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1 AMENDMENT TO HOUSE BILL 2097

2 AMENDMENT NO. _____. Amend House Bill 2097 by replacing
3 everything after the enacting clause with the following:

4 "Section 5. The Illinois Finance Authority Act is amended
5 by changing Sections 801-15, 810-20, 840-5, and 840-20 as
6 follows:

7 (20 ILCS 3501/801-15)

8 Sec. 801-15. There is hereby created a body politic and
9 corporate to be known as the Illinois Finance Authority. The
10 exercise of the powers conferred by law shall be an essential
11 public function. The Authority shall consist of 15 members, who
12 shall be appointed by the Governor, with the advice and consent
13 of the Senate. Upon the appointment of the Board and every 2
14 years thereafter, the chairperson of the Authority shall be
15 selected by the Governor to serve as chairperson for two years.
16 Appointments to the Authority shall be persons of recognized

1 ability and experience in one or more of the following areas:
2 economic development, finance, banking, industrial
3 development, small business management, real estate
4 development, housing, health facilities financing, local
5 government financing, community development, venture finance,
6 construction, ~~and~~ labor relations, agribusiness, and
7 production agriculture. At the time of appointment, the
8 Governor shall designate 5 members to serve until the third
9 Monday in July 2005, 5 members to serve until the third Monday
10 in July 2006 and 5 members to serve until the third Monday in
11 July 2007. Thereafter, appointments shall be for 3-year terms.
12 On or after the effective date of this amendatory Act of the
13 97th General Assembly, no fewer than 2 members of or 2
14 appointments to the Authority, or a combination thereof, shall
15 be persons of recognized ability and experience in agribusiness
16 or production agriculture; provided, however, that in the event
17 a member of recognized ability and experience in agribusiness
18 or production agriculture resigns, becomes incapacitated, or
19 is otherwise unable to discharge his or her duties as a member
20 of the Authority, such vacancy or inability to serve shall not
21 otherwise adversely affect the requirements for a quorum, nor
22 prohibit the Authority from exercising its powers conferred by
23 law during the time of such vacancy or inability to act. A
24 member shall serve until his or her successor shall be
25 appointed and have qualified for office by filing the oath and
26 bond. Members of the Authority shall not be entitled to

1 compensation for their services as members, but shall be
2 entitled to reimbursement for all necessary expenses incurred
3 in connection with the performance of their duties as members.
4 The Governor may remove any member of the Authority in case of
5 incompetence, neglect of duty, or malfeasance in office, after
6 service on him of a copy of the written charges against him and
7 an opportunity to be publicly heard in person or by counsel in
8 his own defense upon not less than 10 days' notice. From
9 nominations received from the Governor, the members of the
10 Authority shall appoint an Executive Director who shall be a
11 person knowledgeable in the areas of financial markets and
12 instruments, to hold office for a one-year term. The Executive
13 Director shall be the chief administrative and operational
14 officer of the Authority and shall direct and supervise its
15 administrative affairs and general management and perform such
16 other duties as may be prescribed from time to time by the
17 members and shall receive compensation fixed by the Authority.
18 The Executive Director or any committee of the members may
19 carry out such responsibilities of the members as the members
20 by resolution may delegate. The Executive Director shall attend
21 all meetings of the Authority; however, no action of the
22 Authority shall be invalid on account of the absence of the
23 Executive Director from a meeting. The Authority may engage the
24 services of such other agents and employees, including
25 attorneys, appraisers, engineers, accountants, credit analysts
26 and other consultants, as it may deem advisable and may

1 prescribe their duties and fix their compensation. The
2 Authority may appoint Advisory Councils to (1) assist in the
3 formulation of policy goals and objectives, (2) assist in the
4 coordination of the delivery of services, (3) assist in
5 establishment of funding priorities for the various activities
6 of the Authority, and (4) target the activities of the
7 Authority to specific geographic regions. There may be an
8 Advisory Council on Economic Development. The Advisory Council
9 shall consist of no more than 12 members, who shall serve at
10 the pleasure of the Authority. Members of the Advisory Council
11 shall receive no compensation for their services, but may be
12 reimbursed for expenses incurred with their service on the
13 Advisory Council.

14 (Source: P.A. 93-205, eff. 1-1-04.)

15 (20 ILCS 3501/810-20)

16 Sec. 810-20. Powers and Duties; Illinois Venture
17 Investment Fund Limits. The Authority shall invest and reinvest
18 the Fund and the income, thereof, in the following ways:

19 (a) To make a direct investment in qualified securities
20 issued by enterprises and to dispose of those securities within
21 10 years after the date of the direct investment as determined
22 by the Authority for the purpose of providing venture capital
23 or seed capital, provided that the investment shall not exceed
24 49% of the estimated cost of development, testing, and initial
25 production and marketing and associated working capital for the

1 technology, product, process, or invention, or \$750,000,
2 whichever is less;

3 (b) To enter into written agreements or contracts
4 (including limited partnership agreements) with one or more
5 professional investors or one or more seed capital investors,
6 if any, for the purpose of establishing a pool of funds to be
7 used exclusively as venture capital or seed capital
8 investments. The Authority shall not invest more than
9 \$2,000,000 in a single pool of funds or affiliated pools of
10 funds. The agreement or contract shall provide for the pool of
11 funds to be managed by a professional investor. The manager may
12 be the general partner of a limited partnership of which the
13 Authority is a limited partner. The agreement or contract may
14 provide for reimbursement of expenses of, and payment of a fee
15 to, the manager. The agreement or contract may also provide for
16 payment to the manager of a percentage, not to exceed 40%
17 (computed on an annual basis), of cash and other property
18 payable to the Authority as its pro-rata share of distributions
19 to investors in the pool of funds, provided that (i) no amount
20 shall be received by the manager upon sale or other disposition
21 of qualified investments in enterprises until recovery by the
22 Authority of its investment and upon liquidation or withdrawal
23 of the Authority from the pool of funds, the manager shall be
24 obligated to refund any amount received by it from such
25 percentage if necessary to allow the Authority to recover its
26 investment or (ii) the terms of payment of cash and other

1 property to the Authority are no less favorable to the
2 Authority than payments to other seed capital investors (other
3 than the manager) who are parties to the agreement or contract.

4 (c) To make co-venture investments by entering into
5 agreements with one or more professional investors or one or
6 more seed capital investors, if any, who have formally agreed
7 to invest at least 50% as much as the Authority invests in the
8 enterprise, for the purpose of providing venture capital or
9 seed capital; but no more than \$1,000,000 shall be invested by
10 the Authority in the qualified securities of a single
11 enterprise. A total of not more than \$1,500,000 may be invested
12 in the securities of a single enterprise, if the Authority
13 shall find, after the initial investment by the Authority, that
14 additional investments in the enterprise are necessary to
15 protect or enhance the initial investment of the Authority.
16 Each co-venture investment agreement shall provide that the
17 Authority will recover its investment before or simultaneously
18 with any distribution to participating professional investors
19 or seed capital investors. The Authority and participating
20 professional investors and seed capital investors shall share
21 ratably in the profits earned in any form on the co-venture
22 investment, but the Authority may, at its discretion, agree to
23 pay to a participating professional investor a percentage, not
24 to exceed 40% (computed on an annual basis), of cash and other
25 property payable to the Authority as its pro-rata share of
26 distributions to investors in the pool of funds, provided that

1 (i) no amount shall be received by the participating
2 professional investor upon sale or other disposition of
3 qualified investments in the enterprises until recovery by the
4 Authority of its investment and upon liquidation or withdrawal
5 of the Authority from the pool of funds, the participating
6 professional investor shall be obligated to refund any amount
7 received by it from such percentage if necessary to allow the
8 Authority to recover its investment or (ii) the terms of
9 payment of cash and other property to the Authority are no less
10 favorable to the Authority than payments to other seed capital
11 investors or professional investors (other than the
12 professional investor) who are parties to the agreement or
13 contract;

14 (d) To purchase qualified securities of certified
15 development corporations created under Section 503 of the
16 federal Small Business Administration Act, including the
17 Illinois Small Business Growth Corporation, for the purpose of
18 making loans to enterprises that have the potential to create
19 substantial employment within the State per dollar invested by
20 the Authority, provided that the investment does not exceed 25%
21 of the total investment in each corporation at the time the
22 investment is approved by the Authority. Investment by the
23 Authority in the Illinois Small Business Growth Corporation is
24 not limited by the foregoing provision;

25 (e) To purchase qualified securities of small business
26 investment companies and minority enterprise small business

1 investment corporations certified by the federal Small
2 Business Administration which are committed to making 60% of
3 their investments in the State, provided that investments from
4 the Fund do not exceed 25% of the total investment in these
5 entities at the time the investment is approved by the
6 Authority;

7 (f) To make the investments of any funds held in reserves
8 or sinking funds, or any funds not required for immediate
9 disbursement, as may be lawful investments for fiduciaries in
10 the State;

11 (g) To facilitate and promote the acquisition and
12 revitalization of existing manufacturing enterprises by
13 developing ~~and maintaining~~ a list of firms, or divisions
14 thereof, located within the State that are available for
15 purchase, merger, or acquisition in response to a request from
16 the General Assembly. As such information is outside the
17 knowledge of the Authority and not otherwise readily obtained,
18 the list shall be created from information provided by third
19 parties, including, but not limited to, investment bankers,
20 commercial bankers, trade associations, chambers of commerce,
21 and similar institutions. The list ~~may~~ shall be made available
22 at such charges as the Authority may determine to all
23 interested persons and institutions upon request. No firm shall
24 appear on the list without its prior written permission. The
25 list may contain such additional financial, technical, market
26 and other information as may be supplied by the listed firm.

1 The Authority shall bear no responsibility for the accuracy of
2 the information contained on the list, and each listed firm
3 shall hold the Authority harmless against any claim of
4 inaccuracy. Enterprises supported by investments from the Fund
5 shall receive consideration by the Authority in the allocation
6 of loans to be insured or loans to be made from the proceeds of
7 bonds to be insured by the Industrial Revenue Bond Insurance
8 Fund established under this Article, and the Authority shall
9 coordinate its activities under the 2 programs.

10 (Source: P.A. 93-205, eff. 1-1-04.)

11 (20 ILCS 3501/840-5)

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

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

23 (b) To establish rules and regulations for the use of a
24 project or other health facilities owned, financed or
25 refinanced by the Authority or any portion thereof and to

1 designate a participating health institution as its agent to
2 establish rules and regulations for the use of a project or
3 other health facilities owned by the Authority undertaken for
4 that participating health institution.

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

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

1 health institution.

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

25 (f) To mortgage all or any portion of a project or other
26 health facilities and the property on which any such project or

1 other health facilities are located whether owned or thereafter
2 acquired, and to assign or pledge mortgages, deeds of trust,
3 indentures of mortgage or trust or similar instruments, notes,
4 and other securities of participating health institutions to
5 which or for the benefit of which the Authority has made loans
6 or of entities affiliated with such institutions and the
7 revenues therefrom, including payments or income from any
8 thereof owned or held by the Authority, for the benefit of the
9 holders of bonds issued to finance such project or health
10 facilities or issued to refund or refinance outstanding
11 obligations, loans, indebtedness or advances of participating
12 health institutions as permitted by this Act.

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

1 indebtedness or advances of a participating health
2 institution, then the Authority may convey any or all of the
3 project or such other health facilities to the lessee or
4 lessees thereof with or without consideration.

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

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

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

26 (k) To assist the Department of Public Health and nursing

1 homes in undertaking nursing home conversion projects in
2 accordance with the Older Adult Services Act.

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

4 (20 ILCS 3501/840-20)

5 Sec. 840-20. It is the intent and purpose of this Act that
6 the exercise by the Authority of the powers granted to it shall
7 be in all respects for the benefit of the people of this State
8 to assist them to provide needed health facilities of the
9 number, size, type, distribution, and operation that will
10 assure admission and care of high quality to all who need it.
11 To this end, the Authority is charged with the responsibility
12 to identify and study all projects which are determined by
13 health planning agencies to be needed but which could not
14 sustain a loan were such to be made to it under this Act. The
15 Authority shall, following such study, formulate and recommend
16 to the General Assembly, such amendments to this and other
17 Acts, and such other specific measures as grants, loan
18 guarantees, interest subsidies or other actions as may be
19 provided for by the State which actions would render the
20 construction and operation of such needed health facility
21 feasible and in the public interest. Further, the Authority is
22 charged with responsibility to respond to any requests from the
23 General Assembly to identify and study any laws or regulations
24 which it finds handicaps or bars a needed health facility from
25 participating in the benefits of this Act and to recommend to

1 the General Assembly such actions as will remedy such
2 situation.

3 (Source: P.A. 93-205, eff. 1-1-04.)

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