

1 AN ACT concerning local government.

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

4 Section 5. The General Obligation Bond Act is amended by
5 changing Sections 8, 9, 14, and 15 as follows:

6 (30 ILCS 330/8) (from Ch. 127, par. 658)

7 Sec. 8. Bond sale expenses.

8 (a) An amount not to exceed 0.5 percent of the principal
9 amount of the proceeds of sale of each bond sale is authorized
10 to be used to pay the reasonable costs of issuance and sale,
11 including, without limitation, underwriter's discounts and
12 fees, but excluding bond insurance, of State of Illinois
13 general obligation bonds authorized and sold pursuant to this
14 Act, provided that no salaries of State employees or other
15 State office operating expenses shall be paid out of
16 non-appropriated proceeds, provided further that the percent
17 shall be 1.0% for each sale of "Build America Bonds" or
18 "Qualified School Construction Bonds" as defined in
19 subsections (d) and (e) of Section 9, respectively. The
20 Governor's Office of Management and Budget shall compile a
21 summary of all costs of issuance on each sale (including both
22 costs paid out of proceeds and those paid out of appropriated
23 funds) and post that summary on its web site within 20 business

1 days after the issuance of the Bonds. The summary shall
2 include, as applicable, the respective percentages of
3 participation and compensation of each underwriter that is a
4 member of the underwriting syndicate, legal counsel, financial
5 advisors, and other professionals for the bond issue and an
6 identification of all costs of issuance paid to minority owned
7 businesses, female owned businesses, and businesses owned by
8 persons with disabilities. The terms "minority owned
9 businesses", "female owned businesses", and "business owned by
10 a person with a disability" have the meanings given to those
11 terms in the Business Enterprise for Minorities, Females, and
12 Persons with Disabilities Act. That posting shall be maintained
13 on the web site for a period of at least 30 days. In addition,
14 the Governor's Office of Management and Budget shall provide a
15 written copy of each summary of costs to the Speaker and
16 Minority Leader of the House of Representatives, the President
17 and Minority Leader of the Senate, and the Commission on
18 Government Forecasting and Accountability within 20 business
19 days after each issuance of the Bonds. In addition, the
20 Governor's Office of Management and Budget shall provide copies
21 of all contracts under which any costs of issuance are paid or
22 to be paid to the Commission on Government Forecasting and
23 Accountability within 20 business days after the issuance of
24 Bonds for which those costs are paid or to be paid. Instead of
25 filing a second or subsequent copy of the same contract, the
26 Governor's Office of Management and Budget may file a statement

1 that specified costs are paid under specified contracts filed
2 earlier with the Commission.

3 (b) The Director of the Governor's Office of Management and
4 Budget shall not, in connection with the issuance of Bonds,
5 contract with any underwriter, financial advisor, or attorney
6 unless that underwriter, financial advisor, or attorney
7 certifies that the underwriter, financial advisor, or attorney
8 has not and will not pay a contingent fee, whether directly or
9 indirectly, to a third party for having promoted the selection
10 of the underwriter, financial advisor, or attorney for that
11 contract. In the event that the Governor's Office of Management
12 and Budget determines that an underwriter, financial advisor,
13 or attorney has filed a false certification with respect to the
14 payment of contingent fees, the Governor's Office of Management
15 and Budget shall not contract with that underwriter, financial
16 advisor, or attorney, or with any firm employing any person who
17 signed false certifications, for a period of 2 calendar years,
18 beginning with the date the determination is made. The validity
19 of Bonds issued under such circumstances of violation pursuant
20 to this Section shall not be affected.

21 (Source: P.A. 93-2, eff. 4-7-03; 93-839, eff. 7-30-04; 93-1067,
22 eff. 1-15-05.)

23 (30 ILCS 330/9) (from Ch. 127, par. 659)

24 Sec. 9. Conditions for Issuance and Sale of Bonds -
25 Requirements for Bonds.

1 (a) Except as otherwise provided in this subsection, Bonds
2 shall be issued and sold from time to time, in one or more
3 series, in such amounts and at such prices as may be directed
4 by the Governor, upon recommendation by the Director of the
5 Governor's Office of Management and Budget. Bonds shall be in
6 such form (either coupon, registered or book entry), in such
7 denominations, payable within 25 years from their date, subject
8 to such terms of redemption with or without premium, bear
9 interest payable at such times and at such fixed or variable
10 rate or rates, and be dated as shall be fixed and determined by
11 the Director of the Governor's Office of Management and Budget
12 in the order authorizing the issuance and sale of any series of
13 Bonds, which order shall be approved by the Governor and is
14 herein called a "Bond Sale Order"; provided however, that
15 interest payable at fixed or variable rates shall not exceed
16 that permitted in the Bond Authorization Act, as now or
17 hereafter amended. Bonds shall be payable at such place or
18 places, within or without the State of Illinois, and may be
19 made registrable as to either principal or as to both principal
20 and interest, as shall be specified in the Bond Sale Order.
21 Bonds may be callable or subject to purchase and retirement or
22 tender and remarketing as fixed and determined in the Bond Sale
23 Order. Bonds, other than Bonds issued under Section 3 of this
24 Act for the costs associated with the purchase and
25 implementation of information technology, (i) except for
26 refunding Bonds satisfying the requirements of Section 16 of

1 this Act and sold during fiscal year 2009, 2010, or 2011, must
2 be issued with principal or mandatory redemption amounts in
3 equal amounts, with the first maturity issued occurring within
4 the fiscal year in which the Bonds are issued or within the
5 next succeeding fiscal year and (ii) must mature or be subject
6 to mandatory redemption each fiscal year thereafter up to 25
7 years, except for refunding Bonds satisfying the requirements
8 of Section 16 of this Act and sold during fiscal year 2009,
9 2010, or 2011 which must mature or be subject to mandatory
10 redemption each fiscal year thereafter up to 16 years. Bonds
11 issued under Section 3 of this Act for the costs associated
12 with the purchase and implementation of information technology
13 must be issued with principal or mandatory redemption amounts
14 in equal amounts, with the first maturity issued occurring with
15 the fiscal year in which the respective bonds are issued or
16 with the next succeeding fiscal year, with the respective bonds
17 issued maturing or subject to mandatory redemption each fiscal
18 year thereafter up to 10 years. Notwithstanding any provision
19 of this Act to the contrary, the Bonds authorized by Public Act
20 96-43 ~~this amendatory Act of the 96th General Assembly~~ shall be
21 payable within 5 years from their date and must be issued with
22 principal or mandatory redemption amounts in equal amounts,
23 with payment of principal or mandatory redemption beginning in
24 the first fiscal year following the fiscal year in which the
25 Bonds are issued.

26 In the case of any series of Bonds bearing interest at a

1 variable interest rate ("Variable Rate Bonds"), in lieu of
2 determining the rate or rates at which such series of Variable
3 Rate Bonds shall bear interest and the price or prices at which
4 such Variable Rate Bonds shall be initially sold or remarketed
5 (in the event of purchase and subsequent resale), the Bond Sale
6 Order may provide that such interest rates and prices may vary
7 from time to time depending on criteria established in such
8 Bond Sale Order, which criteria may include, without
9 limitation, references to indices or variations in interest
10 rates as may, in the judgment of a remarketing agent, be
11 necessary to cause Variable Rate Bonds of such series to be
12 remarketable from time to time at a price equal to their
13 principal amount, and may provide for appointment of a bank,
14 trust company, investment bank, or other financial institution
15 to serve as remarketing agent in that connection. The Bond Sale
16 Order may provide that alternative interest rates or provisions
17 for establishing alternative interest rates, different
18 security or claim priorities, or different call or amortization
19 provisions will apply during such times as Variable Rate Bonds
20 of any series are held by a person providing credit or
21 liquidity enhancement arrangements for such Bonds as
22 authorized in subsection (b) of this Section. The Bond Sale
23 Order may also provide for such variable interest rates to be
24 established pursuant to a process generally known as an auction
25 rate process and may provide for appointment of one or more
26 financial institutions to serve as auction agents and

1 broker-dealers in connection with the establishment of such
2 interest rates and the sale and remarketing of such Bonds.

3 (b) In connection with the issuance of any series of Bonds,
4 the State may enter into arrangements to provide additional
5 security and liquidity for such Bonds, including, without
6 limitation, bond or interest rate insurance or letters of
7 credit, lines of credit, bond purchase contracts, or other
8 arrangements whereby funds are made available to retire or
9 purchase Bonds, thereby assuring the ability of owners of the
10 Bonds to sell or redeem their Bonds. The State may enter into
11 contracts and may agree to pay fees to persons providing such
12 arrangements, but only under circumstances where the Director
13 of the Governor's Office of Management and Budget certifies
14 that he or she reasonably expects the total interest paid or to
15 be paid on the Bonds, together with the fees for the
16 arrangements (being treated as if interest), would not, taken
17 together, cause the Bonds to bear interest, calculated to their
18 stated maturity, at a rate in excess of the rate that the Bonds
19 would bear in the absence of such arrangements.

20 The State may, with respect to Bonds issued or anticipated
21 to be issued, participate in and enter into arrangements with
22 respect to interest rate protection or exchange agreements,
23 guarantees, or financial futures contracts for the purpose of
24 limiting, reducing, or managing interest rate exposure. The
25 authority granted under this paragraph, however, shall not
26 increase the principal amount of Bonds authorized to be issued

1 by law. The arrangements may be executed and delivered by the
2 Director of the Governor's Office of Management and Budget on
3 behalf of the State. Net payments for such arrangements shall
4 constitute interest on the Bonds and shall be paid from the
5 General Obligation Bond Retirement and Interest Fund. The
6 Director of the Governor's Office of Management and Budget
7 shall at least annually certify to the Governor and the State
8 Comptroller his or her estimate of the amounts of such net
9 payments to be included in the calculation of interest required
10 to be paid by the State.

11 (c) Prior to the issuance of any Variable Rate Bonds
12 pursuant to subsection (a), the Director of the Governor's
13 Office of Management and Budget shall adopt an interest rate
14 risk management policy providing that the amount of the State's
15 variable rate exposure with respect to Bonds shall not exceed
16 20%. This policy shall remain in effect while any Bonds are
17 outstanding and the issuance of Bonds shall be subject to the
18 terms of such policy. The terms of this policy may be amended
19 from time to time by the Director of the Governor's Office of
20 Management and Budget but in no event shall any amendment cause
21 the permitted level of the State's variable rate exposure with
22 respect to Bonds to exceed 20%.

23 (d) "Build America Bonds" in this Section means Bonds
24 authorized by Section 54AA of the Internal Revenue Code of
25 1986, as amended ("Internal Revenue Code"), and bonds issued
26 from time to time to refund or continue to refund "Build

1 America Bonds".

2 (e) Notwithstanding any other provision of this Section,
3 Qualified School Construction Bonds shall be issued and sold
4 from time to time, in one or more series, in such amounts and
5 at such prices as may be directed by the Governor, upon
6 recommendation by the Director of the Governor's Office of
7 Management and Budget. Qualified School Construction Bonds
8 shall be in such form (either coupon, registered or book
9 entry), in such denominations, payable within 25 years from
10 their date, subject to such terms of redemption with or without
11 premium, and if the Qualified School Construction Bonds are
12 issued with a supplemental coupon, bear interest payable at
13 such times and at such fixed or variable rate or rates, and be
14 dated as shall be fixed and determined by the Director of the
15 Governor's Office of Management and Budget in the order
16 authorizing the issuance and sale of any series of Qualified
17 School Construction Bonds, which order shall be approved by the
18 Governor and is herein called a "Bond Sale Order"; except that
19 interest payable at fixed or variable rates, if any, shall not
20 exceed that permitted in the Bond Authorization Act, as now or
21 hereafter amended. Qualified School Construction Bonds shall
22 be payable at such place or places, within or without the State
23 of Illinois, and may be made registrable as to either principal
24 or as to both principal and interest, as shall be specified in
25 the Bond Sale Order. Qualified School Construction Bonds may be
26 callable or subject to purchase and retirement or tender and

1 remarketing as fixed and determined in the Bond Sale Order.
2 Qualified School Construction Bonds must be issued with
3 principal or mandatory redemption amounts or sinking fund
4 payments into the General Obligation Bond Retirement and
5 Interest Fund (or subaccount therefor) in equal amounts, with
6 the first maturity issued, mandatory redemption payment or
7 sinking fund payment occurring within the fiscal year in which
8 the Qualified School Construction Bonds are issued or within
9 the next succeeding fiscal year, with Qualified School
10 Construction Bonds issued maturing or subject to mandatory
11 redemption or with sinking fund payments thereof deposited each
12 fiscal year thereafter up to 25 years. Sinking fund payments
13 set forth in this subsection shall be permitted only to the
14 extent authorized in Section 54F of the Internal Revenue Code
15 or as otherwise determined by the Director of the Governor's
16 Office of Management and Budget. "Qualified School
17 Construction Bonds" in this subsection means Bonds authorized
18 by Section 54F of the Internal Revenue Code and for bonds
19 issued from time to time to refund or continue to refund such
20 "Qualified School Construction Bonds".

21 (Source: P.A. 96-18, eff. 6-26-09; 96-37, eff. 7-13-09; 96-43,
22 eff. 7-15-09; revised 8-20-09.)

23 (30 ILCS 330/14) (from Ch. 127, par. 664)

24 Sec. 14. Repayment.

25 (a) To provide for the manner of repayment of Bonds, the

1 Governor shall include an appropriation in each annual State
2 Budget of monies in such amount as shall be necessary and
3 sufficient, for the period covered by such budget, to pay the
4 interest, as it shall accrue, on all Bonds issued under this
5 Act, to pay and discharge the principal of such Bonds as shall,
6 by their terms, fall due during such period, ~~and~~ to pay a
7 premium, if any, on Bonds to be redeemed prior to the maturity
8 date, and to pay sinking fund payments in connection with
9 Qualified School Construction Bonds authorized by subsection
10 (e) of Section 9. Amounts included in such appropriations for
11 the payment of interest on variable rate bonds shall be the
12 maximum amounts of interest that may be payable for the period
13 covered by the budget, after taking into account any credits
14 permitted in the related indenture or other instrument against
15 the amount of such interest required to be appropriated for
16 such period. Amounts included in such appropriations for the
17 payment of interest shall include the amounts certified by the
18 Director of the Governor's Office of Management and Budget
19 under subsection (b) of Section 9 of this Act.

20 (b) A separate fund in the State Treasury called the
21 "General Obligation Bond Retirement and Interest Fund" is
22 hereby created.

23 (c) The General Assembly shall annually make
24 appropriations to pay the principal of, interest on, and
25 premium, if any, on Bonds sold under this Act from the General
26 Obligation Bond Retirement and Interest Fund. Amounts included

1 in such appropriations for the payment of interest on variable
2 rate bonds shall be the maximum amounts of interest that may be
3 payable during the fiscal year, after taking into account any
4 credits permitted in the related indenture or other instrument
5 against the amount of such interest required to be appropriated
6 for such period. Amounts included in such appropriations for
7 the payment of interest shall include the amounts certified by
8 the Director of the Governor's Office of Management and Budget
9 under subsection (b) of Section 9 of this Act.

10 If for any reason there are insufficient funds in either
11 the General Revenue Fund or the Road Fund to make transfers to
12 the General Obligation Bond Retirement and Interest Fund as
13 required by Section 15 of this Act, or if for any reason the
14 General Assembly fails to make appropriations sufficient to pay
15 the principal of, interest on, and premium, if any, on the
16 Bonds, as the same by their terms shall become due, this Act
17 shall constitute an irrevocable and continuing appropriation
18 of all amounts necessary for that purpose, and the irrevocable
19 and continuing authority for and direction to the State
20 Treasurer and the Comptroller to make the necessary transfers,
21 as directed by the Governor, out of and disbursements from the
22 revenues and funds of the State.

23 (d) If, because of insufficient funds in either the General
24 Revenue Fund or the Road Fund, monies have been transferred to
25 the General Obligation Bond Retirement and Interest Fund, as
26 required by subsection (c) of this Section, this Act shall

1 constitute the irrevocable and continuing authority for and
2 direction to the State Treasurer and Comptroller to reimburse
3 these funds of the State from the General Revenue Fund or the
4 Road Fund, as appropriate, by transferring, at such times and
5 in such amounts, as directed by the Governor, an amount to
6 these funds equal to that transferred from them.

7 (Source: P.A. 93-9, eff. 6-3-03; 94-793, eff. 5-19-06.)

8 (30 ILCS 330/15) (from Ch. 127, par. 665)

9 Sec. 15. Computation of Principal and Interest; transfers.

10 (a) Upon each delivery of Bonds authorized to be issued
11 under this Act, the Comptroller shall compute and certify to
12 the Treasurer the total amount of principal of, interest on,
13 and premium, if any, on Bonds issued that will be payable in
14 order to retire such Bonds, ~~and~~ the amount of principal of,
15 interest on and premium, if any, on such Bonds that will be
16 payable on each payment date according to the tenor of such
17 Bonds during the then current and each succeeding fiscal year, ~~and~~
18 and the amount of sinking fund payments needed to be deposited
19 in connection with Qualified School Construction Bonds
20 authorized by subsection (e) of Section 9. With respect to the
21 interest payable on variable rate bonds, such certifications
22 shall be calculated at the maximum rate of interest that may be
23 payable during the fiscal year, after taking into account any
24 credits permitted in the related indenture or other instrument
25 against the amount of such interest required to be appropriated

1 for such period pursuant to subsection (c) of Section 14 of
2 this Act. With respect to the interest payable, such
3 certifications shall include the amounts certified by the
4 Director of the Governor's Office of Management and Budget
5 under subsection (b) of Section 9 of this Act.

6 On or before the last day of each month the State Treasurer
7 and Comptroller shall transfer from (1) the Road Fund with
8 respect to Bonds issued under paragraph (a) of Section 4 of
9 this Act or Bonds issued for the purpose of refunding such
10 bonds, and from (2) the General Revenue Fund, with respect to
11 all other Bonds issued under this Act, to the General
12 Obligation Bond Retirement and Interest Fund an amount
13 sufficient to pay the aggregate of the principal of, interest
14 on, and premium, if any, on Bonds payable, by their terms on
15 the next payment date divided by the number of full calendar
16 months between the date of such Bonds and the first such
17 payment date, and thereafter, divided by the number of months
18 between each succeeding payment date after the first. Such
19 computations and transfers shall be made for each series of
20 Bonds issued and delivered. Interest payable on variable rate
21 bonds shall be calculated at the maximum rate of interest that
22 may be payable for the relevant period, after taking into
23 account any credits permitted in the related indenture or other
24 instrument against the amount of such interest required to be
25 appropriated for such period pursuant to subsection (c) of
26 Section 14 of this Act. Computations of interest shall include

1 the amounts certified by the Director of the Governor's Office
2 of Management and Budget under subsection (b) of Section 9 of
3 this Act. Interest for which moneys have already been deposited
4 into the capitalized interest account within the General
5 Obligation Bond Retirement and Interest Fund shall not be
6 included in the calculation of the amounts to be transferred
7 under this subsection. Notwithstanding any other provision in
8 this Section, the transfer provisions provided in this
9 paragraph shall not apply to transfers made in fiscal year 2010
10 with respect to Bonds issued in fiscal year 2010 pursuant to
11 Section 7.2 of this Act. In the case of transfers made in
12 fiscal year 2010 with respect to the Bonds issued in fiscal
13 year 2010 pursuant to Section 7.2 of this Act, on or before the
14 15th day of the month prior to the required debt service
15 payment, the State Treasurer and Comptroller shall transfer
16 from the General Revenue Fund to the General Obligation Bond
17 Retirement and Interest Fund an amount sufficient to pay the
18 aggregate of the principal of, interest on, and premium, if
19 any, on the Bonds payable in that next month.

20 The transfer of monies herein and above directed is not
21 required if monies in the General Obligation Bond Retirement
22 and Interest Fund are more than the amount otherwise to be
23 transferred as herein above provided, and if the Governor or
24 his authorized representative notifies the State Treasurer and
25 Comptroller of such fact in writing.

26 (b) After the effective date of this Act, the balance of,

1 and monies directed to be included in the Capital Development
2 Bond Retirement and Interest Fund, Anti-Pollution Bond
3 Retirement and Interest Fund, Transportation Bond, Series A
4 Retirement and Interest Fund, Transportation Bond, Series B
5 Retirement and Interest Fund, and Coal Development Bond
6 Retirement and Interest Fund shall be transferred to and
7 deposited in the General Obligation Bond Retirement and
8 Interest Fund. This Fund shall be used to make debt service
9 payments on the State's general obligation Bonds heretofore
10 issued which are now outstanding and payable from the Funds
11 herein listed as well as on Bonds issued under this Act.

12 (c) The unused portion of federal funds received for a
13 capital facilities project, as authorized by Section 3 of this
14 Act, for which monies from the Capital Development Fund have
15 been expended shall be deposited upon completion of the project
16 in the General Obligation Bond Retirement and Interest Fund.
17 Any federal funds received as reimbursement for the completed
18 construction of a capital facilities project, as authorized by
19 Section 3 of this Act, for which monies from the Capital
20 Development Fund have been expended shall be deposited in the
21 General Obligation Bond Retirement and Interest Fund.

22 (Source: P.A. 96-43, eff. 7-15-09.)

23 Section 10. The Build Illinois Bond Act is amended by
24 changing Sections 5 and 6 as follows:

1 (30 ILCS 425/5) (from Ch. 127, par. 2805)

2 Sec. 5. Bond Sale Expenses.

3 (a) An amount not to exceed 0.5% of the principal amount of
4 the proceeds of the sale of each bond sale is authorized to be
5 used to pay reasonable costs of each issuance and sale of Bonds
6 authorized and sold pursuant to this Act, including, without
7 limitation, underwriter's discounts and fees, but excluding
8 bond insurance, advertising, printing, bond rating, travel of
9 outside vendors, security, delivery, legal and financial
10 advisory services, initial fees of trustees, registrars,
11 paying agents and other fiduciaries, initial costs of credit or
12 liquidity enhancement arrangements, initial fees of indexing
13 and remarketing agents, and initial costs of interest rate
14 swaps, guarantees or arrangements to limit interest rate risk,
15 as determined in the related Bond Sale Order, from the proceeds
16 of each Bond sale, provided that no salaries of State employees
17 or other State office operating expenses shall be paid out of
18 non-appropriated proceeds, and provided further that the
19 percent shall be 1.0% for each sale of "Build America Bonds" as
20 defined in subsection (c) of Section 6. The Governor's Office
21 of Management and Budget shall compile a summary of all costs
22 of issuance on each sale (including both costs paid out of
23 proceeds and those paid out of appropriated funds) and post
24 that summary on its web site within 20 business days after the
25 issuance of the bonds. That posting shall be maintained on the
26 web site for a period of at least 30 days. In addition, the

1 Governor's Office of Management and Budget shall provide a
2 written copy of each summary of costs to the Speaker and
3 Minority Leader of the House of Representatives, the President
4 and Minority Leader of the Senate, and the Commission on
5 Government Forecasting and Accountability within 20 business
6 days after each issuance of the bonds. This summary shall
7 include, as applicable, the respective percentage of
8 participation and compensation of each underwriter that is a
9 member of the underwriting syndicate, legal counsel, financial
10 advisors, and other professionals for the Bond issue, and an
11 identification of all costs of issuance paid to minority owned
12 businesses, female owned businesses, and businesses owned by
13 persons with disabilities. The terms "minority owned
14 businesses", "female owned businesses", and "business owned by
15 a person with a disability" have the meanings given to those
16 terms in the Business Enterprise for Minorities, Females, and
17 Persons with Disabilities Act. In addition, the Governor's
18 Office of Management and Budget shall provide copies of all
19 contracts under which any costs of issuance are paid or to be
20 paid to the Commission on Government Forecasting and
21 Accountability within 20 business days after the issuance of
22 Bonds for which those costs are paid or to be paid. Instead of
23 filing a second or subsequent copy of the same contract, the
24 Governor's Office of Management and Budget may file a statement
25 that specified costs are paid under specified contracts filed
26 earlier with the Commission.

1 (b) The Director of the Governor's Office of Management and
2 Budget shall not, in connection with the issuance of Bonds,
3 contract with any underwriter, financial advisor, or attorney
4 unless that underwriter, financial advisor, or attorney
5 certifies that the underwriter, financial advisor, or attorney
6 has not and will not pay a contingent fee, whether directly or
7 indirectly, to any third party for having promoted the
8 selection of the underwriter, financial advisor, or attorney
9 for that contract. In the event that the Governor's Office of
10 Management and Budget determines that an underwriter,
11 financial advisor, or attorney has filed a false certification
12 with respect to the payment of contingent fees, the Governor's
13 Office of Management and Budget shall not contract with that
14 underwriter, financial advisor, or attorney, or with any firm
15 employing any person who signed false certifications, for a
16 period of 2 calendar years, beginning with the date the
17 determination is made. The validity of Bonds issued under such
18 circumstances of violation pursuant to this Section shall not
19 be affected.

20 (Source: P.A. 93-839, eff. 7-30-04; 93-1067, eff. 1-15-05.)

21 (30 ILCS 425/6) (from Ch. 127, par. 2806)

22 Sec. 6. Conditions for Issuance and Sale of Bonds -
23 Requirements for Bonds - Master and Supplemental Indentures -
24 Credit and Liquidity Enhancement.

25 (a) Bonds shall be issued and sold from time to time, in

1 one or more series, in such amounts and at such prices as
2 directed by the Governor, upon recommendation by the Director
3 of the Governor's Office of Management and Budget. Bonds shall
4 be payable only from the specific sources and secured in the
5 manner provided in this Act. Bonds shall be in such form, in
6 such denominations, mature on such dates within 25 years from
7 their date of issuance, be subject to optional or mandatory
8 redemption, bear interest payable at such times and at such
9 rate or rates, fixed or variable, and be dated as shall be
10 fixed and determined by the Director of the Governor's Office
11 of Management and Budget in an order authorizing the issuance
12 and sale of any series of Bonds, which order shall be approved
13 by the Governor and is herein called a "Bond Sale Order";
14 provided, however, that interest payable at fixed rates shall
15 not exceed that permitted in "An Act to authorize public
16 corporations to issue bonds, other evidences of indebtedness
17 and tax anticipation warrants subject to interest rate
18 limitations set forth therein", approved May 26, 1970, as now
19 or hereafter amended, and interest payable at variable rates
20 shall not exceed the maximum rate permitted in the Bond Sale
21 Order. Said Bonds shall be payable at such place or places,
22 within or without the State of Illinois, and may be made
23 registrable as to either principal only or as to both principal
24 and interest, as shall be specified in the Bond Sale Order.
25 Bonds may be callable or subject to purchase and retirement or
26 remarketing as fixed and determined in the Bond Sale Order.

1 Bonds (i) except for refunding Bonds satisfying the
2 requirements of Section 15 of this Act and sold during fiscal
3 year 2009, 2010, or 2011, must be issued with principal or
4 mandatory redemption amounts in equal amounts, with the first
5 maturity issued occurring within the fiscal year in which the
6 Bonds are issued or within the next succeeding fiscal year and
7 (ii) must mature or be subject to mandatory redemption each
8 fiscal year thereafter up to 25 years, except for refunding
9 Bonds satisfying the requirements of Section 16 of this Act and
10 sold during fiscal year 2009, 2010, or 2011 which must mature
11 or be subject to mandatory redemption each fiscal year
12 thereafter up to 16 years.

13 All Bonds authorized under this Act shall be issued
14 pursuant to a master trust indenture ("Master Indenture")
15 executed and delivered on behalf of the State by the Director
16 of the Governor's Office of Management and Budget, such Master
17 Indenture to be in substantially the form approved in the Bond
18 Sale Order authorizing the issuance and sale of the initial
19 series of Bonds issued under this Act. Such initial series of
20 Bonds may, and each subsequent series of Bonds shall, also be
21 issued pursuant to a supplemental trust indenture
22 ("Supplemental Indenture") executed and delivered on behalf of
23 the State by the Director of the Governor's Office of
24 Management and Budget, each such Supplemental Indenture to be
25 in substantially the form approved in the Bond Sale Order
26 relating to such series. The Master Indenture and any

1 Supplemental Indenture shall be entered into with a bank or
2 trust company in the State of Illinois having trust powers and
3 possessing capital and surplus of not less than \$100,000,000.
4 Such indentures shall set forth the terms and conditions of the
5 Bonds and provide for payment of and security for the Bonds,
6 including the establishment and maintenance of debt service and
7 reserve funds, and for other protections for holders of the
8 Bonds. The term "reserve funds" as used in this Act shall
9 include funds and accounts established under indentures to
10 provide for the payment of principal of and premium and
11 interest on Bonds, to provide for the purchase, retirement or
12 defeasance of Bonds, to provide for fees of trustees,
13 registrars, paying agents and other fiduciaries and to provide
14 for payment of costs of and debt service payable in respect of
15 credit or liquidity enhancement arrangements, interest rate
16 swaps or guarantees or financial futures contracts and indexing
17 and remarketing agents' services.

18 In the case of any series of Bonds bearing interest at a
19 variable interest rate ("Variable Rate Bonds"), in lieu of
20 determining the rate or rates at which such series of Variable
21 Rate Bonds shall bear interest and the price or prices at which
22 such Variable Rate Bonds shall be initially sold or remarketed
23 (in the event of purchase and subsequent resale), the Bond Sale
24 Order may provide that such interest rates and prices may vary
25 from time to time depending on criteria established in such
26 Bond Sale Order, which criteria may include, without

1 limitation, references to indices or variations in interest
2 rates as may, in the judgment of a remarketing agent, be
3 necessary to cause Bonds of such series to be remarketable from
4 time to time at a price equal to their principal amount (or
5 compound accreted value in the case of original issue discount
6 Bonds), and may provide for appointment of indexing agents and
7 a bank, trust company, investment bank or other financial
8 institution to serve as remarketing agent in that connection.
9 The Bond Sale Order may provide that alternative interest rates
10 or provisions for establishing alternative interest rates,
11 different security or claim priorities or different call or
12 amortization provisions will apply during such times as Bonds
13 of any series are held by a person providing credit or
14 liquidity enhancement arrangements for such Bonds as
15 authorized in subsection (b) of Section 6 of this Act.

16 (b) In connection with the issuance of any series of Bonds,
17 the State may enter into arrangements to provide additional
18 security and liquidity for such Bonds, including, without
19 limitation, bond or interest rate insurance or letters of
20 credit, lines of credit, bond purchase contracts or other
21 arrangements whereby funds are made available to retire or
22 purchase Bonds, thereby assuring the ability of owners of the
23 Bonds to sell or redeem their Bonds. The State may enter into
24 contracts and may agree to pay fees to persons providing such
25 arrangements, but only under circumstances where the Director
26 of the Bureau of the Budget (now Governor's Office of

1 Management and Budget) certifies that he reasonably expects the
2 total interest paid or to be paid on the Bonds, together with
3 the fees for the arrangements (being treated as if interest),
4 would not, taken together, cause the Bonds to bear interest,
5 calculated to their stated maturity, at a rate in excess of the
6 rate which the Bonds would bear in the absence of such
7 arrangements. Any bonds, notes or other evidences of
8 indebtedness issued pursuant to any such arrangements for the
9 purpose of retiring and discharging outstanding Bonds shall
10 constitute refunding Bonds under Section 15 of this Act. The
11 State may participate in and enter into arrangements with
12 respect to interest rate swaps or guarantees or financial
13 futures contracts for the purpose of limiting or restricting
14 interest rate risk; provided that such arrangements shall be
15 made with or executed through banks having capital and surplus
16 of not less than \$100,000,000 or insurance companies holding
17 the highest policyholder rating accorded insurers by A.M. Best
18 & Co. or any comparable rating service or government bond
19 dealers reporting to, trading with, and recognized as primary
20 dealers by a Federal Reserve Bank and having capital and
21 surplus of not less than \$100,000,000, or other persons whose
22 debt securities are rated in the highest long-term categories
23 by both Moody's Investors' Services, Inc. and Standard & Poor's
24 Corporation. Agreements incorporating any of the foregoing
25 arrangements may be executed and delivered by the Director of
26 the Governor's Office of Management and Budget on behalf of the

1 State in substantially the form approved in the Bond Sale Order
2 relating to such Bonds.

3 (c) "Build America Bonds" in this Section means Bonds
4 authorized by Section 54AA of the Internal Revenue Code of
5 1986, as amended ("Internal Revenue Code"), and bonds issued
6 from time to time to refund or continue to refund "Build
7 America Bonds".

8 (Source: P.A. 96-18, eff. 6-26-09.)

9 Section 15. The Downstate Forest Preserve District Act is
10 amended by changing Section 13 as follows:

11 (70 ILCS 805/13) (from Ch. 96 1/2, par. 6323)

12 Sec. 13. Bonds; limitation on indebtedness. The board of
13 any forest preserve district organized hereunder may, for any
14 of the purposes enumerated in this Act, borrow money upon the
15 faith and credit of such district, and may issue bonds
16 therefor. However, a district with a population of less than
17 3,000,000 may not become indebted in any manner or for any
18 purpose to an amount including existing indebtedness in the
19 aggregate exceeding 2.3% of the assessed value of the taxable
20 property therein, as ascertained by the last equalized
21 assessment for State and county purposes. No district may incur
22 (i) indebtedness in excess of .3% of the assessed value of
23 taxable property in the district, as ascertained by the last
24 equalized assessment for State and county purposes, for the

1 development of forest preserve lands held by the district, or
2 (ii) indebtedness for any other purpose except the acquisition
3 of land including acquiring lands in fee simple along or
4 enclosing water courses, drainage ways, lakes, ponds, planned
5 impoundments or elsewhere which are required to store flood
6 waters or control other drainage and water conditions necessary
7 for the preservation and management of the water resources of
8 the District, unless the proposition to issue bonds or
9 otherwise incur indebtedness is certified by the board to the
10 proper election officials who shall submit the proposition at
11 an election in accordance with the general election law, and
12 approved by a majority of those voting upon the proposition. No
13 district containing fewer than 3,000,000 inhabitants may incur
14 indebtedness for the acquisition of land or lands for any
15 purpose in excess of 55,000 acres, including all lands
16 theretofore acquired, unless the proposition to issue bonds or
17 otherwise incur indebtedness is first submitted to the voters
18 of the district at a referendum in accordance with the general
19 election law and approved by a majority of those voting upon
20 the proposition. Before or at the time of issuing bonds, the
21 board shall provide by ordinance for the collection of an
22 annual tax sufficient to pay the interest on the bonds as it
23 falls due, and to pay the bonds as they mature. All bonds
24 issued by any forest preserve district must be divided into
25 series, the first of which matures not later than 5 years after
26 the date of issue and the last of which matures not later than

1 20 years after the date of issue, or for bonds issued prior to
2 January 1, 2011, commonly known as "Build America Bonds" as
3 authorized by Section 54AA of the Internal Revenue Code of
4 1986, as amended, and for bonds issued from time to time to
5 refund "Build America Bonds", not later than 25 years after the
6 date of issue.

7 This Section does not apply to a forest preserve district
8 created under Section 18.5 of the Conservation District Act.

9 (Source: P.A. 94-617, eff. 8-18-05.)

10 Section 20. The Metropolitan Water Reclamation District
11 Act is amended by changing Section 9.6a as follows:

12 (70 ILCS 2605/9.6a) (from Ch. 42, par. 328.6a)

13 Sec. 9.6a. The corporate authorities of a sanitary
14 district, in order to provide funds required for the replacing,
15 remodeling, completing, altering, constructing and enlarging
16 of sewage treatment works, water quality improvement projects,
17 or flood control facilities, and additions therefor, pumping
18 stations, tunnels, conduits, intercepting sewers and outlet
19 sewers, together with the equipment, including air pollution
20 equipment, and appurtenances thereto, to acquire property,
21 real, personal or mixed, necessary for said purposes, for costs
22 and expenses for the acquisition of the sites and rights-of-way
23 necessary thereto, and for engineering expenses for designing
24 and supervising the construction of such works, may issue on or

1 before December 31, 2016, in addition to all other obligations
2 heretofore or herein authorized, bonds, notes or other
3 evidences of indebtedness for such purposes in an aggregate
4 amount at any one time outstanding not to exceed 3.35% of the
5 equalized assessed valuation of all taxable property within the
6 sanitary district, to be ascertained by the last assessment for
7 State and local taxes previous to the issuance of any such
8 obligations. Such obligations shall be issued without
9 submitting the question of such issuance to the legal voters of
10 such sanitary district for approval.

11 The corporate authorities may sell such obligations at
12 private or public sale and enter into any contract or agreement
13 necessary, appropriate or incidental to the exercise of the
14 powers granted by this Act, including, without limitation,
15 contracts or agreements for the sale and purchase of such
16 obligations and the payment of costs and expenses incident
17 thereto. The corporate authorities may pay such costs and
18 expenses, in whole or in part, from the corporate fund.

19 Such obligations shall be issued from time to time only in
20 amounts as may be required for such purposes but the amount of
21 such obligations issued during any one budget year shall not
22 exceed \$150,000,000 plus the amount of any obligations
23 authorized by this Act to be issued during the 3 budget years
24 next preceding the year of issuance but which were not issued,
25 provided, however, that this limitation shall not be applicable
26 (i) to the issuance of obligations to refund bonds, notes or

1 other evidences of indebtedness, (ii) ~~nor~~ to obligations issued
2 to provide for the repayment of money received from the Water
3 Pollution Control Revolving Fund for the construction or repair
4 of wastewater treatment works, and (iii) to obligations issued
5 as part of the American Recovery and Reinvestment Act of 2009,
6 issued prior to January 1, 2011, that are commonly known as
7 "Build America Bonds" as authorized by Section 54AA of the
8 Internal Revenue Code of 1986, as amended. Each ordinance
9 authorizing the issuance of the obligations shall state the
10 general purpose or purposes for which they are to be issued,
11 and the corporate authorities may at any time thereafter pass
12 supplemental appropriations ordinances appropriating the
13 proceeds from the sale of such obligations for such purposes.

14 The corporate authorities may issue bonds, notes or other
15 evidences of indebtedness in an amount necessary to provide
16 funds to refund outstanding obligations issued pursuant to this
17 Section, including interest accrued or to accrue thereon.

18 (Source: P.A. 95-125, eff. 8-13-07; 95-412, eff. 8-24-07.)

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