



97TH GENERAL ASSEMBLY

State of Illinois

2011 and 2012

HB3912

Introduced 12/11/2011, by Rep. Michael J. Zalewski

SYNOPSIS AS INTRODUCED:

30 ILCS 500/20-165 new
70 ILCS 3205/8

from Ch. 85, par. 6008

Amends the Illinois Procurement Code and the Illinois Sports Facilities Authority Act. Provides that the Illinois Sports Facilities Authority may not enter into any contract, contract renewal, or contract extension that has a cost of more than \$1,000,000 without first filing the proposed contract, renewal, or extension with the Procurement Policy Board. Provides that the Board may object to the proposed contract or proposed contract renewal or extension and require a hearing before the Board on the matter within 30 calendar days after the date of filing. Provides that if the Board does not object within 30 calendar days or takes affirmative action to recommend the proposed contract or proposed contract renewal or extension, the Illinois Sports Facilities Authority may enter into the contract or contract renewal or extension. Effective immediately.

LRB097 15475 PJG 60575 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 Procurement Code is amended by
5 adding Section 20-165 as follows:

6 (30 ILCS 500/20-165 new)

7 Sec. 20-165. Procurement Policy Board approval of Illinois
8 Sports Facilities Authority contracts. Notwithstanding any
9 provision of law to the contrary, the Illinois Sports
10 Facilities Authority may not enter into any contract, contract
11 renewal, or contract extension that has a cost of more than
12 \$1,000,000 without first filing the proposed contract,
13 renewal, or extension with the Procurement Policy Board. The
14 Board may object to the proposed contract or proposed contract
15 renewal or extension and require a hearing before the Board on
16 the matter within 30 calendar days after the date of filing. If
17 the Board does not object within 30 calendar days or takes
18 affirmative action to recommend the proposed contract or
19 proposed contract renewal or extension, the Illinois Sports
20 Facilities Authority may enter into the contract or contract
21 renewal or extension.

22 Section 10. The Illinois Sports Facilities Authority Act

1 is amended by changing Section 8 as follows:

2 (70 ILCS 3205/8) (from Ch. 85, par. 6008)

3 Sec. 8. Powers. In addition to the powers set forth
4 elsewhere in this Act, the Authority may:

5 (1) Adopt and alter an official seal;

6 (2) Sue and be sued, plead and be impleaded, all in its
7 own name, and agree to binding arbitration of any dispute
8 to which it is a party;

9 (3) Adopt bylaws, rules, and regulations to carry out
10 the provisions of this Section;

11 (4) Maintain an office or offices at such place as the
12 Authority may designate;

13 (5) Employ, either as regular employees or independent
14 contractors, consultants, engineers, architects,
15 accountants, attorneys, financial experts, construction
16 experts and personnel, superintendents, managers and other
17 professional personnel, and such other personnel as may be
18 necessary in the judgment of the Authority, and fix their
19 compensation;

20 (6) Determine the locations of, develop, design,
21 establish, construct, erect, acquire, own, repair,
22 reconstruct, renovate, remodel, add to, extend, improve,
23 equip, operate, regulate and maintain facilities, and
24 provide financial assistance to governmental owners or
25 their tenants, or both, pursuant to an assistance agreement

1 to do the foregoing, in each case to the extent necessary
2 to accomplish the purposes of the Authority;

3 (7) Acquire, hold, lease as lessor or as lessee, use,
4 encumber, transfer, or dispose of real and personal
5 property, including the alteration of or demolition of
6 improvements to real estate;

7 (8) Enter into contracts of any kind, subject to the
8 provisions of Section 20-165 of the Illinois Procurement
9 Code;

10 (9) Regulate the use and operation of facilities that
11 are developed under the provisions of this Act;

12 (10) Enter into one or more management agreements which
13 conform to the requirements of this Act and which may
14 contain such provisions as the Authority shall determine,
15 including, without limitation, (i) provisions allocating
16 receipts from rents, rates, fees and charges for use of the
17 facility or for services rendered in connection with the
18 facility between the Authority and the tenant of the
19 facility; (ii) provisions providing for or limiting
20 payments to the Authority for use of the facility based on
21 levels of attendance or receipts, or both attendance and
22 receipts, of the tenant from admission charges, parking
23 concessions, advertising, radio and television and other
24 sources; (iii) provisions obligating the Authority to make
25 payments to the tenant with respect to expenses of routine
26 maintenance and operation of any facility and operating

1 expenses of the tenant with respect to use of the facility;
2 (iv) provisions requiring the Authority to pay liquidated
3 damages to the tenant for failure of timely completion of
4 construction of any new facility; (v) provisions
5 permitting the Authority to grant rent-free occupancy of an
6 existing facility pending completion of construction of
7 any new facility and requiring the Authority to pay certain
8 incremental costs of maintenance, repair, replacement and
9 operation of an existing facility in the event of failure
10 of timely completion of construction of any new facility;
11 (vi) provisions requiring the Authority to reimburse the
12 tenant for certain State and local taxes and provisions
13 permitting reductions of payments due the Authority by the
14 tenant or reimbursement of the tenant by the Authority in
15 the event of imposition of certain new State and local
16 taxes, or the increase above specified levels of certain
17 existing State and local taxes, or both; (vii) provisions
18 obligating the Authority to purchase tickets to events
19 conducted by the tenant based upon specified attendance
20 levels; (viii) provisions granting the tenant the right and
21 option to extend the term of the management agreement; (ix)
22 provisions creating an assignment and pledge by the
23 Authority of certain of the Authority's revenues and
24 receipts to be received under Section 19 of this Act for
25 the benefit of the tenant of the facility as further
26 security for performance by the Authority of its

1 obligations under the management agreement; and (x)
2 provisions requiring the establishment of reserves by the
3 Authority or by the tenant, or both, as further security
4 for the performance of their respective obligations under
5 the management agreement;

6 (11) Enter into one or more assistance agreements that
7 conform to the requirements of this Act and that may
8 contain such provisions as the Authority shall determine
9 establishing the rights and obligations of the Authority
10 and the governmental owner or a tenant, or both, with
11 respect to the facility for which the Authority is to
12 provide financial assistance including, without
13 limitation, such provisions as are described in paragraph
14 (10) of this Section;

15 (12) Borrow money from any source for any corporate
16 purpose, including working capital for its operations,
17 reserve funds, or interest, and to mortgage, pledge or
18 otherwise encumber the property or funds of the Authority
19 and to contract with or engage the services of any person
20 in connection with any financing, including financial
21 institutions, issuers of letters of credit, or insurers and
22 enter into reimbursement agreements with this person which
23 may be secured as if money were borrowed from the person;

24 (13) Issue bonds or notes under Section 13 of this Act;

25 (14) Receive and accept from any source, private or
26 public, contributions, gifts, or grants of money or

1 property;

2 (15) Make loans from proceeds or funds otherwise
3 available to the extent necessary or appropriate to
4 accomplish the purposes of the Authority;

5 (16) Provide for the insurance of any property,
6 operations, officers, agents or employees of the Authority
7 against any risk or hazard and to provide for the
8 indemnification of its members, employees, contractors or
9 agents against any and all risks;

10 (17) Provide relocation assistance and compensation
11 for landowners and their lessees displaced by any land
12 acquisition of the Authority, including the acquisition of
13 land and construction of replacement housing thereon as the
14 Authority shall determine;

15 (18) Sell, convey, lease, or grant a permit or license
16 with respect to, or by agreement authorize another person
17 on its behalf to sell, convey, lease, or grant a permit or
18 license with respect to (A) the right to use or the right
19 to purchase tickets to use, or any other interest in, any
20 seat or area within a facility, (B) the right to name or
21 place advertising in all or any part of a facility, or (C)
22 any intangible personal property rights, including
23 intellectual property rights, appurtenant to any facility,
24 the proceeds of which are used for the purpose of carrying
25 out the powers granted by the Act;

26 (19) Adopt such rules as are necessary to carry out

1 those powers conferred and perform those duties required by
2 this Act;

3 (20) Exercise all the corporate powers granted
4 Illinois corporations under the Business Corporation Act
5 of 1983, except to the extent that powers are inconsistent
6 with those of a body politic and corporate of the State;
7 and

8 (21) Do all things necessary or convenient to carry out
9 the powers granted by this Act.

10 The Authority may not construct or enter into a contract to
11 construct more than one new stadium facility and may not enter
12 into assistance agreements providing for the reconstruction,
13 renovation, remodeling, extension, or improvement of all or
14 substantially all of more than one existing facility unless
15 authorized by law.

16 The Authority may adopt such rules pursuant to the Illinois
17 Administrative Procedure Act as are necessary to carry out
18 those powers and duties conferred by this Act. The Authority
19 may initially adopt, by January 1, 1989, such rules as
20 emergency rules in accordance with the provisions of Section
21 5-45 of the Illinois Administrative Procedure Act. For purposes
22 of the Illinois Administrative Procedure Act, the adoption of
23 the initial rules shall be deemed to be an emergency and
24 necessary for the public interest, safety and welfare.

25 (Source: P.A. 91-935, eff. 6-1-01.)

26 Section 99. Effective date. This Act takes effect upon

1 becoming law.