authority, may be
5 maintained by a corporate trustee (which may be any trust
6 company or bank having the power of a trust company within the
7 State).

8 (f) This Section 850-40 applies only to those bonds or
9 notes, for such purposes, and in such amounts as to which the
10 Authority has specifically determined, in the resolution
11 authorizing the issuance of the bonds or notes, that this
12 Section applies.

13 (g) The State may transfer moneys from available
14 appropriations to the Broadband Reserve Fund. To initially
15 establish the Broadband Reserve Fund, the State may transfer up
16 to \$5,000,000 to the Fund from available appropriations.

17 (20 ILCS 3501/850-45 new)

18 Sec. 850-45. Tax Exemption. The exercise of the powers
19 granted in this Article are in all respects for the benefit of
20 the people of Illinois and, in consideration thereof are free
21 from all taxation by the State or its political subdivisions,
22 except for estate, transfer, and inheritance taxes. For the
23 purposes of Section 250 of the Illinois Income Tax Act, the
24 exemption of the income from bonds issued under this Article
25 shall terminate after all of the bonds have been paid. The

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

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