

SB3431



97TH GENERAL ASSEMBLY

State of Illinois

2011 and 2012

SB3431

Introduced 2/7/2012, by Sen. Mike Jacobs

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 19175 HLH 64417 b

FISCAL NOTE ACT
MAY APPLY

STATE DEBT
IMPACT 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 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.