



Sen. A. J. Wilhelmi

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LRB096 18334 RCE 39011 a

1 AMENDMENT TO SENATE BILL 3474

2 AMENDMENT NO. _____. Amend Senate Bill 3474 by replacing
3 everything after the enacting clause with the following:

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

6 (20 ILCS 3501/825-105 new)

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

9 (a) Definitions.

10 (i) "Allocation amount" means the \$666,972,000 amount of
11 recovery zone economic development bonds and \$1,000,457,000
12 amount of recovery zone facility bonds authorized under ARRA
13 for the financing of qualifying projects located within the
14 State and the sub-allocation of those amounts among each large
15 local municipality.

1 (ii) "ARRA" means, collectively, the American Recovery and
2 Reinvestment Act of 2009, including, without limitation,
3 Sections 1400U-1, 1400U-2, and 1400U-3 of the Code; the
4 guidance provided by the Internal Revenue Service applicable to
5 recovery zone bonds; and any legislation subsequently adopted
6 by the United States Congress to extend or expand the economic
7 development bond financing incentives authorized by ARRA.

8 (iii) "ARRA implementing regulations" means the
9 regulations promulgated by the Authority as further described
10 in subdivision (c)(iv) of this Section to implement the
11 provisions of this Section.

12 (iv) "Code" means the Internal Revenue Code of 1986, as
13 amended.

14 (v) "Excluded municipality" means any city within the State
15 with a population in excess of 500,000 and any county within
16 the State with a population in excess of 1,000,000.

17 (vi) "Home rule unit" means a county or municipality that
18 is a home rule unit as provided in Section 6 of Article VII of
19 the Illinois Constitution of 1970.

20 (vii) "Large local municipality" means either a
21 municipality within the State if that municipality has a
22 population of 100,000 or more or any county in the State.

23 (viii) "Recovery zone" means any area designated pursuant
24 to Section 1400U-1 of the Code.

25 (ix) "Recovery zone bond" means any recovery zone economic
26 development bond or recovery zone facility bond issued pursuant

1 to Sections 1400U-2 and 1400U-3, respectively, of the Code.

2 (x) "Recovery zone bond allocation" means an allocation of
3 authority to issue recovery zone bonds granted pursuant to
4 Section 1400U-1 of the Code.

5 (xi) "Sub-allocation" means the portion of the allocation
6 amount allocated to each large local municipality.

7 (xii) "Unused recovery zone bond allocation" means the
8 amount of the recovery zone bond allocation that is recaptured
9 and re-allocated by the Authority pursuant to this Section.

10 (xiii) "Waived recovery zone bond allocation" means the
11 amount of the recovery zone bond allocation voluntarily waived
12 by a large local municipality pursuant to the provisions of the
13 ARRA implementing regulations.

14 (b) Findings.

15 It is found and declared that:

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

19 (ii) those incentives include the maximum use of the
20 allocation amount for the issuance of recovery zone bonds to
21 promote job creation and economic development in any area that
22 has been designated as a recovery zone by a large local
23 municipality under the applicable provisions of ARRA; and

24 (iii) those incentives also include the issuance by the
25 Authority of recovery zone bonds for the purposes of financing

1 qualifying projects with proceeds of recovery zone bonds.

2 (c) Powers of Authority.

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

5 (A) the power to re-allocate to qualifying projects all
6 or a portion of waived recovery zone bond allocation;

7 (B) the power to recapture all or a portion of unused
8 recovery zone bond allocation from any large local
9 municipality (other than an excluded municipality) that
10 has not allocated or does not reasonably expect to allocate
11 that amount to the issuance of one or more recovery zone
12 bonds by the dates set forth for that issuance in
13 subsection (d) of this Section;

14 (C) the power to re-allocate all or a portion of that
15 unused recovery zone bond allocation to any large local
16 municipality that has submitted a request for a portion of
17 the allocation amount for the purpose of financing one or
18 more projects that will qualify for financing with proceeds
19 of recovery zone bonds;

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

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

25 (ii) In addition to the powers set forth in item (i), the

1 Authority has the power to be the sole issuer of any recovery
2 zone bonds for any project for which the Authority has made a
3 re-allocation of unused recovery zone bond allocation or waived
4 recovery zone bond allocation.

5 (iii) In addition to the powers set forth in items (i) and
6 (ii), the Authority has any powers otherwise enjoyed by the
7 Authority in connection with the issuance of its bonds if those
8 powers are not in conflict with any provisions with respect to
9 recovery zone bonds set forth in ARRA.

10 (iv) The Authority has the power to adopt regulations
11 providing for the implementation of any of the provisions
12 contained in this Section, including the recapture and
13 re-allocation of all or any portion of the allocation amount
14 and the issuance of recovery zone bonds; except that those
15 regulations shall not (1) apply to or affect any designation of
16 a recovery zone by a municipality or county or (2) provide for
17 the recapture or re-allocation of an excluded municipality's
18 sub-allocation without an excluded municipality's consent.
19 Regulations adopted by the Authority for determining
20 re-allocation of all or any portion of the allocation amount
21 may include, but are not limited to, (1) the ability of the
22 municipality or county to issue recovery zone bonds on or
23 before December 31, 2010, (2) the amount of jobs that will be
24 retained or created, or both, by the qualifying project to be
25 financed by recovery zone bonds, and (3) the geographical
26 proximity of the qualifying project to be financed by recovery

1 zone bonds to a county or municipality that had its allocation
2 amount re-allocated by the Authority.

3 (d) Established dates for notice, recapture, waiver, and
4 re-allocation.

5 (i) In order to best effectuate the effective
6 implementation of the recovery zone bond provisions of ARRA,
7 the following dates are deemed to apply:

8 (A) Any large local municipality (other than an
9 excluded municipality) that plans to use its
10 sub-allocation must notify the Authority no later than the
11 earlier of May 1, 2010 or 30 days after the effective date
12 of this Section as to the portion of the sub-allocation
13 that large local municipality has allocated, or expects to
14 allocate, to a qualifying project.

15 (B) Any large local municipality (other than an
16 excluded municipality) that does not notify the Authority
17 as required under item (A) is deemed to have forfeited the
18 sub-allocation and the amount of that large local
19 municipality's sub-allocation shall be deemed "recaptured"
20 by the Authority on that date.

21 (C) On or after the earlier of May 2, 2010 or 31 days
22 after the effective date of this Section, the Authority may
23 re-allocate any of the unused recovery zone bond allocation
24 to one or more projects that, in the discretion of the
25 Authority, qualify for financing with proceeds of recovery

1 zone bonds.

2 (D) A large local municipality may voluntarily waive
3 all or a portion of its sub-allocation at any time by
4 notifying the Authority of its intention to do so.

5 (E) An excluded municipality must notify the Authority
6 by July 1, 2010 of its plans to use its sub-allocation.

7 (F) Any portion of a large local municipality's
8 sub-allocation (except for an excluded municipality's
9 sub-allocation) that was not recaptured by the Authority on
10 the earlier of May 1, 2010 or 30 days after the effective
11 date of this Section, but that has not been used for the
12 issuance of a recovery zone bond by July 1, 2010, is deemed
13 waived by that large local municipality (other than an
14 excluded municipality) and the Authority shall recapture
15 that amount on that date.

16 (G) Any large local municipality, municipality, or
17 county that has issued recovery zone bonds on or before the
18 effective date of this Section must report its issuance of
19 recovery zone bonds to the Authority within 30 days after
20 the effective date of this Section. After the effective
21 date of this Section, any large local municipality,
22 municipality, or county must report its issuance of
23 recovery zone bonds to the Authority not less than 30 days
24 after those bonds are issued.

25 (H) On and after July 2, 2010, the Authority may
26 re-allocate any portion of the unused allocation amount to

1 one or more projects that, in the discretion of the
2 Authority, qualify for financing with proceeds of recovery
3 zone bonds.

4 (ii) Unless extended by an act of the United States
5 Congress, no recovery zone bonds may be issued after December
6 31, 2010.

7 (e) Reports to the General Assembly.

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

17 (f) Limitation on home rule units.

18 Pursuant to paragraphs (h) and (i) of Section 6 of Article
19 VII of the Illinois Constitution, this Section specifically
20 denies and limits the exercise by home rule units of any power
21 that is inconsistent with this Section, and all existing laws
22 and ordinances that are inconsistent with this Section are
23 hereby superseded. This Section does not preempt the concurrent
24 exercise by home rule units of powers consistent with this

1 Section.

2 (20 ILCS 3501/825-110 new)

3 Sec. 825-110. Implementation of ARRA provisions regarding
4 qualified energy conservation bonds.

5 (a) Definitions.

6 (i) "Allocation amount" means the \$133,846,000 amount of
7 qualified energy conservation bonds authorized under ARRA for
8 the financing of qualifying projects located within the State
9 and the sub-allocation of those amounts among each large local
10 government.

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

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

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

24 (v) "Excluded local government" means any city within the

1 State with a population in excess of 500,000 and any county
2 within the State with a population in excess of 1,000,000.

3 (vi) "Home rule unit" means a county or municipality that
4 is a home rule unit as provided in Section 6 of Article VII of
5 the Illinois Constitution of 1970.

6 (vii) "Large local government" means any municipality or
7 county within the State if that municipality or county has a
8 population of 100,000 or more, as defined in Section
9 54D(e) (2) (C) of the Code.

10 (viii) "Qualified energy conservation bond" means any
11 qualified energy conservation bond issued pursuant to Section
12 54D of the Code.

13 (ix) "Qualified energy conservation bond allocation" means
14 an allocation of authority to issue qualified energy
15 conservation bonds granted pursuant to Section 54D of the Code.

16 (x) "Sub-allocation" means the portion of the allocation
17 amount allocated to each large local government.

18 (xi) "Unused qualified energy conservation bond
19 allocation" means the amount of the qualified energy
20 conservation bond allocation that is recaptured and
21 re-allocated by the Authority pursuant to this Section.

22 (xii) "Waived qualified energy conservation bond
23 allocation" means the amount of the qualified energy
24 conservation bond allocation that a large local government
25 elects to release to the State pursuant to Section 54D(e) (2) (B)
26 of the Code.

1 (b) Findings.

2 It is found and declared that:

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

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

10 (iii) those incentives also include the issuance by the
11 Authority of qualified energy conservation bonds for the
12 purposes of financing qualifying projects with proceeds of
13 qualified energy conservation bonds.

14 (c) Powers of Authority.

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

17 (A) the power to recapture all or a portion of unused
18 qualified energy conservation bond allocation from any
19 large local government (other than an excluded local
20 government) that has not allocated or does not reasonably
21 expect to allocate that amount to the issuance of one or
22 more qualified energy conservation bonds by the dates set
23 forth for that issuance in subsection (d) of this Section;

24 (B) the power to receive all or a portion of the waived

1 qualified energy conservation bond allocation on behalf of
2 the State;

3 (C) the power to re-allocate all or a portion of that
4 unused qualified energy conservation bond allocation and
5 waived qualified energy conservation bond allocation for
6 the purpose of financing one or more projects that will
7 qualify for financing with proceeds of qualified energy
8 conservation bonds, for which the Authority has received a
9 request for a portion of the allocation amount; and

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

13 (ii) In addition to the powers set forth in item (i), the
14 Authority has the power to be the sole issuer of any qualified
15 energy conservation bonds for any project for which the
16 Authority has made a re-allocation of unused qualified energy
17 conservation bond allocation or waived qualified energy
18 conservation bond allocation.

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

24 (iv) The Authority has the power to adopt regulations
25 providing for the implementation of any of the provisions
26 contained in this Section, including the recapture and

1 re-allocation of all or any portion of the allocation amount
2 and the issuance of qualified energy conservation bonds; except
3 that those regulations shall not provide for the recapture or
4 re-allocation of an excluded local government's sub-allocation
5 without an excluded local government's consent. Regulations
6 adopted by the Authority for determining re-allocation of all
7 or any portion of the allocation amount may include, but are
8 not limited to, (1) the ability of the municipality or county
9 to issue qualified energy conservation bonds by the end of a
10 given calendar year, (2) the amount of jobs that will be
11 retained or created, or both, by the qualifying project to be
12 financed by qualified energy conservation bonds, and (3) the
13 geographical proximity of the qualifying project to be financed
14 by qualified energy conservation bonds to a county or
15 municipality that had its allocation amount re-allocated by the
16 Authority.

17 (d) Established dates for notice, recapture, waiver, and
18 re-allocation.

19 (i) In order to best effectuate the effective
20 implementation of the qualified energy conservation bond
21 provisions of ARRA, the following dates are deemed to apply:

22 (A) Any large local government (other than an excluded
23 local government) that plans to use its sub-allocation in a
24 given calendar year must notify the Authority no later than
25 June 15 of that calendar year as to the portion of the

1 sub-allocation that large local government has allocated,
2 or expects to allocate, to a qualifying project.

3 (B) Any large local government (other than an excluded
4 local government) that does not notify the Authority as
5 required under item (A) is deemed to have forfeited the
6 sub-allocation and the amount of that large local
7 government's sub-allocation shall be deemed "recaptured"
8 by the Authority on that date.

9 (C) On or after July 1 of that calendar year, the
10 Authority may re-allocate any of the unused qualified
11 energy conservation bond allocation to one or more projects
12 that, in the discretion of the Authority, qualify for
13 financing with proceeds of qualified energy conservation
14 bonds.

15 (D) A large local government may voluntarily waive all
16 or a portion of its sub-allocation at any time by notifying
17 the Authority of its intention to do so.

18 (E) An excluded local government must notify the
19 Authority by July 1 of that year of its plans to use its
20 sub-allocation.

21 (F) In a given calendar year, any portion of a large
22 local government's sub-allocation (except for an excluded
23 local government's sub-allocation) that was not recaptured
24 by the Authority on June 15 of that year, but that has not
25 been used for the issuance of a qualified energy
26 conservation bond by August 15 of that year, is deemed

1 waived by that large local government (other than an
2 excluded local government) and the Authority shall
3 recapture that amount on that date.

4 (G) On and after September 1 in a given calendar year,
5 the Authority may re-allocate any portion of the unused
6 allocation amount to one or more projects that, in the
7 discretion of the Authority, qualify for financing with
8 proceeds of qualified energy conservation bonds.

9 (H) Any large local government, municipality, or
10 county that has issued qualified energy conservation bonds
11 on or before the effective date of this Section must report
12 its issuance of qualified energy conservation bonds to the
13 Authority within 30 days after the effective date of this
14 Section. After the effective date of this Section, any
15 large local government, municipality, or county must
16 report its issuance of qualified energy conservation bonds
17 to the Authority not less than 30 days after those bonds
18 are issued.

19 (e) Reports to the General Assembly.

20 Starting 60 days after the effective date of this Section
21 and ending when there is no longer any allocation amount, the
22 Authority shall file a report before the 15th day of each month
23 with the General Assembly detailing its implementation of this
24 Section, including but not limited to the dollar amount of the
25 allocation amount that has been re-allocated by the Authority

1 pursuant to this Section, the qualified energy conservation
2 bonds issued in the State as of the date of the report, and
3 descriptions of the qualifying projects financed by those
4 qualified energy conservation bonds.

5 (f) Limitation on home rule units.

6 Pursuant to paragraphs (h) and (i) of Section 6 of Article
7 VII of the Illinois Constitution, this Section specifically
8 denies and limits the exercise by home rule units of any power
9 that is inconsistent with this Section, and all existing laws
10 and ordinances that are inconsistent with this Section are
11 hereby superseded. This Section does not preempt the concurrent
12 exercise by home rule units of powers consistent with this
13 Section.

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