



## 97TH GENERAL ASSEMBLY

### State of Illinois

2011 and 2012

HB4959

Introduced 2/3/2012, by Rep. Frank J. Mautino

#### SYNOPSIS AS INTRODUCED:

New Act

30 ILCS 105/5.811 new

30 ILCS 105/5.812 new

Creates the Titanium General Obligation Bond Act. Provides for the issuance, sale, and retirement of general obligation bonds, the proceeds of which shall be allocated to Illinois companies who produce, manufacture, or substantially use titanium powdered metals. Provides for the conditions of sale of the bonds, the expenditure and investment of proceeds from the sale of the bonds, and the manner of repayment of the bonds. Creates the Titanium Powdered Metals Development Fund and the Titanium Powdered Metals Development Bond Retirement and Interest Fund. Provides for a civil action to compel payment upon default. Amends the State Finance Act. Designates the Titanium Powdered Metals Development Fund and the Titanium Powdered Metals Development Bond Retirement and Interest Fund as special funds. Effective immediately.

LRB097 19174 HLH 64416 b

FISCAL NOTE ACT  
MAY APPLY

STATE DEBT  
IMPACT NOTE ACT  
MAY APPLY

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 1. Short title. This Act may be cited as the  
5 Titanium General Obligation Bond Act.

6 Section 5. Bonds. The State of Illinois is authorized to  
7 issue, sell, and provide for the retirement of general  
8 obligation bonds of the State of Illinois in the aggregate  
9 principal amount of \$25,000,000, hereafter called "bonds", the  
10 proceeds of which shall be allocated to companies in Illinois  
11 who produce, manufacture, or substantially use titanium  
12 powdered metals for the specific purposes of infrastructure,  
13 engineering, legal, design, qualified experts, and research  
14 and development.

15 Section 10. Sale of bonds. The bonds shall be issued and  
16 sold from time to time in such amounts as directed by the  
17 Governor, upon recommendation by the Director of the Governor's  
18 Office of Management and Budget. The bonds shall be serial  
19 bonds in the denomination of \$5,000 or some multiple thereof,  
20 shall be payable within 30 years from their date, shall bear  
21 interest payable annually or semiannually from their date at  
22 the rate of not more than 15% per annum, or such higher maximum

1 rate as may be authorized by the Bond Authorization Act, shall  
2 be dated, and shall be in such form as the Director of the  
3 Governor's Office of Management and Budget shall fix and  
4 determine in the order authorizing the issuance and sale of the  
5 bonds, which order shall be approved by the Governor prior to  
6 the giving of notice of the sale of any of the bonds. These  
7 bonds shall be payable as to both principal and interest at  
8 such place or places, within or without the State of Illinois,  
9 and may be registrable as to either principal or as to both  
10 principal and interest, as shall be fixed and determined by the  
11 Director of the Governor's Office of Management and Budget in  
12 the order authorizing the issuance and sale of the bonds,  
13 provided, however, that the State shall not pay a premium of  
14 more than 3% of the principal of any bonds so called.

15 Section 15. Authentication of bonds. The bonds shall be  
16 signed by the Governor and attested by the Secretary of State  
17 under the printed facsimile seal of the State and countersigned  
18 by hand by the Treasurer or by his duly appointed deputy. The  
19 signatures of the Governor and the Secretary of State may be  
20 printed facsimile signatures. Interest coupons with facsimile  
21 signatures of the Governor, Secretary of State, and Treasurer  
22 may be attached to the bonds. The fact that an officer whose  
23 signature or facsimile thereof appears on a bond or interest  
24 coupon no longer holds such office at the time the bond or  
25 coupon is delivered shall not invalidate the bond or interest

1 coupon.

2 Section 20. Bond proceeds. The bonds shall be sold from  
3 time to time by the Director of the Governor's Office of  
4 Management and Budget to the highest and best bidders, for not  
5 less than their par value, upon sealed bids, at not exceeding  
6 the maximum interest rate fixed in the order authorizing the  
7 issuance of the bonds. The right to reject any and all bids may  
8 be reserved. The Secretary of State shall, from time to time,  
9 as the bonds are to be sold, advertise in at least 2 daily  
10 newspapers, one of which is published in the City of  
11 Springfield and one in the City of Chicago, for proposals to  
12 purchase the bonds. Each of the advertisements for proposals  
13 shall be published once at least 10 days prior to the date of  
14 the opening of bids. The executed bonds shall, upon payment  
15 therefore, be delivered to the purchaser, and the proceeds of  
16 the bonds shall be paid into the State treasury. The proceeds  
17 of the bonds shall be deposited in a separate fund known as the  
18 Titanium Powdered Metals Development Fund, which separate fund  
19 is hereby created.

20 Section 25. Expenditure of funds. At all times, the  
21 proceeds from the sale of bonds are subject to appropriation by  
22 the General Assembly and may be expended in such amounts and at  
23 such times as the Department of Commerce and Economic  
24 Opportunity may deem necessary or desirable for the specific

1 purposes contemplated by this Act.

2 Section 30. Investment of proceeds. The Treasurer may, with  
3 the Governor's approval, invest and reinvest any money in the  
4 Titanium Powdered Metals Development Fund in the State treasury  
5 which, in the opinion of the Governor communicated in writing  
6 to the Treasurer, is not needed for current expenditures due or  
7 about to become due from such funds. These investments shall be  
8 made at the existing market price and in any event not to  
9 exceed 102% of par plus accrued interest, in obligations, the  
10 principal and interest on which is guaranteed by the United  
11 States government; any certificates of deposit of any savings  
12 and loan association or State or national bank which are fully  
13 secured by obligations, the principal of and interest on which  
14 is guaranteed by the United States government or secured by the  
15 bonds of this State or any of its units of local government,  
16 school districts, or public community college districts or  
17 municipal bonds of other states; or bonds, notes or debentures  
18 of the Illinois Building Authority, Illinois Toll Highway  
19 Authority, or Illinois Housing Development Authority.  
20 Securities of other states and their political subdivisions  
21 shall not be accepted at an amount exceeding 90% of their  
22 market value. All securities shall be subject to acceptance  
23 only upon the approval of the Treasurer. The cost price of all  
24 obligations shall be considered as cash in the custody of the  
25 Treasurer, and the obligations shall be conveyed at cost price

1 as cash by the Treasurer to this successor. The money in the  
2 Titanium Powdered Metals Development Fund in the form of such  
3 obligations shall be set up by the Treasurer as separate  
4 accounts and shown distinctly in every report issued by him  
5 regarding fund balances. All earnings received upon any  
6 investment shall be paid into the General Revenue Fund. All of  
7 the moneys other than accrued interest received from the sale  
8 or redemption of investments shall be replaced by the Treasurer  
9 in the funds from which the money was removed for that  
10 investment.

11 No bank or savings and loan association shall receive  
12 public funds as permitted by this Section, unless it has  
13 complied with the requirements established pursuant to Section  
14 6 of the Public Funds Investment Act.

15 Section 35. Repayments. To provide for the manner of  
16 repayment of the bonds, the Governor shall include an  
17 appropriation in each annual State Budget of moneys in an  
18 amount as shall be necessary and sufficient for the period  
19 covered by such budget to pay the interest, as it shall accrue,  
20 on all bonds issued under this Act and also to pay and  
21 discharge the principal of the bonds as shall by their terms  
22 fall due during such period. A separate fund in the State  
23 treasury called the Titanium Powdered Metals Development Bond  
24 Retirement and Interest Fund is hereby created. The General  
25 Assembly shall make appropriations to pay the principal of and

1 interest on the bonds from the Titanium Powdered Metals  
2 Development Bond Retirement and Interest Fund. If for any  
3 reason the General Assembly fails to make appropriations of  
4 amounts sufficient for the State to pay the principal of and  
5 interest on the bonds as they shall by the terms of the bonds  
6 become due, this Act shall constitute an irrevocable and  
7 continuing appropriation of all amounts necessary for that  
8 purpose and the irrevocable and continuing authority for and  
9 direction to the Comptroller and to the Treasurer of the State  
10 to make the necessary transfers out of and disbursements from  
11 the revenues and funds of the State available for that purpose.

12 Section 40. Bond repayment; general obligations. All bonds  
13 issued in accordance with the provisions of this Act shall be  
14 direct, general obligations of the State of Illinois and shall  
15 so state on the face thereof, and the full faith and credit of  
16 the State of Illinois are hereby pledged for the punctual  
17 payment of the interest thereon as the same shall become due  
18 and for the punctual payment of the principal thereof at  
19 maturity, and the provisions of this Section shall be  
20 irrevocable until all bonds issued in accordance with the  
21 provisions of this Act are paid in full as to both principal  
22 and interest.

23 Section 45. Default. If the State fails to pay the  
24 principal of, or interest on, any of the bonds as they become

1 due, a civil action to compel payment may be instituted in the  
2 Supreme Court of Illinois as a court of original jurisdiction  
3 by the holder or holders of the bonds on which such default of  
4 payment exists. Delivery of a summons and a copy of the  
5 complaint to the Attorney General shall constitute sufficient  
6 service to give the Supreme Court of Illinois jurisdiction of  
7 the subject matter of such a suit and jurisdiction over the  
8 State and its officers as defendants for the purpose of  
9 compelling such payment. Any case, controversy, or cause of  
10 action concerning the validity of this Act relates to the  
11 revenue of the State of Illinois.

12 Section 50. Treasurer and Comptroller. Upon each delivery  
13 of bonds authorized to be issued under this Act, the  
14 Comptroller shall compute and certify to the State Treasurer  
15 the total amount of principal of and interest on the bonds  
16 issued that will be payable in order to retire the bonds and  
17 the amount of principal of and interest on the bonds that will  
18 be payable on each payment date according to the terms of the  
19 bonds during the then current and each succeeding fiscal year.  
20 On or before the last day of the month preceding each payment  
21 date, the Treasurer and the Comptroller shall transfer from the  
22 General Revenue Fund in the State treasury to the Titanium  
23 Powdered Minerals Development Bond Retirement and Interest  
24 Fund a sum of money, appropriated for such purpose, so that the  
25 Fund contains an amount equal to the aggregate of the amount of



1 principal and interest payable by the terms of the bonds on the  
2 next payment date. Such computations and transfers shall be  
3 made for each series of the bonds issued and delivered. The  
4 transfer of moneys directed by this Section is not required if  
5 moneys in the Titanium Powdered Minerals Development Bond  
6 Retirement and Interest Fund received from other sources are  
7 more than the amount otherwise to be transferred as herein  
8 provided, and if the Governor so notifies the Comptroller and  
9 Treasurer.

10 Section 55. Refunding bonds. The State of Illinois is  
11 authorized, from time to time as the Governor shall determine,  
12 to issue, sell, and provide for the retirement of bonds of the  
13 State of Illinois for the sole purpose of refunding all or any  
14 portion of the principal of the bonds issued under the  
15 provisions of this Act, provided that the refunding bonds shall  
16 mature no later than the final maturity date of the bonds being  
17 refunded. The refunding bonds shall in all other respects be  
18 subject to the terms and conditions of Sections 15, 20, 30, 35,  
19 40, 45, 50, and 55 of this Act. The principal amount of any  
20 refunding bonds shall not exceed 103% of the principal amount  
21 of the bonds refunded with the proceeds of those refunding  
22 bonds.

23 Section 60. The State Finance Act is amended by adding  
24 Sections 5.811 and 5.812 as follows:

1 (30 ILCS 105/5.811 new)

2 Sec. 5.811. The Titanium Powdered Metals Development Fund.

3 (30 ILCS 105/5.812 new)

4 Sec. 5.812. The Titanium Powdered Metals Development Bond  
5 Retirement and Interest Fund.

6 Section 99. Effective date. This Act takes effect upon  
7 becoming law.