

1 AN ACT concerning State government.

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 changing Section 840-5 as follows:

6 (20 ILCS 3501/840-5)

7 Sec. 840-5. The Authority shall have the following powers:

8 (a) To fix and revise from time to time and charge and  
9 collect rates, rents, fees and charges for the use of and for  
10 the services furnished or to be furnished by a project or other  
11 health facilities owned, financed or refinanced by the  
12 Authority or any portion thereof and to contract with any  
13 person, partnership, association or corporation or other body,  
14 public or private, in respect thereto; to coordinate its  
15 policies and procedures and cooperate with recognized health  
16 facility rate setting mechanisms which may now or hereafter be  
17 established.

18 (b) To establish rules and regulations for the use of a  
19 project or other health facilities owned, financed or  
20 refinanced by the Authority or any portion thereof and to  
21 designate a participating health institution as its agent to  
22 establish rules and regulations for the use of a project or  
23 other health facilities owned by the Authority undertaken for

1 that participating health institution.

2 (c) To establish or contract with others to carry out on  
3 its behalf a health facility project cost estimating service  
4 and to make this service available on all projects to provide  
5 expert cost estimates and guidance to the participating health  
6 institution and to the Authority. In order to implement this  
7 service and, through it, to contribute to cost containment, the  
8 Authority shall have the power to require such reasonable  
9 reports and documents from health facility projects as may be  
10 required for this service and for the development of cost  
11 reports and guidelines. The Authority may appoint a Technical  
12 Committee on Health Facility Project Costs and Cost  
13 Containment.

14 (d) To make mortgage or other secured or unsecured loans to  
15 or for the benefit of any participating health institution for  
16 the cost of a project in accordance with an agreement between  
17 the Authority and the participating health institution;  
18 provided that no such loan shall exceed the total cost of the  
19 project as determined by the participating health institution  
20 and approved by the Authority; provided further that such loans  
21 may be made to any entity affiliated with a participating  
22 health institution if the proceeds of such loan are made  
23 available to or applied for the benefit of such participating  
24 health institution.

25 (e) To make mortgage or other secured or unsecured loans to  
26 or for the benefit of a participating health institution in

1 accordance with an agreement between the Authority and the  
2 participating health institution to refund outstanding  
3 obligations, loans, indebtedness or advances issued, made,  
4 given or incurred by such participating health institution for  
5 the cost of a project; including the function to issue bonds  
6 and make loans to or for the benefit of a participating health  
7 institution to refinance indebtedness incurred by such  
8 participating health institution in projects undertaken and  
9 completed or for other health facilities acquired prior to or  
10 after the enactment of this Act when the Authority finds that  
11 such refinancing is in the public interest, and either  
12 alleviates a financial hardship of such participating health  
13 institution, or is in connection with other financing by the  
14 Authority for such participating health institution or may be  
15 expected to result in a lessened cost of patient care and a  
16 saving to third parties, including government, and to others  
17 who must pay for care, or any combination thereof; provided  
18 further that such loans may be made to any entity affiliated  
19 with a participating health institution if the proceeds of such  
20 loan are made available to or applied for the benefit of such  
21 participating health institution.

22 (f) To mortgage all or any portion of a project or other  
23 health facilities and the property on which any such project or  
24 other health facilities are located whether owned or thereafter  
25 acquired, and to assign or pledge mortgages, deeds of trust,  
26 indentures of mortgage or trust or similar instruments, notes,

1 and other securities of participating health institutions to  
2 which or for the benefit of which the Authority has made loans  
3 or of entities affiliated with such institutions and the  
4 revenues therefrom, including payments or income from any  
5 thereof owned or held by the Authority, for the benefit of the  
6 holders of bonds issued to finance such project or health  
7 facilities or issued to refund or refinance outstanding  
8 obligations, loans, indebtedness or advances of participating  
9 health institutions as permitted by this Act.

10 (g) To lease to a participating health institution the  
11 project being financed or refinanced or other health facilities  
12 conveyed to the Authority in connection with such financing or  
13 refinancing, upon such terms and conditions as the Authority  
14 shall deem proper, and to charge and collect rents therefor and  
15 to terminate any such lease upon the failure of the lessee to  
16 comply with any of the obligations thereof; and to include in  
17 any such lease, if desired, provisions that the lessee thereof  
18 shall have options to renew the lease for such period or  
19 periods and at such rent as shall be determined by the  
20 Authority or to purchase any or all of the health facilities or  
21 that upon payment of all of the indebtedness incurred by the  
22 Authority for the financing of such project or health  
23 facilities or for refunding outstanding obligations, loans,  
24 indebtedness or advances of a participating health  
25 institution, then the Authority may convey any or all of the  
26 project or such other health facilities to the lessee or

1 lessees thereof with or without consideration.

2 (h) To make studies of needed health facilities that could  
3 not sustain a loan were it made under this Act and to recommend  
4 remedial action to the General Assembly; to do the same with  
5 regard to any laws or regulations that prevent health  
6 facilities from benefiting from this Act.

7 (i) To assist the Department of Commerce and Economic  
8 Opportunity to establish and implement a program to assist  
9 health facilities to identify and arrange financing for energy  
10 conservation projects in buildings and facilities owned or  
11 leased by health facilities.

12 (j) To assist the Department of Human Services in  
13 establishing a low interest loan program to help child care  
14 centers and family day care homes serving children of low  
15 income families under Section 22.4 of the Children and Family  
16 Services Act. The Authority, on or after the effective date of  
17 this amendatory Act of the 97th General Assembly, is authorized  
18 to convert existing agreements for financial aid in accordance  
19 with Section 840-5(j) to permanent capital to leverage  
20 additional private capital and establish a revolving loan fund  
21 for nonprofit corporations providing human services under  
22 contract to the State.

23 (k) To assist the Department of Public Health and nursing  
24 homes in undertaking nursing home conversion projects in  
25 accordance with the Older Adult Services Act.

26 (Source: P.A. 93-205, eff. 1-1-04; 93-1031, eff. 8-27-04.)

1           Section 99. Effective date. This Act takes effect upon  
2           becoming law.