

August 19, 2016

To the Honorable Members of
The Illinois House of Representatives,
99th General Assembly:

Today I return House Bill 3262.

House Bill 3262 would allow the Metropolitan Pier and Exposition Authority to issue \$293 million in bonds to replace its loan that funded construction of its second hotel adjacent to McCormick Place. The new bonds would be payable from local Authority taxes, freeing up the hotel revenue to be spent by the Authority on any of its operations rather than dedicating the hotel revenue to loan repayment.

Under current law, the State is required to cover any deficiency in Authority tax revenues needed to repay any of its tax-backed bonds, up to specified levels. House Bill 3262 would expand this State obligation within these levels by the debt service of the newly authorized bonds and extends the State's bond commitment by six years, until 2066. This bill would increase the amount of bonds to be repaid with existing Authority taxes and thus increase the risk to the State of having to cover any shortfalls needed for the higher bond debt over the next 50 years. The State is not in a financial position to accept this additional risk.

Therefore, pursuant to Section 9(b) of Article IV of the Illinois Constitution of 1970, I hereby return House Bill 3262 entitled "AN ACT concerning finance", with the foregoing objections, vetoed in its entirety.

Sincerely,

Bruce Rauner
GOVERNOR