

SB3474



96TH GENERAL ASSEMBLY

State of Illinois

2009 and 2010

SB3474

Introduced 2/10/2010, by Sen. A. J. Wilhelmi

SYNOPSIS AS INTRODUCED:

20 ILCS 3501/825-105 new

Amends the Illinois Finance Authority Act. Authorizes the Authority to adopt implementing regulations for the American Recovery and Reinvestment Act of 2009 (ARRA). Contains provisions concerning recovery zones, allocations and reallocations under ARRA, bond authorizations, and other matters. Effective immediately.

LRB096 18334 RCE 33711 b

FISCAL NOTE ACT
MAY APPLY

A BILL FOR

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 Illinois Finance Authority Act is amended by
5 adding Section 825-105 as follows:

6 (20 ILCS 3501/825-105 new)

7 Sec. 825-105. Implementation of ARRA economic development
8 incentives; recovery zone bonds and qualified energy
9 conservation bonds.

10 (a) Definitions.

11 (i) "ARRA" means, collectively, the American Recovery
12 and Reinvestment Act of 2009, including, without
13 limitation, Sections 54D, 1400U-1, 1400U-2, and 1400U-3 of
14 the Code; the guidance provided by the Internal Revenue
15 Service; and any legislation subsequently adopted by the
16 United States Congress to extend or expand the economic
17 development bond financing incentives authorized by ARRA.

18 (ii) "ARRA implementing regulations" means the
19 regulations promulgated by the Authority as further
20 described in subsection (c) to implement the provisions of
21 this Section.

22 (iii) "Code" means the Internal Revenue Code of 1986,
23 as amended.

1 (iv) "Large local government" means any municipality
2 or county if that municipality or county has a population
3 of 100,000 or more.

4 (v) "Qualified energy conservation bond allocation"
5 means an allocation of authority to issue qualified energy
6 conservation bonds granted pursuant to Section 54D of the
7 Code.

8 (vi) "Qualified energy conservation bond" means any
9 qualified energy conservation bond issued pursuant to
10 Section 54D of the Code.

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

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

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

20 (b) Findings.

21 (i) It is found and declared that it is in the public
22 interest and for the benefit of the State to maximize the
23 use of economic development incentives authorized by ARRA.
24 These incentives include the following: (A) establishment
25 of recovery zones; (B) issuance of recovery zone bonds to
26 promote job creation and economic development in recovery

1 zones; and (C) issuance of qualified energy conservation
2 bonds to promote energy conservation and job creation.

3 (ii) The Authority can ensure that these economic
4 development incentives are used to the maximum extent
5 feasible by adopting regulations that provide for the
6 following: (A) the establishment of recovery zones in
7 accordance with the requirements of ARRA; (B) the
8 reallocation of recovery zone bond allocations made
9 pursuant to the provisions of ARRA that will not to be used
10 before the date by which the authorization to issue those
11 bonds expires; and (C) the allocation of the State's
12 qualified energy conservation bond authorization to large
13 local governments in accordance with the requirements of
14 ARRA, as well as the reallocation of such initial
15 allocations that will not otherwise be used to achieve the
16 energy conservation and job creation objectives of ARRA.

17 (c) Adoption of ARRA implementing regulations.

18 (i) The Authority is authorized to adopt regulations
19 providing for the establishment of recovery zones subject
20 to the requirements of ARRA and to establish recovery zones
21 pursuant to those regulations. In adopting the regulations
22 and in establishing recovery zones, the Authority shall
23 consult with the Governor's Office of Management and Budget
24 and the Department of Commerce and Economic Opportunity.

25 (ii) The Authority is authorized to adopt regulations
26 providing for the reallocation of the allocations

1 initially made pursuant to ARRA for the issuance of
2 recovery zone bonds. In adopting the regulations, the
3 Authority shall consult with the Governor's Office of
4 Management and Budget and the Department of Commerce and
5 Economic Opportunity.

6 (iii) The Authority is authorized to adopt regulations
7 providing for the allocation of the State's qualified
8 energy conservation bond authorization, in accordance with
9 the requirements of ARRA, as well as regulations providing
10 for the subsequent reallocation of such initial
11 allocation, all in order to fully achieve the energy
12 conservation and job creation objectives of ARRA. In
13 adopting the regulations, the Authority shall consult with
14 the Governor's Office of Management and Budget and the
15 Department of Commerce and Economic Opportunity.

16 (iv) The ARRA implementation regulations adopted by
17 the Authority shall not authorize: (1) any reallocation of
18 a recovery zone bond allocation or qualified energy
19 conservation bond allocation prior to 90 days after the
20 effective date of this amendatory Act of the 96th General
21 Assembly; and (2) any reallocation of a recovery zone bond
22 allocation or a qualified energy conservation bond
23 allocation made to any home rule unit without the consent
24 of that unit of government. The ARRA implementation
25 regulations shall provide for the voluntary waiver by any
26 home rule unit of any or all of the recovery zone bond

1 allocation or qualified energy conservation bond
2 allocation initially received by that governmental unit
3 pursuant to ARRA.

4 Section 99. Effective date. This Act takes effect upon
5 becoming law.