



## 98TH GENERAL ASSEMBLY

### State of Illinois

2013 and 2014

HB1459

by Rep. John E. Bradley

#### SYNOPSIS AS INTRODUCED:

20 ILCS 3105/13

from Ch. 127, par. 783

Amends the Capital Development Board Act. Provides that, for certain contracts entered into between the Capital Development Board and a regional port district concerning an appropriation for cargo handling facilities, if, for a period of 25 years, the regional port district has not been required to remit any amount of the appropriation to the State because the regional port district has failed to achieve the required level of profit, then the regional port district shall not be required to remit any amount of the appropriation under the contract. Effective immediately.

LRB098 04162 JDS 34185 b

FISCAL NOTE ACT  
MAY APPLY

A BILL FOR

1 AN ACT concerning State government.

2 WHEREAS, The State of Illinois has a strategic interest in  
3 the operations of the Illinois International Port District and  
4 its Board, whose function is to develop the District's port and  
5 harbor facilities, issue construction permits, regulate the  
6 District's facilities and waterways, establish and operate  
7 foreign trade zones, and govern and administer all the District  
8 area within Chicago's corporate limits; and

9 WHEREAS, The Illinois International Port District is a very  
10 significant driver of freight movement and economic activity  
11 throughout the State of Illinois, including the downstate  
12 waterways and especially the Mississippi River and the Illinois  
13 River; and

14 WHEREAS, In 2010, cargo shipments at the Port of Chicago  
15 directly or indirectly supported 6,930 jobs and generated  
16 \$425,000,000 in revenue for Illinois firms, according to the  
17 Washington D.C.-based American Great Lakes Ports Association;  
18 and

19 WHEREAS, The Port of Chicago links rail and trucking lines  
20 with barges and ships supplying the Great Lakes and nearby  
21 rivers and handles an estimated 26,000,000 cargo tons annually  
22 throughout its 1,500 acre complex on the far south side,

1 according to a recent estimate by a consortium of Great Lakes  
2 shipping interests; and

3 WHEREAS, In 1978, the Capital Development Board provided  
4 funds to the Illinois International Port District as authorized  
5 by Section 13 of the Capital Development Board Act, which  
6 provides for repayment by the Illinois International Port  
7 District using a flexible formula based on specified levels of  
8 revenues and profits; and

9 WHEREAS, In the over 30 years since that payment from the  
10 Capital Development Board, the Illinois International Port  
11 District has never been required to make a single payment to  
12 the Capital Development Board because it has never reached the  
13 levels of revenues and profits that would require such payment;  
14 and

15 WHEREAS, The Capital Development Board annually certifies  
16 to the Illinois International Port District that it owes no  
17 payment for the year to the Capital Development Board; and

18 WHEREAS, It is virtually impossible that the Illinois  
19 International Port District will ever reach the level of  
20 revenues and profits that would require it to make a payment to  
21 the Capital Development Board; and

1           WHEREAS, In its financial statements for each year since at  
2           least 2005, the Capital Development Board has "reserved" the  
3           entire amount lent to the Illinois International Port District,  
4           indicating that it does not expect any payments under the loan,  
5           and that non-payment of the loan would not require any future  
6           or present cash outlay by the Capital Development Board or the  
7           State; and

8           WHEREAS, For the reasons discussed above, the existence of  
9           this debt is of no value whatsoever to the State and serves  
10          only to limit the investment in the Port of Chicago and the  
11          amount of economic activity throughout Illinois water and rail  
12          lines; and

13          WHEREAS, Official forgiveness of the obligation from the  
14          Illinois International Port District to the Capital  
15          Development Board would benefit the entire State of Illinois by  
16          allowing greater investment in the State's waterways and  
17          freight facilities; therefore

18                 **Be it enacted by the People of the State of Illinois,**  
19                 **represented in the General Assembly:**

20                 Section 5. The Capital Development Board Act is amended by  
21                 changing Section 13 as follows:

1 (20 ILCS 3105/13) (from Ch. 127, par. 783)

2 Sec. 13. The Board may provide cargo handling facilities  
3 and facilities designed for the movement of cargo to or from  
4 cargo handling facilities for the use of regional port  
5 districts. Pursuant to appropriations setting forth specific  
6 projects and regional port districts, the Board shall contract  
7 with the regional port district named in the Act making the  
8 appropriation for cargo handling facilities. Such contract  
9 shall provide that the regional port district shall remit to  
10 the State of Illinois an amount equal to not more than 20% of  
11 the gross receipts attributable to those facilities, and not  
12 less than 20% of the profit attributable to those facilities,  
13 whether collected by the regional port district or through an  
14 operator or other intermediary, until the full amount  
15 appropriated and expended by the State of Illinois has been  
16 remitted to the State. The exact amount of, the manner of, the  
17 method of and the time for such remittances shall be agreed  
18 upon by the particular port district and the Board acting  
19 through its Executive Director, and such agreement may, from  
20 time to time, be amended by the parties so as to alter or  
21 modify the amount of, manner of, method of and time for the  
22 remittance, including, but not limited to, the temporary  
23 forgiveness, suspension or delay of the remittances not to  
24 exceed 24 months for any single suspension or delay. The  
25 payback is subordinate solely to any outstanding public bond  
26 agreements existing at the time of the contract and solely for

1 the period of time of the running of those bond agreements. For  
2 any contract entered into under this Section, if, for a period  
3 of 25 years, a regional port district has not been required to  
4 remit any amount because the regional port district has failed  
5 to achieve the required level of profit, then the regional port  
6 district shall not be required to remit any amount under the  
7 contract.

8 This Section shall apply to all regional port district  
9 facilities to be constructed by the Board, including projects  
10 for which appropriations or reappropriations have been made  
11 prior to June 30, 1976, and to all contracts existing prior to  
12 the effective date of this amendatory Act of 1985 as well as  
13 contracts entered into on or after such date.

14 (Source: P.A. 84-781.)

15 Section 99. Effective date. This Act takes effect upon  
16 becoming law.