

HB0264



96TH GENERAL ASSEMBLY

State of Illinois

2009 and 2010

HB0264

Introduced 1/23/2009, by Rep. David E. Miller

SYNOPSIS AS INTRODUCED:

New Act
20 ILCS 3501/825-13.5 new

Creates the Illinois Urban Development Authority Act. Creates the Illinois Urban Development Authority. Provides that the Authority shall be governed by an 11-member board. Requires the Authority to make annual reports to certain entities. Sets forth the duties and powers of the Authority. Sets forth the procedures by which the Authority may issue bonds to specified entities. Amends the Illinois Finance Authority Act. Provides that the Illinois Finance Authority shall supervise the bond issuance of the Illinois Urban Development Authority. Contains other provisions.

LRB096 03466 RLJ 13490 b

FISCAL NOTE ACT
MAY APPLY

STATE DEBT
IMPACT NOTE ACT
MAY APPLY

A BILL FOR

1 AN ACT concerning urban development.

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

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

6 Section 2. Findings. The General Assembly hereby
7 determines and declares that:

8 (1) the economic burdens resulting from involuntary
9 unemployment fall in part upon the State in the form of
10 increased need for public assistance, reduced tax
11 revenues, and increased resources devoted to crime
12 prevention and incarceration and that the unemployed
13 worker and his or her family may migrate outside the State
14 to find work and such migration will reduce the tax
15 revenues of local governments and the State of Illinois,
16 thereby endangering their financial ability to support
17 necessary governmental services for their remaining
18 inhabitants;

19 (2) the State has a responsibility to help create a
20 favorable climate for new and improved job opportunities
21 for all of its citizens, especially in areas with high
22 economic distress, by encouraging the development of
23 commercial and service businesses and industrial and

1 manufacturing plants and creating job opportunities;

2 (3) the State has a responsibility to increase and
3 improve post-release employment opportunities for
4 ex-offenders and reduce recidivism rates through the
5 combined resources and expertise of providers of workforce
6 development, supportive services, and private enterprises;

7 (4) a lack of decent housing contributes to urban
8 blight, crime, anti-social behavior, disease, a higher
9 need for public assistance, reduced tax revenues, and the
10 migration of workers and their families away from areas
11 that fail to offer adequate, decent, affordable housing;

12 (5) decent, affordable housing is a necessary
13 ingredient of life affording each citizen basic human
14 dignity, a sense of self worth, confidence, and a firm
15 foundation upon which to build a family and educate
16 children; and

17 (6) in order to foster civic and neighborhood pride,
18 citizens require access to educational institutions,
19 recreation, parks and open spaces, entertainment and
20 sports, a reliable transportation network, cultural
21 facilities, and theaters.

22 It is hereby declared to be the policy of the State of
23 Illinois, in the interest of promoting industrial, commercial,
24 residential, jobs, service, transportation, and facilities,
25 thereby reducing the evils attendant upon unemployment, crime,
26 and recidivism and enhancing the public health, safety, morals,

1 happiness, and general welfare of this State specifically by
2 making available through the Illinois Urban Development
3 Authority, funds for industrial projects, commercial projects,
4 and housing projects to a municipality with a municipal poverty
5 rate greater than 3% in excess of the statewide average.

6 Section 3. Definitions. The following terms, whenever used
7 or referred to in this Act, shall have the following meanings,
8 except in such instances where the context may clearly indicate
9 otherwise:

10 "Authority" means the Illinois Urban Development Authority
11 created by this Act.

12 "Board" means the Illinois Urban Development Authority
13 Board of Directors.

14 "Bonds" shall include bonds, notes, or other evidence of
15 indebtedness.

16 "Commercial project" means any project, including but not
17 limited to one or more buildings and other structures,
18 improvements, machinery, and equipment whether or not on the
19 same site or sites now existing or hereafter acquired, suitable
20 for use by any retail or wholesale concern, distributorship, or
21 agency, any cultural facilities of a for-profit or
22 not-for-profit type including but not limited to educational,
23 theatrical, recreational and entertainment, sports facilities,
24 racetracks, stadiums, convention centers, exhibition halls,
25 arenas, opera houses and theaters, waterfront improvements,

1 swimming pools, boat storage, moorage, docking facilities,
2 restaurants, coliseums, sports training facilities, parking
3 facilities, terminals, hotels and motels, gymnasiums, medical
4 facilities, and port facilities.

5 "Costs incurred in connection with the development,
6 construction, acquisition, or improvement of a project" means
7 the cost of purchase and construction of all lands and
8 improvements in connection with a project and equipment and
9 other property, rights, easements, and franchises acquired
10 that are deemed necessary for such construction; financing
11 charges; interest costs with respect to bonds, notes, and other
12 evidences of indebtedness of the Authority prior to and during
13 construction and for a period of 6 months thereafter;
14 engineering and legal expenses; the costs of plans,
15 specifications, surveys, and estimates of costs and other
16 expenses necessary or incident to determining the feasibility
17 or practicability of any project, together with such other
18 expenses as may be necessary or incident to the financing,
19 insuring, acquisition, and construction of a specific project
20 and the placing of the same in operation.

21 "Financial aid" means the expenditure of Authority funds or
22 funds provided by the Authority through the issuance of its
23 revenue bonds, notes, or other evidences of indebtedness for
24 the development, construction, acquisition, or improvement of
25 a project.

26 "Governmental agency" means any federal, State or local

1 governmental body, and any agency or instrumentality thereof,
2 corporate or otherwise.

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

4 "Housing project" or "residential project" includes a
5 specific work or improvement undertaken to provide dwelling
6 accommodations, including the acquisition, construction,
7 leasing, or rehabilitation of lands, buildings, and community
8 facilities and in connection therewith to provide nonhousing
9 facilities which are an integral part of a planned large-scale
10 project or new community.

11 "Industrial project" means (1) a capital project,
12 including one or more buildings and other structures,
13 improvements, machinery, and equipment whether or not on the
14 same site or sites now existing or hereafter acquired, suitable
15 for use by any manufacturing, industrial, research,
16 transportation, or commercial enterprise including but not
17 limited to use as a factory, mill, processing plant, assembly
18 plant, packaging plant, fabricating plant, office building,
19 industrial distribution center, warehouse, repair, overhaul or
20 service facility, freight terminal, research facility, test
21 facility, railroad facility, solid waste and wastewater
22 treatment and disposal sites and other pollution control
23 facilities, resource or waste reduction, recovery, treatment
24 and disposal facilities, and including also the sites thereof
25 and other rights in land therefor whether improved or
26 unimproved, site preparation and landscaping and all

1 appurtenances and facilities incidental thereto such as
2 utilities, access roads, railroad sidings, truck docking and
3 similar facilities, parking facilities, dockage, wharfage,
4 railroad roadbed, track, trestle, depot, terminal, switching,
5 and signaling equipment or related equipment and other
6 improvements necessary or convenient thereto; or (2) any land,
7 buildings, machinery or equipment comprising an addition to or
8 renovation, rehabilitation or improvement of any existing
9 capital project.

10 "Lease agreement" means an agreement whereby a project
11 acquired by the Authority by purchase, gift, or lease is leased
12 to any person or corporation that will use or cause the project
13 to be used as a project as defined in this Act upon terms
14 providing for lease rental payments at least sufficient to pay
15 when due all principal of and interest and premium, if any, on
16 any bonds, notes or other evidences of indebtedness of the
17 Authority issued with respect to such project, providing for
18 the maintenance, insurance, and operation of the project on
19 terms satisfactory to the Authority, and providing for
20 disposition of the project upon termination of the lease term,
21 including purchase options or abandonment of the premises, with
22 such other terms as may be deemed desirable by the Authority.
23 The Authority may, directly or indirectly, lease or otherwise
24 transfer property the Authority owns to another and such leased
25 property shall remain tax exempt.

26 "Loan agreement" means any agreement pursuant to which the

1 Authority agrees to loan the proceeds of its bonds, notes, or
2 other evidences of indebtedness issued with respect to a
3 project to any person or corporation that will use or cause the
4 project to be used as a project as defined in this Act upon
5 terms providing for loan repayment installments at least
6 sufficient to pay when due all principal and interest and
7 premium, if any, on any bonds, notes, or other evidences of
8 indebtedness of the Authority issued with respect to the
9 project, providing for maintenance, insurance, and operation
10 of the project on terms satisfactory to the Authority and
11 providing for other matters as may be deemed advisable by the
12 Authority.

13 "Municipal poverty rate" is the percentage of total
14 population of the municipality having income levels below the
15 poverty level as determined by the Authority based upon the
16 most recent data released by the United States Census Bureau
17 before the beginning of such calendar year.

18 "Occupational license" means a license issued by the
19 Illinois Gaming Board to a person or entity to perform an
20 occupation which the Illinois Gaming Board has identified as
21 requiring a license to engage in riverboat, dockside, or
22 land-based gambling in Illinois.

23 "Person" means any natural person, firm, partnership,
24 corporation, both domestic and foreign, company, association,
25 or joint stock association and includes any trustee, receiver,
26 assignee, or personal representative thereof.

1 "Project" means an industrial, housing, residential,
2 commercial, or service project, or any combination thereof,
3 provided that all uses shall fall within one of those
4 categories. Any project, of any nature whatsoever, shall
5 automatically include all site improvements and new
6 construction involving sidewalks, sewers, solid waste and
7 wastewater treatment and disposal sites and other pollution
8 control facilities, resource or waste reduction, recovery,
9 treatment and disposal facilities, parks, open spaces,
10 wildlife sanctuaries, streets, highways, and runways.

11 "Revenue bond" means any bond issued by the Authority under
12 the supervision of the Illinois Finance Authority, the
13 principal and interest of which are payable solely from
14 revenues or income derived from any project or activity of the
15 Authority.

16 Section 4. Illinois Urban Development Authority. There is
17 hereby created a political subdivision, body politic and
18 corporate by the name of Illinois Urban Development Authority.
19 The exercise by the Authority of the powers conferred by law
20 shall be an essential public function. The governing powers of
21 the Authority shall be vested in a body consisting of 11
22 members appointed as follows: one member appointed by the Mayor
23 of the City of Chicago; one member appointed by the President
24 of the Cook County Board; 4 members appointed by the Governor
25 who are residents of a municipality, other than a municipality

1 with a population greater than 1,000,000, whose municipal
2 poverty rate is greater than 3% in excess of the statewide
3 average; 2 members appointed by the Governor that have an
4 expertise, skill, and experience in labor relations; and 3
5 members appointed by the Governor that have an expertise,
6 skill, and experience operating a business that is certified by
7 the State of Illinois as a Disadvantaged Business Enterprise,
8 Minority Business Enterprise, or Women Business Enterprise.

9 Six members shall constitute a quorum. However, when a
10 quorum of members of the Authority is physically present at the
11 meeting site, other Authority members may participate in and
12 act at any meeting through the use of a conference telephone or
13 other communications equipment by means of which all persons
14 participating in the meeting can hear each other. Participation
15 in such meeting shall constitute attendance and presence in
16 person at the meeting of the person or persons so
17 participating. The Chairman of the Authority shall be elected
18 by the Authority. All board members shall be persons of
19 recognized ability and experience in one or more of the
20 following areas: economic development, finance, banking,
21 industrial development, small business management, real estate
22 development, community development, venture finance,
23 construction, and labor relations.

24 The terms of all members of the Authority shall begin 30
25 days after the effective date of this Act. Of the 11 members
26 first appointed pursuant to this Act, 4 shall serve until the

1 third Monday in January 2011, 4 shall serve until the third
2 Monday in January 2012, and 3 shall serve until the third
3 Monday in January 2013. All board members shall hold office for
4 a term of 4 years commencing the third Monday in January of the
5 year in which their term commences, except in case of an
6 appointment to fill a vacancy. In case of vacancy in the office
7 when the Senate is not in session, the Governor may make a
8 temporary appointment until the next meeting of the Senate when
9 he shall nominate such person to fill such office, and any
10 person so nominated who is confirmed by the Senate, shall hold
11 his office during the remainder of the term and until his
12 successor shall be appointed and qualified. If the Senate is
13 not in session, the Governor may make temporary appointments in
14 the case of vacancies.

15 Members of the Authority shall not be entitled to
16 compensation for their services as members but shall be
17 entitled to reimbursement for all necessary expenses incurred
18 in connection with the performance of their duties as members.
19 The Governor may remove any member of the Authority in case of
20 incompetency, neglect of duty, or malfeasance in office, after
21 service on the member of a copy of the written charges against
22 the member and an opportunity to be publicly heard in person or
23 by counsel in the his or her defense upon not less than 10
24 days' notice.

25 The members of the Authority shall appoint an Executive
26 Director, who must be a person knowledgeable in the areas of

1 financial markets and instruments and the financing of business
2 enterprises, to hold office at the pleasure of the members. The
3 Executive Director shall be the chief administrative and
4 operational officer of the Authority and shall direct and
5 supervise its administrative affairs and general management
6 and perform such other duties as may be prescribed from time to
7 time by the members and shall receive compensation fixed by the
8 Authority. The Executive Director or any committee of the
9 members may carry out any responsibilities of the members as
10 the members by resolution may delegate. The Executive Director
11 shall attend all meetings of the Authority; however, no action
12 of the Authority shall be invalid on account of the absence of
13 the Executive Director from a meeting. The Authority may engage
14 the services of such other agents and employees, including
15 attorneys, appraisers, engineers, accountants, credit
16 analysts, and other consultants, as it may deem advisable and
17 may prescribe their duties and fix their compensation.

18 The Authority shall determine the municipal poverty rate
19 and the statewide average municipal poverty rate annually by
20 using the most recent data released by the United States Census
21 Bureau before the beginning of each calendar year. The
22 Authority shall have the sole and exclusive authority to
23 determine the municipal poverty rate and the statewide average
24 municipal poverty rate and to determine whether a
25 municipality's poverty rate is greater than 3% in excess of the
26 statewide average so long as the determination is based on the

1 most recent data released by the United States Census Bureau.

2 Section 5. Conflicts of interest.

3 (a) No member of the Authority or officer, agent, or
4 employee thereof shall, in the member's own name or in the name
5 of a nominee, be an officer, director, or hold an ownership
6 interest of more than 7.5% in any person, association, trust,
7 corporation, partnership, or other entity which is, in its own
8 name or in the name of a nominee, a party to a contract or
9 agreement upon which the member or officer, agent or employee
10 may be called upon to act or vote.

11 (b) With respect to any direct or any indirect interest,
12 other than an interest prohibited in subsection (a), in a
13 contract or agreement upon which the member or officer, agent
14 or employee may be called upon to act or vote, a member of the
15 Authority or officer, agent, or employee thereof must disclose
16 the interest to the secretary of the Authority prior to the
17 taking of final action by the Authority concerning the contract
18 or agreement and shall disclose the nature and extent of the
19 interest and his or her acquisition thereof, which shall be
20 publicly acknowledged by the Authority and entered upon the
21 minutes of the Authority. If a member of the Authority or
22 officer, agent, or employee thereof holds such an interest then
23 the member shall refrain from any further official involvement
24 in regard to the contract or agreement, from voting on any
25 matter pertaining to the contract or agreement, and from

1 communicating with other members of the Authority or its
2 officers, agents, and employees concerning the contract or
3 agreement. Notwithstanding any other provision of law, any
4 contract or agreement entered into in conformity with this
5 subsection shall not be void or invalid by reason of the
6 interest described in this subsection, nor shall any person
7 disclosing an interest and refraining from further official
8 involvement as provided in this subsection be guilty of an
9 offense, be removed from office, or be subject to any other
10 penalty on account of the interest.

11 (c) Any contract or agreement made in violation of
12 subsections (a) or (b) shall be null and void, whether or not
13 the contract performance has been authorized, and shall give
14 rise to no action against the Authority. No real estate to
15 which a member or employee of the Authority holds legal title
16 or in which a member or employee of the Authority has any
17 beneficial interest, including any interest in a land trust,
18 shall be purchased by the Authority or by a nonprofit
19 corporation or limited-profit entity for a development to be
20 financed under this Act.

21 All members and employees of the Authority shall file
22 annually with the Authority a record of all real estate in this
23 State to which the member or employee holds legal title or in
24 which the member or employee has any beneficial interest,
25 including any interest in a land trust. In the event it is
26 later disclosed that the Authority has purchased real estate in

1 which a member or employee had an interest, that purchase shall
2 be voidable by the Authority and the member or employee
3 involved shall be disqualified from membership in or employment
4 by the Authority.

5 Section 6. Records and reports of the Authority. The
6 secretary shall keep a record of the proceedings of the
7 Authority. The treasurer of the Authority shall be custodian of
8 all Authority funds, and shall be bonded in such amount as the
9 other members of the Authority may designate. The accounts and
10 bonds of the Authority shall be set up and maintained in a
11 manner approved by the Auditor General, and the Authority shall
12 file with the Auditor General a certified annual report within
13 120 days after the close of its fiscal year. The Authority
14 shall also file with the Governor, the Secretary of the Senate,
15 the Clerk of the House of Representatives, and the Legislative
16 Research Unit, by March 1 of each year, a written report
17 covering its activities and any activities of any
18 instrumentality corporation established under this Act for the
19 previous fiscal year. In its report to be filed by March 1,
20 2010, the Authority shall present an economic development
21 strategy for all municipalities with a municipal poverty rate
22 greater than 3% in excess of the Statewide average, the
23 Authority shall make modifications in the economic development
24 strategy for the 4 years beginning on the next ensuing July 1,
25 to reflect changes in economic conditions or other factors,

1 including the policies of the Authority and the State of
2 Illinois. It shall also present an economic development
3 strategy for the fifth year beginning after the next ensuing
4 July 1. The strategy shall recommend specific legislative and
5 administrative action by the State, the Authority, units of
6 local government, or other governmental agencies. These
7 recommendations may include, but are not limited to, new
8 programs, modifications to existing programs, credit
9 enhancements for bonds issued by the Authority, and amendments
10 to this Act. When filed, the report shall be a public record
11 and open for inspection at the offices of the Authority during
12 normal business hours.

13 Section 7. Approval of official acts. All official acts of
14 the Authority shall require the approval of at least 6 members.

15 Section 8. Powers of the Authority.

16 (a) The Authority possesses all the powers of a body
17 corporate necessary and convenient to accomplish the purposes
18 of this Act, including, without limitation, except as defined
19 in Section 9.1 of the Act, the following:

20 (1) To enter into loans, contracts, agreements, and
21 mortgages in any matter connected with any of its corporate
22 purposes and to invest its funds.

23 (2) To sue and be sued.

24 (3) To employ agents and employees necessary to carry

1 out its purposes.

2 (4) To have and use a common seal and to alter the same
3 at its discretion.

4 (5) To adopt all needful ordinances, resolutions,
5 by-laws, rules, and regulations for the conduct of its
6 business and affairs and for the management and use of the
7 projects developed, constructed, acquired, and improved in
8 furtherance of its purposes.

9 (6) To designate the fiscal year for the Authority.

10 (7) To accept and expend appropriations.

11 (8) To maintain an office or offices at such place as
12 the Authority may designate.

13 (9) To employ, either as regular employees or as
14 independent contractors, such consultants, engineers,
15 architects, accountants, attorneys, financial experts,
16 construction experts and personnel, superintendents,
17 managers, and other professional personnel as may be
18 necessary in the judgment of the Authority and to fix their
19 compensation.

20 (10) To acquire, hold, lease, use, encumber, transfer,
21 or dispose of real and personal property.

22 (11) To enter into contracts of any kind and execute
23 all instruments necessary or convenient with respect to its
24 carrying out the powers in this Act to accomplish the
25 purposes of the Authority.

26 (12) To fix and revise from time to time and to charge

1 and collect rates, rents, fees, or other charges for the
2 use of facilities or for services rendered in connection
3 with the facilities.

4 (13) To borrow money from any source for any corporate
5 purpose, including working capital for its operations,
6 reserve funds, or the payment of interest, to mortgage,
7 pledge, or otherwise encumber the property or funds of the
8 Authority, and to contract with or engage the services of
9 any person in connection with any financing, including
10 financial institutions, issuers of letters of credit, or
11 insurers.

12 (14) To borrow money and issue revenue bonds, notes, or
13 other evidences of indebtedness under the supervision of
14 the Illinois Finance Authority, as set forth under Section
15 825-13.5 of the Illinois Finance Authority Act.

16 (15) To receive and accept from any source, private or
17 public, contributions, gifts, or grants of money or
18 property.

19 (16) To make loans from proceeds or funds otherwise
20 available to the extent necessary or appropriate to
21 accomplish the purposes of the Authority.

22 (17) To exercise all the corporate powers granted to
23 Illinois corporations under the Business Corporation Act
24 of 1983, except to the extent that any of these powers are
25 inconsistent with those of a body politic and corporate of
26 the State.

1 (18) To have and exercise all powers and be subject to
2 all duties usually incident to boards of directors of
3 corporations.

4 (19) To enter into intergovernmental agreements with
5 the State of Illinois and the Illinois Finance Authority.

6 (20) To do all things necessary or convenient to carry
7 out the powers granted by this Act.

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

15 (c) If any of the powers set forth in this Act are
16 exercised within the jurisdictional limits of any
17 municipality, all ordinances of the municipality shall remain
18 in full force and effect and shall be controlling.

19 Section 9. Revenue bonds.

20 (a) The Authority shall have the continuing power to issue
21 revenue bonds, notes, or other evidences of indebtedness in an
22 aggregate amount not to exceed \$500,000,000 for the purpose of
23 developing, constructing, acquiring, or improving projects,
24 including those established by business entities locating or
25 expanding property within the territorial jurisdiction of the

1 Authority, for entering into venture capital agreements with
2 businesses locating or expanding within the territorial
3 jurisdiction of the Authority, for acquiring and improving any
4 property necessary and useful in connection therewith, and for
5 the purposes of the Employee Ownership Assistance Act. The
6 bonds must be issued under the supervision of the Illinois
7 Finance Authority, as set forth under Section 825-13.5 of the
8 Illinois Finance Authority Act. For the purpose of evidencing
9 the obligations of the Authority to repay any money borrowed,
10 the Authority may, pursuant to resolution, from time to time
11 issue and dispose of its interest bearing revenue bonds, notes,
12 or other evidences of indebtedness and may also from time to
13 time issue and dispose of such bonds, notes, or other evidences
14 of indebtedness to refund, at maturity, at a redemption date or
15 in advance of either, any revenue bonds, notes, or other
16 evidences of indebtedness pursuant to redemption provisions or
17 at any time before maturity. All such revenue bonds, notes, or
18 other evidences of indebtedness shall be payable solely from
19 the revenues or income to be derived from loans made with
20 respect to projects, from the leasing or sale of the projects,
21 or from any other funds available to the Authority for such
22 purposes, including, when so provided by ordinance of the
23 Authority authorizing the issuance of revenue bonds or notes.
24 The revenue bonds, notes, or other evidences of indebtedness
25 may bear such date or dates, may mature at such time or times
26 not exceeding 35 years from their respective dates, may bear

1 interest at such rate or rates not exceeding the maximum rate
2 permitted by the Bond Authorization Act, may be in such form,
3 may carry such registration privileges, may be executed in such
4 manner, may be payable at such place or places, may be made
5 subject to redemption in such manner and upon such terms, with
6 or without premium as is stated on the face thereof, may be
7 authenticated in such manner, and may contain such terms and
8 covenants as may be provided by an applicable resolution.

9 (b) The holder or holders of any revenue bonds, notes, or
10 other evidences of indebtedness issued by the Authority may
11 bring suits at law or proceedings in equity to compel the
12 performance and observance by any corporation or person or by
13 the Authority or any of its agents or employees of any contract
14 or covenant made with the holders of such revenue bonds, notes,
15 or other evidences of indebtedness, to compel such corporation,
16 person, the Authority, and any of its agents or employees to
17 perform any duties required to be performed for the benefit of
18 the holders of any such revenue bonds, notes, or other
19 evidences of indebtedness by the provision of the resolution
20 authorizing their issuance and to enjoin such corporation,
21 person, the Authority, and any of its agents or employees from
22 taking any action in conflict with any such contract or
23 covenant.

24 (c) If the Authority fails to pay the principal of or
25 interest on any of the revenue bonds or premium, if any, as the
26 same become due, a civil action to compel payment may be

1 instituted in the appropriate circuit court by the holder or
2 holders of the revenue bonds on which such default of payment
3 exists or by an indenture trustee acting on behalf of such
4 holders. Delivery of a summons and a copy of the complaint to
5 the Chairperson of the Board shall constitute sufficient
6 service to give the circuit court jurisdiction of the subject
7 matter of such a suit and jurisdiction over the Authority and
8 its officers named as defendants for the purpose of compelling
9 such payment. Any case, controversy, or cause of action
10 concerning the validity of this Act relates to the revenue of
11 the State of Illinois.

12 (d) Notwithstanding the form and tenor of any such revenue
13 bonds, notes, or other evidences of indebtedness and in the
14 absence of any express recital on the face of any such revenue
15 bond, note, or other evidence of indebtedness that it is
16 nonnegotiable, all such revenue bonds, notes, and other
17 evidences of indebtedness shall be negotiable instruments.
18 Pending the preparation and execution of any such revenue
19 bonds, notes, or other evidences of indebtedness, temporary
20 revenue bonds, notes, or evidences of indebtedness may be
21 issued as provided by ordinance.

22 (e) To secure the payment of any or all of such revenue
23 bonds, notes, or other evidences of indebtedness, the revenues
24 to be received by the Authority from a lease agreement or loan
25 agreement shall be pledged, and, for the purpose of setting
26 forth the covenants and undertakings of the Authority in

1 connection with the issuance thereof and the issuance of any
2 additional revenue bonds, notes, or other evidences of
3 indebtedness payable from such revenues, income, or other funds
4 to be derived from projects, the Authority may execute and
5 deliver a mortgage or trust agreement. A remedy for any breach
6 or default of the terms of any such mortgage or trust agreement
7 by the Authority may be by mandamus proceedings in the
8 appropriate circuit court to compel the performance and
9 compliance therewith, but the trust agreement may prescribe by
10 whom or on whose behalf the action may be instituted.

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

21 (g) The State of Illinois pledges to and agrees with the
22 holders of the revenue bonds and notes of the Authority issued
23 pursuant to this Section that the State will not limit or alter
24 the rights and powers vested in the Authority by this Act so as
25 to impair the terms of any contract made by the Authority with
26 such holders or in any way impair the rights and remedies of

1 such holders until such revenue bonds and notes, together with
2 interest thereon, with interest on any unpaid installments of
3 interest, and all costs and expenses in connection with any
4 action or proceedings by or on behalf of such holders, are
5 fully met and discharged. The Authority is authorized to
6 include these pledges and agreements of the State in any
7 contract with the holders of revenue bonds or notes issued
8 pursuant to this Section.

9 (h) Under no circumstances shall any bonds issued by the
10 Authority or any other obligation of the Authority be or become
11 an indebtedness or obligation of the State of Illinois or of
12 any other political subdivision of or municipality within the
13 State, nor shall any such bond or obligation be or become an
14 indebtedness of the Authority within the purview of any
15 constitutional limitation or provision, and it shall be plainly
16 stated on the face of each bond that it does not constitute
17 such an indebtedness or obligation but is payable solely from
18 the revenues or income as aforesaid.

19 (i) For the purpose of financing a project pursuant to this
20 Act, the Authority shall be authorized to apply for an
21 allocation of tax-exempt bond financing authorization provided
22 by Section 11143 of the Safe, Accountable, Flexible, Efficient
23 Transportation Equity Act: A Legacy for Users (SAFETEA-LU),
24 Public Law 109-59, as well as financing available under any
25 other federal law or program.

1 Section 9.1. Limitation.

2 (a) The Authority may issue its bonds or notes (including
3 refunding bond or notes) only if the financed project is
4 situated within the territorial jurisdiction of a municipality
5 with a municipal poverty rate greater than 3% in excess of the
6 statewide average.

7 (b) If a project is situated in 2 or more municipalities
8 where one municipality has a municipal poverty rate greater
9 than 3% in excess of the Statewide average and the other does
10 not, the project shall be deemed to be within the municipality
11 with a municipal poverty rate greater than 3% in excess of the
12 Statewide average.

13 Section 10. Legality for investment. Any financial
14 institution, investment company, insurance company, or
15 association and any personal representative, guardian,
16 trustee, or other fiduciary, may legally invest any moneys
17 belonging to them or within their control in any bonds issued
18 by the Authority.

19 Section 11. Tax exemption. The Authority shall not be
20 required to pay any taxes or assessments of any kind whatsoever
21 and its bonds, their transfer, the interest payable on them,
22 and any income derived from them shall be exempt at the time of
23 issuance and at all times from every kind and nature of
24 taxation by this State or by any of its political subdivisions,

1 municipal corporations, or public agencies of any kind, except
2 for estate, transfer, and inheritance taxes as provided in
3 Section 12.

4 For purposes of Section 250 of the Illinois Income Tax Act,
5 the exemption of the income from bonds issued by the Authority
6 shall terminate after all of the bonds have been paid. The
7 amount of such income that shall be added and then subtracted
8 on the Illinois income tax return of a taxpayer, under Section
9 203 of the Illinois Income Tax Act, from federal adjusted gross
10 income or federal taxable income in computing Illinois base
11 income shall be the interest net of any bond premium
12 amortization.

13 Section 12. Additional powers and duties.

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

16 (b) The Authority shall have the power to enter into
17 intergovernmental agreements with the State of Illinois, the
18 United States government and any agency or instrumentality of
19 the United States, any unit of local government, or any other
20 unit of government to the extent allowed by Article VII,
21 Section 10 of the Illinois Constitution and the
22 Intergovernmental Cooperation Act.

23 (c) The Authority shall have the power to share employees
24 with other units of government, including agencies of the
25 United States, agencies of the State of Illinois, and agencies

1 or personnel of any unit of local government.

2 (d) The Authority shall have the power to exercise powers
3 and issue bonds as if it were a municipality so authorized in
4 Divisions 12.1, 74, 74.1, 74.3, 74.4, and 74.5 of Article 11 of
5 the Illinois Municipal Code.

6 Section 13. Fees and charges. The Authority may collect
7 fees and charges in connection with its loans, commitments, and
8 servicing and may provide technical assistance in the
9 development of the region.

10 Section 14. Designation of depository. The Authority shall
11 biennially designate a national or State bank or banks as
12 depositories of its money. Those depositories shall be
13 designated only within the State and upon condition that bonds
14 approved as to form and surety by the Authority and at least
15 equal in amount to the maximum sum expected to be on deposit at
16 any one time shall be first given by the depositories to the
17 Authority, those bonds to be conditioned for the safekeeping
18 and prompt repayment of the deposits. When any of the funds of
19 the Authority shall be deposited by the treasurer in any such
20 depository, the treasurer and the sureties on his official bond
21 shall, to that extent, be exempt from liability for the loss of
22 any of the deposited funds by reason of the failure,
23 bankruptcy, or any other act or default of the depository.
24 However, the Authority may accept assignments of collateral by

1 any depository of its funds to secure the deposits to the same
2 extent and conditioned in the same manner as assignments of
3 collateral are permitted by law to secure deposits of the funds
4 of any city.

5 Section 90. The Illinois Finance Authority Act is amended
6 by adding Section 825-13.5 as follows:

7 (20 ILCS 3501/825-13.5 new)

8 Sec. 825-13.5. Supervision of the Illinois Urban
9 Development Authority bond issuances.

10 (a) All bond issuances of the Illinois Urban Development
11 Authority are subject to supervision, management, control, and
12 approval of the Authority.

13 (b) All bonds issued by the Illinois Urban Development
14 Authority under the supervision of the Authority are subject to
15 the terms and conditions that are set forth in the Illinois
16 Urban Development Authority Act.

17 (c) The bonds issued by the Illinois Urban Development
18 Authority under the supervision of the Authority are not debts
19 of the Authority or of the State.