



Sen. A. J. Wilhelmi

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LRB096 10118 RCE 40889 a

1 AMENDMENT TO HOUSE BILL 2369

2 AMENDMENT NO. \_\_\_\_\_. Amend House Bill 2369, AS AMENDED, by  
3 replacing everything after the enacting clause with the  
4 following:

5 "Section 5. The Illinois Finance Authority Act is amended  
6 by adding Sections 825-105 and 825-110 as follows:

7 (20 ILCS 3501/825-105 new)

8 Sec. 825-105. Implementation of ARRA provisions regarding  
9 recovery zone bonds.

10 (a) Findings.

11 Recovery zone bonds authorized by the American Recovery and  
12 Reinvestment Act of 2009 are an important economic development  
13 tool for the State. All counties in the State and  
14 municipalities in the State with a population of 100,000 or  
15 more have received an allocation of recovery zone bond

1 authorization. Under federal law, those allocations must be  
2 used on or before December 31, 2010. The State strongly  
3 encourages counties and municipalities to issue recovery zone  
4 bonds to spur economic development in the State. Under federal  
5 law, the allocations may be voluntarily waived to the State for  
6 reallocation by the State to other jurisdictions and other  
7 projects in the State. This Section sets forth the process by  
8 which the Authority, on behalf of the State, will receive  
9 otherwise unused allocations and ensure that this valuable  
10 economic development incentive will be used to the fullest  
11 extent feasible for the benefit of the citizens of the State of  
12 Illinois.

13 (b) Definitions.

14 (i) "Affected local government" means either any  
15 county in the State or a municipality within the State if  
16 the municipality has a population of 100,000 or more.

17 (ii) "Allocation amount" means the \$666,972,000 amount  
18 of recovery zone economic development bonds and  
19 \$1,000,457,000 amount of recovery zone facility bonds  
20 authorized under ARRA for the financing of qualifying  
21 projects located within the State and the sub-allocation of  
22 those amounts among each affected local government.

23 (iii) "ARRA" means, collectively, the American  
24 Recovery and Reinvestment Act of 2009, including, without  
25 limitation, Sections 1400U-1, 1400U-2, and 1400U-3 of the

1       Code; the guidance provided by the Internal Revenue Service  
2       applicable to recovery zone bonds; and any legislation  
3       subsequently adopted by the United States Congress to  
4       extend or expand the economic development bond financing  
5       incentives authorized by ARRA.

6       (iv) "ARRA implementing regulations" means the  
7       regulations promulgated by the Authority as further  
8       described in subdivision (d)(iv) of this Section to  
9       implement the provisions of this Section.

10       (v) "Code" means the Internal Revenue Code of 1986, as  
11       amended.

12       (vi) "Recovery zone" means any area designated  
13       pursuant to Section 1400U-1 of the Code.

14       (vii) "Recovery zone bond" means any recovery zone  
15       economic development bond or recovery zone facility bond  
16       issued pursuant to Sections 1400U-2 and 1400U-3,  
17       respectively, of the Code.

18       (viii) "Recovery zone bond allocation" means an  
19       allocation of authority to issue recovery zone bonds  
20       granted pursuant to Section 1400U-1 of the Code.

21       (ix) "Regional authority" means the Central Illinois  
22       Economic Development Authority, Eastern Illinois Economic  
23       Development Authority, Joliet Arsenal Development  
24       Authority, Quad Cities Regional Economic Development  
25       Authority, Riverdale Development Authority, Southeastern  
26       Illinois Economic Development Authority, Southern Illinois

1       Development Authority, Southwestern Illinois Development  
2       Authority, Tri-County River Valley Development Authority,  
3       Upper Illinois River Valley Development Authority,  
4       Illinois Urban Development Authority, Western Illinois  
5       Economic Development Authority, or Will-Kankakee Regional  
6       Development Authority.

7       (x) "Sub-allocation" means the portion of the  
8       allocation amount allocated to each affected local  
9       government.

10       (xi) "Waived recovery zone bond allocation" means the  
11       amount of the recovery zone bond allocation voluntarily  
12       waived by an affected local government.

13       (xii) "Waiver agreement" means an agreement between  
14       the Authority and an affected local government providing  
15       for the voluntary waiver, in whole or in part, of that  
16       affected local government's sub-allocation to the  
17       Authority. The waiver agreement may provide for the payment  
18       of an affected local government's reasonable fees and costs  
19       as determined by the Authority in connection with the  
20       affected local government's voluntary waiver of its  
21       sub-allocation.

22       (c) Additional findings.

23       It is found and declared that:

24       (i) it is in the public interest and for the benefit of  
25       the State to maximize the use of economic development

1 incentives authorized by ARRA;

2 (ii) those incentives include the maximum use of the  
3 allocation amount for the issuance of recovery zone bonds  
4 to promote job creation and economic development in any  
5 area that has been designated as a recovery zone by an  
6 affected local government under the applicable provisions  
7 of ARRA;

8 (iii) those incentives also include the issuance by the  
9 Authority of recovery zone bonds for the purposes of  
10 financing qualifying projects to be financed with proceeds  
11 of recovery zone bonds; and

12 (iv) the provisions of this Section reflect the State's  
13 determination in good faith and in its discretion of the  
14 reasonable manner in which waived recovery zone bond  
15 allocations should be reallocated by the Authority.

16 (d) Powers of Authority.

17 (i) In order to carry out the provisions of ARRA and  
18 further the purposes of this Section, the Authority has:

19 (A) the power to receive from any affected local  
20 government its sub-allocation that it voluntarily  
21 waives to the Authority, in whole or in part, for  
22 reallocation by the Authority to a regional authority  
23 specifically designated by that affected local  
24 government, and the Authority shall reallocate that  
25 waived recovery zone bond allocation to the regional

1 authority specifically designated by that affected  
2 local government; provided that (1) the affected local  
3 government must take official action by resolution or  
4 ordinance, as applicable, to waive the sub-allocation  
5 to the Authority and specifically designate that its  
6 waived recovery zone bond allocation should be  
7 reallocated to a regional authority; (2) the regional  
8 authority must use the sub-allocation to issue  
9 recovery zone bonds on or before August 16, 2010 and,  
10 if recovery zone bonds are not issued on or before  
11 August 16, 2010, the sub-allocation shall be deemed  
12 waived to the Authority for reallocation by the  
13 Authority to qualifying projects; and (3) the proceeds  
14 of the recovery zone bonds must be used for qualified  
15 projects within the jurisdiction of the applicable  
16 regional authority;

17 (B) at the Authority's sole discretion, the power  
18 to reallocate any sub-allocation deemed waived to the  
19 Authority pursuant to subsection (d)(i)(A)(2) back to  
20 the regional authority that had the sub-allocation;

21 (C) the power to enter into waiver agreements with  
22 affected local governments to provide for their  
23 voluntary waivers, in whole or in part, of their  
24 sub-allocations, to receive waived recovery zone bond  
25 allocations from those affected local governments, and  
26 to use those waived recovery zone bond allocations, in

1           whole or in part, to issue recovery zone bonds of the  
2           Authority for qualifying projects or to reallocate  
3           those waived recovery zone bond allocations, in whole  
4           or in part, to a county or municipality to issue its  
5           own recovery zone bonds for qualifying projects;

6           (D) the power to designate areas within the State  
7           as recovery zones or all of the State as a recovery  
8           zone; and

9           (E) the power to issue recovery zone bonds for any  
10          project authorized to be financed with proceeds  
11          thereof under the applicable provisions of ARRA.

12          (ii) In addition to the powers set forth in item (i),  
13          the Authority shall be the sole recipient, on behalf of the  
14          State, of any waived recovery zone bond allocations.  
15          Recovery zone bond allocations can be waived to the  
16          Authority only by voluntary waiver as provided in this  
17          Section.

18          (iii) In addition to the powers set forth in items (i)  
19          and (ii), the Authority has any powers otherwise enjoyed by  
20          the Authority in connection with the issuance of its bonds  
21          if those powers are not in conflict with any provisions  
22          with respect to recovery zone bonds set forth in ARRA.

23          (iv) The Authority has the power to adopt regulations  
24          providing for the implementation of any of the provisions  
25          contained in this Section, including provisions regarding  
26          waiver agreements and the reallocation of all or any

1 portion of the allocation amount and sub-allocations and  
2 the issuance of recovery zone bonds; except that those  
3 regulations shall not (1) apply to or affect any  
4 designation of a recovery zone by a county or municipality,  
5 (2) provide for any waiver or reallocation of an affected  
6 local government's sub-allocation other than a voluntary  
7 waiver as described in subsection (d), or (3) be  
8 inconsistent with the provisions of subsection (d)(i).  
9 Regulations adopted by the Authority for determining  
10 reallocation of all or any portion of a waived recovery  
11 zone bond allocation may include, but are not limited to,  
12 (1) the ability of the county or municipality to issue  
13 recovery zone bonds on or before December 31, 2010, (2) the  
14 amount of jobs that will be retained or created, or both,  
15 by the qualifying project to be financed by recovery zone  
16 bonds, and (3) the geographical proximity of the qualifying  
17 project to be financed by recovery zone bonds to a county  
18 or municipality that voluntarily waived its sub-allocation  
19 to the Authority.

20 (v) Unless extended by an act of the United States  
21 Congress, no recovery zone bonds may be issued after  
22 December 31, 2010.

23 (e) Established dates for notice.

24 Any affected local government or any regional authority  
25 that has issued recovery zone bonds on or before the effective



1 date of this Section must report its issuance of recovery zone  
2 bonds to the Authority within 30 days after the effective date  
3 of this Section. After the effective date of this Section, any  
4 affected local government or any regional authority must report  
5 its issuance of recovery zone bonds to the Authority not less  
6 than 30 days after those bonds are issued.

7 (f) Reports to the General Assembly.

8 Starting 60 days after the effective date of this Section  
9 and ending on January 15, 2011, the Authority shall file a  
10 report before the 15th day of each month with the General  
11 Assembly detailing its implementation of this Section,  
12 including but not limited to the dollar amount of the  
13 allocation amount that has been reallocated by the Authority  
14 pursuant to this Section, the recovery zone bonds issued in the  
15 State as of the date of the report, and descriptions of the  
16 qualifying projects financed by those recovery zone bonds.

17 (20 ILCS 3501/825-110 new)

18 Sec. 825-110. Implementation of ARRA provisions regarding  
19 qualified energy conservation bonds.

20 (a) Definitions.

21 (i) "Affected local government" means any county or  
22 municipality within the State if the county or municipality  
23 has a population of 100,000 or more, as defined in Section

1       54D(e) (2) (C) of the Code.

2           (ii) "Allocation amount" means the \$133,846,000 amount  
3 of qualified energy conservation bonds authorized under  
4 ARRA for the financing of qualifying projects located  
5 within the State and the sub-allocation of those amounts  
6 among each affected local government.

7           (iii) "ARRA" means, collectively, the American  
8 Recovery and Reinvestment Act of 2009, including, without  
9 limitation, Section 54D of the Code; the guidance provided  
10 by the Internal Revenue Service applicable to qualified  
11 energy conservation bonds; and any legislation  
12 subsequently adopted by the United States Congress to  
13 extend or expand the economic development bond financing  
14 incentives authorized by ARRA.

15           (iv) "ARRA implementing regulations" means the  
16 regulations promulgated by the Authority as further  
17 described in subdivision (c)(iv) of this Section to  
18 implement the provisions of this Section.

19           (v) "Code" means the Internal Revenue Code of 1986, as  
20 amended.

21           (vi) "Qualified energy conservation bond" means any  
22 qualified energy conservation bond issued pursuant to  
23 Section 54D of the Code.

24           (vii) "Qualified energy conservation bond allocation"  
25 means an allocation of authority to issue qualified energy  
26 conservation bonds granted pursuant to Section 54D of the

1       Code.

2           (viii) "Regional authority" means the Central Illinois  
3       Economic Development Authority, Eastern Illinois Economic  
4       Development Authority, Joliet Arsenal Development  
5       Authority, Quad Cities Regional Economic Development  
6       Authority, Riverdale Development Authority, Southeastern  
7       Illinois Economic Development Authority, Southern Illinois  
8       Development Authority, Southwestern Illinois Development  
9       Authority, Tri-County River Valley Development Authority,  
10       Upper Illinois River Valley Development Authority,  
11       Illinois Urban Development Authority, Western Illinois  
12       Economic Development Authority, or Will-Kankakee Regional  
13       Development Authority.

14           (ix) "Sub-allocation" means the portion of the  
15       allocation amount allocated to each affected local  
16       government.

17           (x) "Waived qualified energy conservation bond  
18       allocation" means the amount of the qualified energy  
19       conservation bond allocation that an affected local  
20       government elects to reallocate to the State pursuant to  
21       Section 54D(e) (2) (B) of the Code.

22           (xi) "Waiver agreement" means an agreement between the  
23       Authority and an affected local government providing for  
24       the reallocation, in whole or in part, of that affected  
25       local government's sub-allocation to the Authority. The  
26       waiver agreement may provide for the payment of an affected

1 local government's reasonable fees and costs as determined  
2 by the Authority in connection with the affected local  
3 government's reallocation of its sub-allocation.

4 (b) Findings.

5 It is found and declared that:

6 (i) it is in the public interest and for the benefit of  
7 the State to maximize the use of economic development  
8 incentives authorized by ARRA;

9 (ii) those incentives include the maximum use of the  
10 allocation amount for the issuance of qualified energy  
11 conservation bonds to promote energy conservation under  
12 the applicable provisions of ARRA; and

13 (iii) those incentives also include the issuance by the  
14 Authority of qualified energy conservation bonds for the  
15 purposes of financing qualifying projects to be financed  
16 with proceeds of qualified energy conservation bonds.

17 (c) Powers of Authority.

18 (i) In order to carry out the provisions of ARRA and  
19 further the purposes of this Section, the Authority has:

20 (A) the power to receive from any affected local  
21 government its sub-allocation that it voluntarily  
22 waives to the Authority, in whole or in part, for  
23 allocation by the Authority to a regional authority  
24 specifically designated by that affected local

1       government, and the Authority shall reallocate that  
2       waived qualified energy conservation bond allocation  
3       to the regional authority specifically designated by  
4       that affected local government; provided that (1) the  
5       affected local government must take official action by  
6       resolution or ordinance, as applicable, to waive the  
7       sub-allocation to the Authority and specifically  
8       designate that its waived qualified energy  
9       conservation bond allocation should be reallocated to  
10       a regional authority; (2) the regional authority must  
11       use the sub-allocation to issue qualified energy  
12       conservation bonds on or before August 16, 2010 and, if  
13       qualified energy conservation bonds are not issued on  
14       or before August 16, 2010, the sub-allocation shall be  
15       deemed waived to the Authority for reallocation by the  
16       Authority to qualifying projects; and (3) the proceeds  
17       of the qualified energy conservation bonds must be used  
18       for qualified projects within the jurisdiction of the  
19       applicable regional authority;

20       (B) at the Authority's sole discretion, the power  
21       to reallocate any sub-allocation deemed waived to the  
22       Authority pursuant to subsection (c) (i) (A) (2) back to  
23       the Regional Authority that had the sub-allocation;

24       (C) the power to enter into waiver agreements with  
25       affected local governments to provide for the  
26       reallocation, in whole or in part, of their

1       sub-allocations, to receive waived qualified energy  
2       conservation bond allocations from those affected  
3       local governments, and to use those waived qualified  
4       energy conservation bond allocations, in whole or in  
5       part, to issue qualified energy conservation bonds of  
6       the Authority for qualifying projects or to reallocate  
7       those qualified energy conservation bond allocations,  
8       in whole or in part, to a county or municipality to  
9       issue its own energy conservation bonds for qualifying  
10       projects; and

11       (D) the power to issue qualified energy  
12       conservation bonds for any project authorized to be  
13       financed with proceeds thereof under the applicable  
14       provisions of ARRA.

15       (ii) In addition to the powers set forth in item (i),  
16       the Authority shall be the sole recipient, on behalf of the  
17       State, of any waived qualified energy conservation bond  
18       allocations. Qualified energy conservation bond  
19       allocations can be reallocated to the Authority only by  
20       voluntary waiver as provided in this Section.

21       (iii) In addition to the powers set forth in items (i)  
22       and (ii), the Authority has any powers otherwise enjoyed by  
23       the Authority in connection with the issuance of its bonds  
24       if those powers are not in conflict with any provisions  
25       with respect to qualified energy conservation bonds set  
26       forth in ARRA.

1           (iv) The Authority has the power to adopt regulations  
2           providing for the implementation of any of the provisions  
3           contained in this Section, including the provisions  
4           regarding waiver agreements and reallocation of all or any  
5           portion of the allocation amount and sub-allocations and  
6           the issuance of qualified energy conservation bonds;  
7           except that those regulations shall not (1) provide any  
8           waiver or reallocation of an affected local government's  
9           sub-allocation other than a voluntary waiver as described  
10           in subsection (c) or (2) be inconsistent with the  
11           provisions of subsection (c)(i). Regulations adopted by  
12           the Authority for determining reallocation of all or any  
13           portion of a waived qualified energy conservation  
14           allocation may include, but are not limited to, (1) the  
15           ability of the county or municipality to issue qualified  
16           energy conservation bonds by the end of a given calendar  
17           year, (2) the amount of jobs that will be retained or  
18           created, or both, by the qualifying project to be financed  
19           by qualified energy conservation bonds, and (3) the  
20           geographical proximity of the qualifying project to be  
21           financed by qualified energy conservation bonds to a  
22           municipality or county that reallocated its sub-allocation  
23           to the Authority.

24           (d) Established dates for notice.

25           Any affected local government or regional authority that

1 has issued qualified energy conservation bonds on or before the  
2 effective date of this Section must report its issuance of  
3 qualified energy conservation bonds to the Authority within 30  
4 days after the effective date of this Section. After the  
5 effective date of this Section, any affected local government  
6 or any regional authority must report its issuance of qualified  
7 energy conservation bonds to the Authority not less than 30  
8 days after those bonds are issued.

9 (e) Reports to the General Assembly.

10 Starting 60 days after the effective date of this Section  
11 and ending when there is no longer any allocation amount, the  
12 Authority shall file a report before the 15th day of each month  
13 with the General Assembly detailing its implementation of this  
14 Section, including but not limited to the dollar amount of the  
15 allocation amount that has been reallocated by the Authority  
16 pursuant to this Section, the qualified energy conservation  
17 bonds issued in the State as of the date of the report, and  
18 descriptions of the qualifying projects financed by those  
19 qualified energy conservation bonds.

20 Section 99. Effective date. This Act takes effect upon  
21 becoming law.".