

1 AN ACT concerning finance.

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

4 Section 5. The General Obligation Bond Act is amended by  
5 changing Sections 9, 11, and 16 as follows:

6 (30 ILCS 330/9) (from Ch. 127, par. 659)

7 Sec. 9. Conditions for Issuance and Sale of Bonds -  
8 Requirements for Bonds.

9 (a) Except as otherwise provided in this subsection, Bonds  
10 shall be issued and sold from time to time, in one or more  
11 series, in such amounts and at such prices as may be directed  
12 by the Governor, upon recommendation by the Director of the  
13 Governor's Office of Management and Budget. Bonds shall be in  
14 such form (either coupon, registered or book entry), in such  
15 denominations, payable within 25 years from their date, subject  
16 to such terms of redemption with or without premium, bear  
17 interest payable at such times and at such fixed or variable  
18 rate or rates, and be dated as shall be fixed and determined by  
19 the Director of the Governor's Office of Management and Budget  
20 in the order authorizing the issuance and sale of any series of  
21 Bonds, which order shall be approved by the Governor and is  
22 herein called a "Bond Sale Order"; provided however, that  
23 interest payable at fixed or variable rates shall not exceed

1 that permitted in the Bond Authorization Act, as now or  
2 hereafter amended. Bonds shall be payable at such place or  
3 places, within or without the State of Illinois, and may be  
4 made registrable as to either principal or as to both principal  
5 and interest, as shall be specified in the Bond Sale Order.  
6 Bonds may be callable or subject to purchase and retirement or  
7 tender and remarketing as fixed and determined in the Bond Sale  
8 Order. Bonds (i) except for refunding Bonds satisfying the  
9 requirements of Section 16 of this Act and sold during fiscal  
10 year 2009, 2010, or 2011, must be issued with principal or  
11 mandatory redemption amounts in equal amounts, with the first  
12 maturity issued occurring within the fiscal year in which the  
13 Bonds are issued or within the next succeeding fiscal year and  
14 (ii) must mature or be ~~, with Bonds issued maturing or~~ subject  
15 to mandatory redemption each fiscal year thereafter up to 25  
16 years, except for refunding Bonds satisfying the requirements  
17 of Section 16 of this Act and sold during fiscal year 2009,  
18 2010, or 2011 which must mature or be subject to mandatory  
19 redemption each fiscal year thereafter up to 16 years.

20 In the case of any series of Bonds bearing interest at a  
21 variable interest rate ("Variable Rate Bonds"), in lieu of  
22 determining the rate or rates at which such series of Variable  
23 Rate Bonds shall bear interest and the price or prices at which  
24 such Variable Rate Bonds shall be initially sold or remarketed  
25 (in the event of purchase and subsequent resale), the Bond Sale  
26 Order may provide that such interest rates and prices may vary

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

23 (b) In connection with the issuance of any series of Bonds,  
24 the State may enter into arrangements to provide additional  
25 security and liquidity for such Bonds, including, without  
26 limitation, bond or interest rate insurance or letters of

1 credit, lines of credit, bond purchase contracts, or other  
2 arrangements whereby funds are made available to retire or  
3 purchase Bonds, thereby assuring the ability of owners of the  
4 Bonds to sell or redeem their Bonds. The State may enter into  
5 contracts and may agree to pay fees to persons providing such  
6 arrangements, but only under circumstances where the Director  
7 of the Governor's Office of Management and Budget certifies  
8 that he or she reasonably expects the total interest paid or to  
9 be paid on the Bonds, together with the fees for the  
10 arrangements (being treated as if interest), would not, taken  
11 together, cause the Bonds to bear interest, calculated to their  
12 stated maturity, at a rate in excess of the rate that the Bonds  
13 would bear in the absence of such arrangements.

14 The State may, with respect to Bonds issued or anticipated  
15 to be issued, participate in and enter into arrangements with  
16 respect to interest rate protection or exchange agreements,  
17 guarantees, or financial futures contracts for the purpose of  
18 limiting, reducing, or managing interest rate exposure. The  
19 authority granted under this paragraph, however, shall not  
20 increase the principal amount of Bonds authorized to be issued  
21 by law. The arrangements may be executed and delivered by the  
22 Director of the Governor's Office of Management and Budget on  
23 behalf of the State. Net payments for such arrangements shall  
24 constitute interest on the Bonds and shall be paid from the  
25 General Obligation Bond Retirement and Interest Fund. The  
26 Director of the Governor's Office of Management and Budget

1 shall at least annually certify to the Governor and the State  
2 Comptroller his or her estimate of the amounts of such net  
3 payments to be included in the calculation of interest required  
4 to be paid by the State.

5 (c) Prior to the issuance of any Variable Rate Bonds  
6 pursuant to subsection (a), the Director of the Governor's  
7 Office of Management and Budget shall adopt an interest rate  
8 risk management policy providing that the amount of the State's  
9 variable rate exposure with respect to Bonds shall not exceed  
10 20%. This policy shall remain in effect while any Bonds are  
11 outstanding and the issuance of Bonds shall be subject to the  
12 terms of such policy. The terms of this policy may be amended  
13 from time to time by the Director of the Governor's Office of  
14 Management and Budget but in no event shall any amendment cause  
15 the permitted level of the State's variable rate exposure with  
16 respect to Bonds to exceed 20%.

17 (Source: P.A. 92-16, eff. 6-28-01; 93-9, eff. 6-3-03; 93-666,  
18 eff. 3-5-04; 93-839, eff. 7-30-04.)

19 (30 ILCS 330/11) (from Ch. 127, par. 661)

20 Sec. 11. Sale of Bonds. Except as otherwise provided in  
21 this Section, Bonds shall be sold from time to time pursuant to  
22 notice of sale and public bid or by negotiated sale in such  
23 amounts and at such times as is directed by the Governor, upon  
24 recommendation by the Director of the Governor's Office of  
25 Management and Budget. At least 25%, based on total principal

1 amount, of all Bonds issued each fiscal year shall be sold  
2 pursuant to notice of sale and public bid. At all times during  
3 each fiscal year, no more than 75%, based on total principal  
4 amount, of the Bonds issued each fiscal year, shall have been  
5 sold by negotiated sale. Failure to satisfy the requirements in  
6 the preceding 2 sentences shall not affect the validity of any  
7 previously issued Bonds; and further provided that refunding  
8 Bonds satisfying the requirements of Section 16 of this Act and  
9 sold during fiscal year 2009, 2010, or 2011 shall not be  
10 subject to the requirements in the preceding 2 sentences.

11 If any Bonds, including refunding Bonds, are to be sold by  
12 negotiated sale, the Director of the Governor's Office of  
13 Management and Budget shall comply with the competitive request  
14 for proposal process set forth in the Illinois Procurement Code  
15 and all other applicable requirements of that Code.

16 If Bonds are to be sold pursuant to notice of sale and  
17 public bid, the Director of the Governor's Office of Management  
18 and Budget shall, from time to time, as Bonds are to be sold,  
19 advertise the sale of the Bonds in at least 2 daily newspapers,  
20 one of which is published in the City of Springfield and one in  
21 the City of Chicago. The sale of the Bonds shall also be  
22 advertised in the volume of the Illinois Procurement Bulletin  
23 that is published by the Department of Central Management  
24 Services. Each of the advertisements for proposals shall be  
25 published once at least 10 days prior to the date fixed for the  
26 opening of the bids. The Director of the Governor's Office of

1 Management and Budget may reschedule the date of sale upon the  
2 giving of such additional notice as the Director deems adequate  
3 to inform prospective bidders of such change; provided,  
4 however, that all other conditions of the sale shall continue  
5 as originally advertised.

6 Executed Bonds shall, upon payment therefor, be delivered  
7 to the purchaser, and the proceeds of Bonds shall be paid into  
8 the State Treasury as directed by Section 12 of this Act.

9 (Source: P.A. 93-839, eff. 7-30-04.)

10 (30 ILCS 330/16) (from Ch. 127, par. 666)

11 Sec. 16. Refunding Bonds. The State of Illinois is  
12 authorized to issue, sell, and provide for the retirement of  
13 General Obligation Bonds of the State of Illinois in the amount  
14 of \$4,839,025,000 ~~\$2,839,025,000~~, at any time and from time to  
15 time outstanding, for the purpose of refunding any State of  
16 Illinois general obligation Bonds then outstanding, including  
17 the payment of any redemption premium thereon, any reasonable  
18 expenses of such refunding, any interest accrued or to accrue  
19 to the earliest or any subsequent date of redemption or  
20 maturity of such outstanding Bonds and any interest to accrue  
21 to the first interest payment on the refunding Bonds; provided  
22 that all non-refunding Bonds in an issue that includes  
23 refunding Bonds shall mature no later than the final maturity  
24 date of Bonds being refunded; provided that no refunding Bonds  
25 shall be offered for sale unless the net present value of debt

1 service savings to be achieved by the issuance of the refunding  
2 Bonds is 3% or more of the principal amount of the refunding  
3 Bonds to be issued; and further provided that, except for  
4 refunding Bonds sold in fiscal year 2009, 2010, or 2011, the  
5 maturities of the refunding Bonds shall not extend beyond the  
6 maturities of the Bonds they refund, so that for each fiscal  
7 year in the maturity schedule of a particular issue of  
8 refunding Bonds, the total amount of refunding principal  
9 maturing and redemption amounts due in that fiscal year and all  
10 prior fiscal years in that schedule shall be greater than or  
11 equal to the total amount of refunded principal and redemption  
12 amounts that had been due over that year and all prior fiscal  
13 years prior to the refunding.

14 The Governor shall notify the State Treasurer and  
15 Comptroller of such refunding. The proceeds received from the  
16 sale of refunding Bonds shall be used for the retirement at  
17 maturity or redemption of such outstanding Bonds on any  
18 maturity or redemption date and, pending such use, shall be  
19 placed in escrow, subject to such terms and conditions as shall  
20 be provided for in the Bond Sale Order relating to the  
21 Refunding Bonds. Proceeds not needed for deposit in an escrow  
22 account shall be deposited in the General Obligation Bond  
23 Retirement and Interest Fund. This Act shall constitute an  
24 irrevocable and continuing appropriation of all amounts  
25 necessary to establish an escrow account for the purpose of  
26 refunding outstanding general obligation Bonds and to pay the



1 reasonable expenses of such refunding and of the issuance and  
2 sale of the refunding Bonds. Any such escrowed proceeds may be  
3 invested and reinvested in direct obligations of the United  
4 States of America, maturing at such time or times as shall be  
5 appropriate to assure the prompt payment, when due, of the  
6 principal of and interest and redemption premium, if any, on  
7 the refunded Bonds. After the terms of the escrow have been  
8 fully satisfied, any remaining balance of such proceeds and  
9 interest, income and profits earned or realized on the  
10 investments thereof shall be paid into the General Revenue  
11 Fund. The liability of the State upon the Bonds shall continue,  
12 provided that the holders thereof shall thereafter be entitled  
13 to payment only out of the moneys deposited in the escrow  
14 account.

15 Except as otherwise herein provided in this Section, such  
16 refunding Bonds shall in all other respects be subject to the  
17 terms and conditions of this Act.

18 (Source: P.A. 93-839, eff. 7-30-04.)

19 Section 10. The Build Illinois Bond Act is amended by  
20 changing Sections 6, 8, and 15 as follows:

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.

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

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

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

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

19 In the case of any series of Bonds bearing interest at a  
20 variable interest rate ("Variable Rate Bonds"), in lieu of  
21 determining the rate or rates at which such series of Variable  
22 Rate Bonds shall bear interest and the price or prices at which  
23 such Variable Rate Bonds shall be initially sold or remarketed  
24 (in the event of purchase and subsequent resale), the Bond Sale  
25 Order may provide that such interest rates and prices may vary  
26 from time to time depending on criteria established in such

1 Bond Sale Order, which criteria may include, without  
2 limitation, references to indices or variations in interest  
3 rates as may, in the judgment of a remarketing agent, be  
4 necessary to cause Bonds of such series to be remarketable from  
5 time to time at a price equal to their principal amount (or  
6 compound accreted value in the case of original issue discount  
7 Bonds), and may provide for appointment of indexing agents and  
8 a bank, trust company, investment bank or other financial  
9 institution to serve as remarketing agent in that connection.  
10 The Bond Sale Order may provide that alternative interest rates  
11 or provisions for establishing alternative interest rates,  
12 different security or claim priorities or different call or  
13 amortization provisions will apply during such times as Bonds  
14 of any series are held by a person providing credit or  
15 liquidity enhancement arrangements for such Bonds as  
16 authorized in subsection (b) of Section 6 of this Act.

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

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

1 the Governor's Office of Management and Budget on behalf of the  
2 State in substantially the form approved in the Bond Sale Order  
3 relating to such Bonds.

4 (Source: P.A. 93-839, eff. 7-30-04.)

5 (30 ILCS 425/8) (from Ch. 127, par. 2808)

6 Sec. 8. Sale of Bonds. Bonds, except as otherwise provided  
7 in this Section, shall be sold from time to time pursuant to  
8 notice of sale and public bid or by negotiated sale in such  
9 amounts and at such times as are directed by the Governor, upon  
10 recommendation by the Director of the Governor's Office of  
11 Management and Budget. At least 25%, based on total principal  
12 amount, of all Bonds issued each fiscal year shall be sold  
13 pursuant to notice of sale and public bid. At all times during  
14 each fiscal year, no more than 75%, based on total principal  
15 amount, of the Bonds issued each fiscal year shall have been  
16 sold by negotiated sale. Failure to satisfy the requirements in  
17 the preceding 2 sentences shall not affect the validity of any  
18 previously issued Bonds; and further provided that refunding  
19 Bonds satisfying the requirements of Section 15 of this Act and  
20 sold during fiscal year 2009, 2010, or 2011 shall not be  
21 subject to the requirements in the preceding 2 sentences.

22 If any Bonds are to be sold pursuant to notice of sale and  
23 public bid, the Director of the Governor's Office of Management  
24 and Budget shall comply with the competitive request for  
25 proposal process set forth in the Illinois Procurement Code and

1 all other applicable requirements of that Code.

2 If Bonds are to be sold pursuant to notice of sale and  
3 public bid, the Director of the Governor's Office of Management  
4 and Budget shall, from time to time, as Bonds are to be sold,  
5 advertise the sale of the Bonds in at least 2 daily newspapers,  
6 one of which is published in the City of Springfield and one in  
7 the City of Chicago. The sale of the Bonds shall also be  
8 advertised in the volume of the Illinois Procurement Bulletin  
9 that is published by the Department of Central Management  
10 Services. Each of the advertisements for proposals shall be  
11 published once at least 10 days prior to the date fixed for the  
12 opening of the bids. The Director of the Governor's Office of  
13 Management and Budget may reschedule the date of sale upon the  
14 giving of such additional notice as the Director deems adequate  
15 to inform prospective bidders of the change; provided, however,  
16 that all other conditions of the sale shall continue as  
17 originally advertised. Executed Bonds shall, upon payment  
18 therefor, be delivered to the purchaser, and the proceeds of  
19 Bonds shall be paid into the State Treasury as directed by  
20 Section 9 of this Act. The Governor or the Director of the  
21 Governor's Office of Management and Budget is hereby authorized  
22 and directed to execute and deliver contracts of sale with  
23 underwriters and to execute and deliver such certificates,  
24 indentures, agreements and documents, including any  
25 supplements or amendments thereto, and to take such actions and  
26 do such things as shall be necessary or desirable to carry out



1 the purposes of this Act. Any action authorized or permitted to  
2 be taken by the Director of the Governor's Office of Management  
3 and Budget pursuant to this Act is hereby authorized to be  
4 taken by any person specifically designated by the Governor to  
5 take such action in a certificate signed by the Governor and  
6 filed with the Secretary of State.

7 (Source: P.A. 93-839, eff. 7-30-04.)

8 (30 ILCS 425/15) (from Ch. 127, par. 2815)

9 Sec. 15. Refunding Bonds. Refunding Bonds are hereby  
10 authorized for the purpose of refunding any outstanding Bonds,  
11 including the payment of any redemption premium thereon, any  
12 reasonable expenses of such refunding, and any interest accrued  
13 or to accrue to the earliest or any subsequent date of  
14 redemption or maturity of outstanding Bonds; provided that all  
15 non-refunding Bonds in an issue that includes refunding Bonds  
16 shall mature no later than the final maturity date of Bonds  
17 being refunded; provided that no refunding Bonds shall be  
18 offered for sale unless the net present value of debt service  
19 savings to be achieved by the issuance of the refunding Bonds  
20 is 3% or more of the principal amount of the refunding Bonds to  
21 be issued; and further provided that, except for refunding  
22 Bonds sold in fiscal year 2009, 2010, or 2011, the maturities  
23 of the refunding Bonds shall not extend beyond the maturities  
24 of the Bonds they refund, so that for each fiscal year in the  
25 maturity schedule of a particular issue of refunding Bonds, the

1 total amount of refunding principal maturing and redemption  
2 amounts due in that fiscal year and all prior fiscal years in  
3 that schedule shall be greater than or equal to the total  
4 amount of refunded principal and redemption amounts that had  
5 been due over that year and all prior fiscal years prior to the  
6 refunding.

7 Refunding Bonds may be sold in such amounts and at such  
8 times, as directed by the Governor upon recommendation by the  
9 Director of the Governor's Office of Management and Budget. The  
10 Governor shall notify the State Treasurer and Comptroller of  
11 such refunding. The proceeds received from the sale of  
12 refunding Bonds shall be used for the retirement at maturity or  
13 redemption of such outstanding Bonds on any maturity or  
14 redemption date and, pending such use, shall be placed in  
15 escrow, subject to such terms and conditions as shall be  
16 provided for in the Bond Sale Order relating to the refunding  
17 Bonds. This Act shall constitute an irrevocable and continuing  
18 appropriation of all amounts necessary to establish an escrow  
19 account for the purpose of refunding outstanding Bonds and to  
20 pay the reasonable expenses of such refunding and of the  
21 issuance and sale of the refunding Bonds. Any such escrowed  
22 proceeds may be invested and reinvested in direct obligations  
23 of the United States of America, maturing at such time or times  
24 as shall be appropriate to assure the prompt payment, when due,  
25 of the principal of and interest and redemption premium, if  
26 any, on the refunded Bonds. After the terms of the escrow have

1    been fully satisfied, any remaining balance of such proceeds  
2    and interest, income and profits earned or realized on the  
3    investments thereof shall be paid into the General Revenue  
4    Fund. The liability of the State upon the refunded Bonds shall  
5    continue, provided that the holders thereof shall thereafter be  
6    entitled to payment only out of the moneys deposited in the  
7    escrow account and the refunded Bonds shall be deemed paid,  
8    discharged and no longer to be outstanding.

9           Except as otherwise herein provided in this Section, such  
10   refunding Bonds shall in all other respects be issued pursuant  
11   to and subject to the terms and conditions of this Act and  
12   shall be secured by and payable from only the funds and sources  
13   which are provided under this Act.

14   (Source: P.A. 93-839, eff. 7-30-04.)

15           Section 99. Effective date. This Act takes effect upon  
16   becoming law.