



Rep. Fred Crespo

Filed: 3/23/2010

09600HB6419ham002

LRB096 21047 AMC 39542 a

1 AMENDMENT TO HOUSE BILL 6419

2 AMENDMENT NO. _____. Amend House Bill 6419 by replacing
3 everything after the enacting clause with the following:

4 "Section 1. Short title. This Act may be cited as the
5 School District Intergovernmental Cooperation Renewable Energy
6 Act.

7 Section 5. Findings. The General Assembly finds that there
8 is a need to promote the use of renewable energy resources,
9 including facilities designed to convert wind or solar power to
10 energy, and to promote employment in the construction and
11 operation of such facilities, and further finds that a means of
12 meeting such need is to authorize school districts to join
13 together to acquire and construct facilities for such purposes.

14 Section 10. Definitions. In this Act:

15 "Agency" means a joint action agency organized and

1 operating under this Act.

2 "Applicable law" means any provision of law, including this
3 Act, authorizing school districts to issue bonds as that term
4 is defined in the Local Government Debt Reform Act.

5 "Board" means the board of directors of an agency organized
6 under this Act.

7 "Bond" means a bond as such term is defined in the Local
8 Government Debt Reform Act issued by an agency payable from one
9 or more of the agency's revenue sources and other sources as
10 the agency may lawfully pledge, which sources may include
11 school district bonds or proceeds or payments to be made
12 pursuant to an intergovernmental agreement.

13 "Eligible project" means any land or rights in land, plant,
14 works, system, facility, machinery, intellectual property, or
15 other real or personal property of any nature whatsoever,
16 together with all parts thereof and appurtenances thereto, used
17 or useful in the generation, production, such distribution or
18 transmission as may be required in a relevant electric service
19 agreement, purchase, sale, exchange, or interchange of
20 electrical energy derived from renewable energy sources
21 including wind, solar power, and other renewable sources, and
22 in the acquisition, extraction, conversion, transportation,
23 storage, or reprocessing of ancillary fuel of any kind for any
24 of those purposes, or any interest in, or right to the use,
25 services, output, or capacity of any plant, works, system, or
26 facilities.

1 "Governing body" means the school board having charge of
2 the corporate affairs of a school district.

3 "Intergovernmental agreement" means the agreement by which
4 an agency is formed by school districts pursuant to this Act.

5 "Members" means the school districts joining pursuant to
6 intergovernmental agreement to organize an agency under this
7 Act.

8 "Resolution" means a resolution duly adopted by a governing
9 body.

10 "Revenue source" means any revenue source as such term is
11 defined in the Local Government Debt Reform Act.

12 "School district" means a combined elementary district, a
13 combined high school district, a combined unit district, a unit
14 district, a combined high school unit district, an elementary
15 district, or an optional elementary unit district organized and
16 operating under the School Code of the State of Illinois, but
17 does not include any office, officer, department, division,
18 bureau, board, commission, or similar agency of the State of
19 Illinois.

20 "School district bond" means any bond as such term is
21 defined in the Local Government Debt Reform Act authorized or
22 issued by or on behalf of a school district under applicable
23 law.

24 Section 15. Powers supplemental. The provisions of this Act
25 are intended to be supplemental and, in addition to all other

1 powers or authorities granted to any school district, shall be
2 construed liberally and shall not be construed as a limitation
3 of any power or authority otherwise granted.

4 Section 20. Actions by resolution. All actions to be taken
5 by a school district or an agency pursuant to this Act shall be
6 fully effective if taken by resolution.

7 Section 25. Agency status. An agency organized under this
8 Act shall be a unit of local government of the State of
9 Illinois and a body politic and corporate.

10 Section 30. Organization. Any 2 or more school districts,
11 whether contiguous or noncontiguous, may form an agency by the
12 execution of an intergovernmental agreement authorized by
13 resolution adopted by the governing body of each school
14 district. The intergovernmental agreement shall state or may
15 state, as applicable, the following:

16 (1) the name of the agency and the date of its
17 establishment, which may be by reference to a date or the
18 dates of the resolutions adopted by the governing bodies,
19 and the duration of its existence, which may be perpetual;

20 (2) the names of the school districts that have adopted
21 the intergovernmental agreement and constitute the initial
22 members;

23 (3) the names and addresses of the persons initially

1 appointed in the resolutions adopting the
2 intergovernmental agreement to serve as initial directors
3 on the board and provision for the organizational meeting
4 of the agency;

5 (4) provision for the terms of office of the directors
6 and for alternate directors, if so provided, but such
7 directors and alternate directors shall always be selected
8 and vacancies in their offices declared and filled by
9 resolutions adopted by the governing body of the respective
10 school districts;

11 (5) if so provided, provision for weighted voting among
12 the school districts or by the directors;

13 (6) the location by city, village, or incorporated town
14 in the State of Illinois of the principal office of the
15 agency;

16 (7) provision for amendment of the intergovernmental
17 agreement;

18 (8) if provided, initial funding for the agency, which
19 may include binding agreements of the school districts to
20 provide money or to issue school district bonds for the
21 benefit of the agency;

22 (9) provisions for the disposition, division, or
23 distribution of obligations, property, and assets of the
24 agency upon dissolution; and

25 (10) any other provisions for regulating the business
26 of the agency or the conduct of its affairs consistent with

1 this Act.

2 Section 35. Officers; board; bylaws.

3 (a) At the organizational meeting of the board, the
4 directors shall elect from their members a presiding officer to
5 preside over the meetings of the board and an alternate
6 presiding officer and may elect an executive board. The board
7 shall determine and designate in the agency's bylaws the titles
8 for the presiding officers. The directors shall also elect a
9 secretary and treasurer, who need not be directors. The board
10 may select such other officers, employees, and agents as deemed
11 to be necessary, who need not be directors or residents of any
12 of the school districts that are members. The board may
13 designate appropriate titles for all other officers,
14 employees, and agents. All persons selected by the board shall
15 hold their respective offices at the pleasure of the board, and
16 give bond as may be required by the board.

17 (b) The board is the corporate authority of the agency and
18 shall exercise all the powers and manage and control all of the
19 affairs and property of the agency. The board shall have full
20 power to pass all necessary resolutions and rules for the
21 proper management and conduct of the business of the agency and
22 for carrying into effect the objects for which the agency was
23 established. The board shall have not less than one meeting
24 each year for the election of officers and the transaction of
25 any other business. Unless otherwise provided by this Act, the

1 intergovernmental agreement, or the bylaws, an act of the
2 majority of the directors present at a meeting at which a
3 quorum is present is required for an act of the board.

4 (c) The board shall adopt bylaws that may include without
5 limitation the following provisions:

6 (1) the rights and obligations of members consistent
7 with the intergovernmental agreement and this Act;

8 (2) if not governed in the intergovernmental
9 agreement, then the manner of adding new members and the
10 rights and obligations of the members;

11 (3) the time, place, and date of the regular meeting or
12 meetings and the procedures for calling special meetings of
13 the board;

14 (4) procedural rules:

15 (5) the composition, powers, and responsibilities of
16 any committee or executive board;

17 (6) the criteria as called for in item (20) of Section
18 55 of this Act; and

19 (7) other rules or provisions for regulating the
20 affairs of the agency as the board shall determine to be
21 advisable.

22 Section 40. Filing. Within 3 months after the
23 organizational meeting, the board shall cause a certified copy
24 of the intergovernmental agreement to be filed with the
25 Secretary of State of Illinois. The Secretary of State shall

1 accept such filing and issue a certificate of approval over his
2 or her signature and the Great Seal of the State. The Secretary
3 of State shall make and keep a register of agencies established
4 under this Act.

5 Section 45. Place of business. Every agency shall maintain
6 an office in the State of Illinois to be known as its principal
7 office. When an agency desires to change the location of such
8 office, it shall file with the Secretary of State a certificate
9 of change of location, stating the new address and the
10 effective date of change. Meetings of the board may be held at
11 any place within the State of Illinois designated by the board
12 after notice.

13 Section 50. Lawful expense of school district. Each member
14 shall have full power and authority to appropriate money from
15 its operation and maintenance fund, by whatever name now or
16 hereafter known, for the payment of the expenses of the agency
17 and of its representative in exercising its functions as a
18 member of the agency, which expenses may include payment of
19 principal of and interest on bonds of the agency for a period
20 not greater than 40 years after the dated date of any bonds.
21 Each member shall have full power and authority, subject to the
22 provisions of applicable law, to agree to the issuance and
23 delivery of school district bonds to aid the agency.

1 Section 55. Powers and duties generally. An agency shall
2 have all the powers and duties enumerated in this Section in
3 furtherance of the purposes of this Act. In the exercise
4 thereof it shall be deemed to be performing an essential
5 governmental function and exercising a part of the sovereign
6 powers of the State of Illinois, separate and distinct from
7 member school districts, and shall have the privileges,
8 immunities, and rights of a public body politic and corporate,
9 municipal corporation, and unit of local government, but shall
10 not have taxing power. All powers of the agency shall be
11 exercised by its board unless otherwise provided by the bylaws.

12 (1) An agency may plan, finance, acquire, construct,
13 reconstruct, own, lease, operate, maintain, repair,
14 improve, extend, or otherwise participate in, individually
15 or jointly with other persons or other entities of any
16 type, one or more eligible projects, proposed, existing, or
17 under construction, within or without the State of
18 Illinois, acquire any interest in or any right to products
19 and services of an eligible project, purchase, own, sell,
20 dispose of, or otherwise participate in securities issued
21 in connection with the financing of an eligible project or
22 any portion thereof, create such subsidiary entity or
23 entities of any type as may be necessary or desirable, and
24 may act as agent, or designate one or more persons, public
25 agencies, or other entities of any type, whether or not
26 participating in an eligible project, to act as its agent,

1 in connection with the planning, financing, acquisition,
2 construction, reconstruction, ownership, lease, operation,
3 maintenance, repair, extension, or improvement of the
4 eligible project.

5 (2) An agency may investigate the desirability of and
6 necessity for additional means of providing electrical
7 energy from wind sources of any kind for such purpose and
8 make studies, surveys, and estimates as may be necessary to
9 determine its feasibility and cost.

10 (3) An agency may cooperate with other persons, public
11 agencies, or other entities of any type in the development
12 of means of providing electrical energy from wind sources
13 of any kind for those purposes and give assistance with
14 personnel and equipment in any eligible project.

15 (4) An agency may structure the ownership and
16 investment in an eligible project in such a way as to
17 maximize the use of any available United States federal
18 incentives for such projects, including, but not limited
19 to, New Markets Tax Credits under Section 45D of the
20 Internal Revenue Code of 1986, as amended, or any successor
21 provision.

22 (5) An agency may apply for consents, authorizations,
23 or approvals required for any eligible project within its
24 powers and take all actions necessary to comply with the
25 conditions thereof.

26 (6) An agency may perform any act authorized by this

1 Act through, or by means of, its officers, agents, or
2 employees or by contract with others, including without
3 limitation the employment of engineers, architects,
4 attorneys, appraisers, financial advisors, and such other
5 consultants and employees as may be required in the
6 judgment of the agency, and fix and pay their compensation
7 from funds available to the agency.

8 (7) An agency may, individually or jointly with other
9 persons, public agencies, or other entities of any type,
10 acquire, hold, use, and dispose of income, revenues, funds,
11 and money.

12 (8) An agency may, individually or jointly with other
13 persons, public agencies, or other entities of any type,
14 acquire, own, hire, use, operate and dispose of personal
15 property and any interest therein.

16 (9) An agency may, individually or jointly with other
17 persons, public agencies, or other entities of any type,
18 acquire, own, use, lease as lessor or lessee, operate, and
19 dispose of real property and interests in real property,
20 including eligible projects existing, proposed, or under
21 construction, and make improvements thereon.

22 (10) An agency may grant the use by franchise, lease,
23 or otherwise and make charges for the use of any property
24 or facility owned or controlled by it.

25 (11) An agency may borrow money and issue negotiable
26 bonds, secured or unsecured, in accordance with this Act.

1 (12) An agency may invest money of the agency not
2 required for immediate use, including proceeds from the
3 sale of any bonds, in such obligations, securities, and
4 other investments as authorized by the provisions of the
5 Public Funds Investment Act.

6 (13) An agency may determine the location and character
7 of, and all other matters in connection with, any and all
8 eligible projects it is authorized to acquire, hold,
9 establish, effectuate, operate, or control.

10 (14) An agency may contract with any persons, public
11 agencies, or other entities of any type for the planning,
12 development, construction, or operation of any eligible
13 project or for the sale, transmission, or distribution of
14 the products and services of any eligible project, or for
15 any interest therein or any right to the products and
16 services thereof, on such terms and for such period not in
17 excess of 50 years of time as its board shall determine.

18 (15) An agency may enter into any contract or agreement
19 necessary, appropriate, or incidental to the effectuation
20 of its lawful purposes and the exercise of the powers
21 granted by this Act for a period not in excess of 50 years
22 in time, including without limitation contracts or
23 agreements for the purchase, sale, exchange, interchange,
24 wheeling, pooling, transmission, distribution, or storage
25 of electrical energy and fuel of any kind for any such
26 purposes, within and without the State of Illinois, in such

1 amounts as it shall determine to be necessary and
2 appropriate to make the most effective use of its powers
3 and to meet its responsibilities, on such terms and for
4 such period of time as its board determines. Any such
5 contract or agreement may include provisions for
6 requirements purchases, restraints on resale or other
7 dealings, exclusive dealing, pricing, territorial
8 division, and other conduct or arrangements that may have
9 an anti-competitive effect.

10 (16) An agency may procure insurance against any losses
11 in connection with its property, operations, or assets in
12 such amounts and from such insurers as it deems desirable
13 or may self-insure or enter into pooled insurance
14 arrangements with other school districts against such
15 losses.

16 (17) An agency may contract for and accept any gifts or
17 grants or loans of funds or property or financial or other
18 aid in any form from any source and may comply, subject to
19 the provisions of this Act, with the terms and conditions
20 thereof.

21 (18) An agency may mortgage, pledge, or grant a
22 security interest in any or all of its real and personal
23 property to secure the payment of its bonds or contracts.

24 (19) That part of an eligible project owned by an
25 agency shall be exempt from property taxes.

26 (20) An agency shall not be subject to any taxes of the

1 State of Illinois based on or measured by income or
2 receipts or revenue.

3 (21) An agency may adopt a corporate seal and may sue
4 and be sued.

5 (22) An agency may exercise all other powers not
6 inconsistent with the Constitution of the State of Illinois
7 or the United States Constitution, which powers may be
8 reasonably necessary or appropriate for or incidental to
9 effectuate its authorized purposes or to the exercise of
10 any of the powers enumerated in this Act.

11 Section 60. Bonds. An agency may issue bonds pursuant to
12 applicable law and the following provisions:

13 (1) An agency may from time to time issue its bonds in
14 such principal amounts as the agency shall deem necessary
15 to provide sufficient funds to carry out any of its
16 corporate purposes and powers, including without
17 limitation the acquisition, construction, or termination
18 of any eligible project to be owned or leased, as lessor or
19 lessee, by the agency, or the acquisition of any interest
20 therein or any right to the products or services thereof,
21 the funding or refunding of the principal of, redemption
22 premium, if any, and interest on, any bonds issued by it
23 whether or not such bonds or interest to be funded or
24 refunded have or have not become due, the payment of
25 engineering, legal and other expenses, together with

1 interest for a period of 3 years or to a date one year
2 subsequent to the estimated date of completion of the
3 project, whichever period is longer, the establishment or
4 increase of reserves to secure or to pay such bonds or
5 interest thereon, the providing of working capital and the
6 payment of all other costs or expenses of the agency
7 incident to and necessary or convenient to carry out its
8 corporate purposes and powers.

9 (2) Every issue of bonds of the agency shall be payable
10 out of the revenues or funds available to the agency,
11 subject to any agreements with the holders of particular
12 bonds pledging any particular revenues or funds. An agency
13 may issue types of bonds as it may determine, including
14 bonds as to which the principal and interest are payable
15 exclusively from the revenues from one or more projects, or
16 from an interest therein or a right to the products and
17 services thereof, or from one or more revenue producing
18 contracts made by the agency, or its revenues generally.
19 Any such bonds may be additionally secured by a pledge of
20 any grant, subsidy, or contribution from any source or a
21 pledge of any income or revenues, funds, or moneys of the
22 agency from any source whatsoever.

23 (3) All bonds of an agency shall have all the qualities
24 of negotiable instruments under the laws of this State.

25 (4) Bonds of an agency shall be authorized by
26 resolution of its board and may be issued under such

1 resolution or under a trust indenture or other security
2 agreement, in one or more series, and shall bear the date
3 or dates, mature at a time or times within the estimated
4 period of usefulness of the project involved and in any
5 event not more than 40 years after the date thereof, bear
6 interest at such rate or rates without regard to any
7 limitation in any other law, be in such denominations, be
8 in such form, either coupon or registered, carry such
9 conversion, registration, and exchange privileges, have
10 such rank or priority, be executed in such manner, be
11 payable in such medium of payment at such place or places
12 within or without the State of Illinois, be subject to such
13 terms of redemption with or without premium, and contain or
14 be subject to such other terms as the resolution, trust
15 indenture, or other security agreement may provide, and
16 shall not be restricted by the provisions of any other law
17 limiting the amounts, maturities, interest rates, or other
18 terms of obligations of units of local government or
19 private parties. The bonds shall be sold in a manner and at
20 such price as the board shall determine at private or
21 public sale.

22 (5) Bonds of an agency may be issued under the
23 provisions of this Act without obtaining the consent of any
24 department, division, commission, board, bureau, or agency
25 of the State of Illinois or of any member, except as may be
26 limited in an intergovernmental agreement, and without any

1 other proceeding or the happening of any other condition or
2 occurrence except as specifically required by this Act.

3 (6) The resolution, trust indenture, or other security
4 agreement under which any bonds are issued shall constitute
5 a contract with the holders of the bonds and may contain
6 provisions, among others, prescribing:

7 (A) the terms and provisions of the bonds;

8 (B) the mortgage or pledge of and the grant of a
9 security interest in any real or personal property and
10 all or any part of the revenue from any project or any
11 revenue producing contract made by the agency to secure
12 the payment of bonds, subject to any agreements with
13 the holders of bonds which might then exist;

14 (C) the custody, collection, securing,
15 investments, and payment of any revenues, assets,
16 money, funds, or property with respect to which the
17 agency may have any rights or interest;

18 (D) the rates or charges for the products or
19 services rendered by the agency, the amount to be
20 raised by the rates or charges, and the use and
21 disposition of any or all revenue;

22 (E) the creation of reserves or sinking funds and
23 the regulation and disposition thereof;

24 (F) the purposes to which the proceeds from the
25 sale of any bonds then or thereafter to be issued may
26 be applied, and the pledge of revenues to secure the

1 payment of the bonds;

2 (G) the limitations on the issuance of any
3 additional bonds, the terms upon which additional
4 bonds may be issued and secured, and the refunding of
5 outstanding bonds;

6 (H) the rank or priority of any bonds with respect
7 to any lien or security;

8 (I) the creation of special funds or moneys to be
9 held in trust or otherwise for operational expenses,
10 payment, or redemption of bonds, reserves or other
11 purposes, and the use and disposition of moneys held in
12 such funds;

13 (J) the procedure by which the terms of any
14 contract with or for the benefit of the holders of
15 bonds may be amended or revised, the amount of bonds
16 the holders of which must consent thereto, and the
17 manner in which consent may be given;

18 (K) the definition of the acts or omissions to act
19 that shall constitute a default in the duties of the
20 agency to holders of its bonds, and the rights and
21 remedies of the holders in the event of default,
22 including, if the agency so determines, the right to
23 accelerate the due date of the bonds or the right to
24 appoint a receiver or receivers of the property or
25 revenues subject to the lien of the resolution, trust
26 indenture, or other security agreement;

1 (L) any other or additional agreements with or for
2 the benefit of the holders of bonds or any covenants or
3 restrictions necessary or desirable to safeguard the
4 interests of the holders;

5 (M) the custody of its properties or investments,
6 the safekeeping thereof, the insurance to be carried
7 thereon, and the use and disposition of insurance
8 proceeds;

9 (N) the vesting in a trustee or trustees, within or
10 without the State of Illinois, of such properties,
11 rights, powers, and duties in trust as the agency may
12 determine; or the limiting or abrogating of the rights
13 of the holders of any bonds to appoint a trustee, or
14 the limiting of the rights, powers, and duties of such
15 trustee; or

16 (O) the appointment of and the establishment of the
17 duties and obligations of any paying agent or other
18 fiduciary within or without the State of Illinois.

19 (7) For the security of bonds issued or to be issued by
20 an agency, the agency may mortgage or execute deeds of
21 trust of the whole or any part of its property and
22 franchises. Any pledge of revenues, securities, contract
23 rights, or other personal property made by an agency
24 pursuant to this Act shall be valid and binding from the
25 date the pledge is made. The revenues, securities, contract
26 rights, or other personal property so pledged and then held

1 or thereafter received by the agency or any fiduciary shall
2 immediately be subject to the lien of the pledge without
3 any physical delivery thereof or further act, and the lien
4 of the pledge shall be valid and binding as against all
5 parties having claims of any kind in tort, contract, or
6 otherwise against the agency without regard to whether the
7 parties have notice. The resolution, trust indenture,
8 security agreement, or other instrument by which a pledge
9 is created shall be recorded in the county in which the
10 principal office is located in the manner provided by law.

11 (8) Neither the officials, the directors, nor the
12 members of an agency nor any person executing bonds shall
13 be liable personally on the bonds or be subject to any
14 personal liability or accountability by reason of the
15 issuance thereof. An agency shall have power to indemnify
16 and to purchase and maintain insurance on behalf of any
17 director, officer, employee, or agent of the agency, in
18 connection with any threatened, pending, or completed
19 action, suit, or proceeding.

20 (9) An agency shall have power to purchase out of any
21 funds available therefor, bonds, and to hold for
22 re-issuance, pledge, cancel, or retire the bonds and
23 coupons prior to maturity, subject to and in accordance
24 with any agreements with the holders.

25 (10) The principal of and interest upon any bonds
26 issued by an agency shall be payable solely from the

1 revenue sources or funds pledged or available for their
2 payment as authorized in this Act. Each bond shall contain
3 a statement that it constitutes an obligation of the agency
4 issuing the bond, that its principal and interest are
5 payable solely from revenues or funds of the agency and
6 that neither the State of Illinois nor any political
7 subdivision thereof, except the issuer, nor any school
8 district that is a member of the agency, is obligated to
9 pay the principal or interest on the bonds and that neither
10 the faith and credit nor the taxing power of the State of
11 Illinois or any such political subdivision thereof or of
12 any such school district is pledged to the payment of the
13 principal of or the interest on the bonds.

14 Section 65. Charges. An agency may establish, levy, and
15 collect or may authorize, by contract, franchise, lease, or
16 otherwise, the establishment, levying, and collection of
17 rents, rates, and other charges for the products and services
18 afforded by the agency or by or in connection with any eligible
19 project or properties that it may construct, acquire, own,
20 operate, or control or with respect to which it may have any
21 interest or any right to the products and services thereof as
22 it may deem necessary, proper, desirable, or reasonable. Rents,
23 rates, and other charges shall be established so as to be
24 sufficient to meet the operation, maintenance, and other
25 expenses thereof, including reasonable reserves, interest, and

1 principal payments, including payments into one or more sinking
2 funds for the retirement of principal. An agency may pledge its
3 rates, rents, and other revenue, or any part thereof, as
4 security for the repayment, with interest and premium, if any,
5 of any moneys borrowed by it or advanced to it for any of its
6 authorized purposes and as security for the payment of amounts
7 due and owing by it under any contract.

8 Section 70. School districts may contract.

9 (a) In order to accomplish the purposes of this Act, a
10 school district may enter into and carry out contracts and
11 agreements for the sale, lease, or other use of property, real
12 or personal, cooperative provision of services, such as police
13 services, or the purchase of power from an agency, or
14 transmission services, development services, and other
15 services.

16 (b) Any contract and agreement shall be for a period not to
17 exceed 50 years and shall contain other terms, conditions, and
18 provisions that are not inconsistent with the provisions of
19 this Act as the governing body of such school district shall
20 approve, including without limitation provisions whereby the
21 school district is obligated to pay for the products and
22 services of an agency without set-off or counterclaim and
23 irrespective of whether such products or services are
24 furnished, made available, or delivered to the school district,
25 or whether any project contemplated by any such contract and

1 agreement is completed, operable or operating, and
2 notwithstanding suspension, interruption, interference,
3 reduction, or curtailment of the products and services of the
4 project.

5 (c) Any contract and agreement may be pledged by the agency
6 to secure its obligations and may provide that if one or more
7 school districts defaults in the payment of its obligations
8 under such contract and agreement, the remaining school
9 districts having such contracts and agreements shall be
10 required to pay for and shall be entitled proportionately to
11 use or otherwise dispose of the products and services that were
12 to be purchased by the defaulting school district.

13 (c) Any contract and agreement providing for payments by a
14 school district shall be an obligation of the school district
15 payable from and secured by such lawfully available funds as
16 may be made pursuant to applicable law. Notwithstanding the
17 sources of funds pledged, any contract between the agency and
18 its members with respect to an eligible project shall not
19 constitute an indebtedness of such members within any statutory
20 limitation.

21 (d) Nothing in this Act shall be construed to preclude a
22 school district from appropriating and using taxes and other
23 revenues received in any year to make payments due or to comply
24 with covenants to be performed during that year under any
25 contract or agreement for a term of years entered into as
26 contemplated in this Act, subject to the provisions of

1 applicable law.

2 (e) Any contract or agreement may include provisions for
3 requirements purchases, restraints on resale or other
4 dealings, exclusive dealing, pricing, territorial division,
5 and other conduct or arrangements that may have an
6 anti-competitive effect.

7 (f) Notwithstanding the provisions of any other law, in the
8 making of a contract or agreement between an agency and a
9 member, the director of the agency who represents such member
10 must recuse himself or herself from participation in
11 discussions or voting as director, but may participate and vote
12 in his or her capacity as an officer of the governing body of
13 such member, and such participation and voting shall not be a
14 conflict of interest.

15 Section 97. Severability. The provisions of this Act are
16 severable under Section 1.31 of the Statute on Statutes.

17 Section 999. Effective date. This Act takes effect upon
18 becoming law."