



100TH GENERAL ASSEMBLY

State of Illinois

2017 and 2018

SB2205

Introduced 4/27/2017, by Sen. Kyle McCarter

SYNOPSIS AS INTRODUCED:

See Index

Amends the Illinois Finance Authority Act. Authorizes the Illinois Finance Authority to issue bonds if the amount of accelerated pension benefit payments exceeds the amount appropriated to each pension system for those payments. Amends the General Obligation Bond Act. Authorizes the issuance of an additional \$7,000,000,000 in State General Obligation Restructuring Bonds. Provides that the proceeds from that bond sale shall be used for the purpose of paying vouchers incurred by the State prior to July 1, 2017. Authorizes \$250,000,000 in State Pension Obligation Acceleration Bonds to be sold to pay for accelerated pension benefit payments to eligible persons. Amends the State Pension Funds Continuing Appropriation Act to create a continuing appropriation for payments on those Bonds. Amends the State Finance Act. Provides that, if State spending exceeds \$31,374,000,000, then no member of the General Assembly shall receive any compensation for his or her service as a member of the General Assembly, including any salary, stipend, or per diem, for the remainder of the fiscal year or until such time as the Governor is presented with a bill or bills passed by the General Assembly to reduce State spending to a level that does not exceed the State spending limitation. Effective immediately.

LRB100 12262 HLH 24861 b

FISCAL NOTE ACT
MAY APPLY

STATE DEBT
IMPACT NOTE ACT
MAY APPLY

1 AN ACT concerning finance.

2 WHEREAS, the purpose of this amendatory Act of the 100th
3 General Assembly is to provide financial relief to providers
4 and vendors who do business with the State of Illinois;
5 therefore

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

8 Section 3. The Illinois Finance Authority Act is amended by
9 changing Section 801-40 as follows:

10 (20 ILCS 3501/801-40)

11 Sec. 801-40. In addition to the powers otherwise authorized
12 by law and in addition to the foregoing general corporate
13 powers, the Authority shall also have the following additional
14 specific powers to be exercised in furtherance of the purposes
15 of this Act.

16 (a) The Authority shall have power (i) to accept grants,
17 loans or appropriations from the federal government or the
18 State, or any agency or instrumentality thereof, to be used for
19 the operating expenses of the Authority, or for any purposes of
20 the Authority, including the making of direct loans of such
21 funds with respect to projects, and (ii) to enter into any
22 agreement with the federal government or the State, or any

1 agency or instrumentality thereof, in relationship to such
2 grants, loans or appropriations.

3 (b) The Authority shall have power to procure and enter
4 into contracts for any type of insurance and indemnity
5 agreements covering loss or damage to property from any cause,
6 including loss of use and occupancy, or covering any other
7 insurable risk.

8 (c) The Authority shall have the continuing power to issue
9 bonds for its corporate purposes. Bonds may be issued by the
10 Authority in one or more series and may provide for the payment
11 of any interest deemed necessary on such bonds, of the costs of
12 issuance of such bonds, of any premium on any insurance, or of
13 the cost of any guarantees, letters of credit or other similar
14 documents, may provide for the funding of the reserves deemed
15 necessary in connection with such bonds, and may provide for
16 the refunding or advance refunding of any bonds or for accounts
17 deemed necessary in connection with any purpose of the
18 Authority. The bonds may bear interest payable at any time or
19 times and at any rate or rates, notwithstanding any other
20 provision of law to the contrary, and such rate or rates may be
21 established by an index or formula which may be implemented or
22 established by persons appointed or retained therefor by the
23 Authority, or may bear no interest or may bear interest payable
24 at maturity or upon redemption prior to maturity, may bear such
25 date or dates, may be payable at such time or times and at such
26 place or places, may mature at any time or times not later than

1 40 years from the date of issuance, may be sold at public or
2 private sale at such time or times and at such price or prices,
3 may be secured by such pledges, reserves, guarantees, letters
4 of credit, insurance contracts or other similar credit support
5 or liquidity instruments, may be executed in such manner, may
6 be subject to redemption prior to maturity, may provide for the
7 registration of the bonds, and may be subject to such other
8 terms and conditions all as may be provided by the resolution
9 or indenture authorizing the issuance of such bonds. The holder
10 or holders of any bonds issued by the Authority may bring suits
11 at law or proceedings in equity to compel the performance and
12 observance by any person or by the Authority or any of its
13 agents or employees of any contract or covenant made with the
14 holders of such bonds and to compel such person or the
15 Authority and any of its agents or employees to perform any
16 duties required to be performed for the benefit of the holders
17 of any such bonds by the provision of the resolution
18 authorizing their issuance, and to enjoin such person or the
19 Authority and any of its agents or employees from taking any
20 action in conflict with any such contract or covenant.
21 Notwithstanding the form and tenor of any such bonds and in the
22 absence of any express recital on the face thereof that it is
23 non-negotiable, all such bonds shall be negotiable
24 instruments. Pending the preparation and execution of any such
25 bonds, temporary bonds may be issued as provided by the
26 resolution. The bonds shall be sold by the Authority in such

1 manner as it shall determine. The bonds may be secured as
2 provided in the authorizing resolution by the receipts,
3 revenues, income and other available funds of the Authority and
4 by any amounts derived by the Authority from the loan agreement
5 or lease agreement with respect to the project or projects; and
6 bonds may be issued as general obligations of the Authority
7 payable from such revenues, funds and obligations of the
8 Authority as the bond resolution shall provide, or may be
9 issued as limited obligations with a claim for payment solely
10 from such revenues, funds and obligations as the bond
11 resolution shall provide. The Authority may grant a specific
12 pledge or assignment of and lien on or security interest in
13 such rights, revenues, income, or amounts and may grant a
14 specific pledge or assignment of and lien on or security
15 interest in any reserves, funds or accounts established in the
16 resolution authorizing the issuance of bonds. Any such pledge,
17 assignment, lien or security interest for the benefit of the
18 holders of the Authority's bonds shall be valid and binding
19 from the time the bonds are issued without any physical
20 delivery or further act, and shall be valid and binding as
21 against and prior to the claims of all other parties having
22 claims against the Authority or any other person irrespective
23 of whether the other parties have notice of the pledge,
24 assignment, lien or security interest. As evidence of such
25 pledge, assignment, lien and security interest, the Authority
26 may execute and deliver a mortgage, trust agreement, indenture

1 or security agreement or an assignment thereof. A remedy for
2 any breach or default of the terms of any such agreement by the
3 Authority may be by mandamus proceedings in any court of
4 competent jurisdiction to compel the performance and
5 compliance therewith, but the agreement may prescribe by whom
6 or on whose behalf such action may be instituted. It is
7 expressly understood that the Authority may, but need not,
8 acquire title to any project with respect to which it exercises
9 its authority.

10 (c-5) Subject to the limitations set forth in this
11 subsection (c-5), the Authority shall have the power to issue
12 State Pension Obligation Acceleration Bonds if in any fiscal
13 year the amount appropriated for all accelerated pension
14 benefit payments is less than the amount required for those
15 payments. The proceeds from the State Pension Obligation
16 Acceleration Bonds issued under this subsection may be used
17 only to pay for accelerated pension benefit payments for the
18 fiscal year in which the State Pension Obligation Acceleration
19 Bonds are issued.

20 The Authority may not issue more than \$250,000,000 in State
21 Pension Obligation Acceleration Bonds pursuant to the
22 authority granted in this subsection (c-5), excluding bonds
23 issued to refund outstanding State Pension Obligation
24 Acceleration Bonds.

25 (d) With respect to the powers granted by this Act, the
26 Authority may adopt rules and regulations prescribing the

1 procedures by which persons may apply for assistance under this
2 Act. Nothing herein shall be deemed to preclude the Authority,
3 prior to the filing of any formal application, from conducting
4 preliminary discussions and investigations with respect to the
5 subject matter of any prospective application.

6 (e) The Authority shall have power to acquire by purchase,
7 lease, gift or otherwise any property or rights therein from
8 any person useful for its purposes, whether improved for the
9 purposes of any prospective project, or unimproved. The
10 Authority may also accept any donation of funds for its
11 purposes from any such source. The Authority shall have no
12 independent power of condemnation but may acquire any property
13 or rights therein obtained upon condemnation by any other
14 authority, governmental entity or unit of local government with
15 such power.

16 (f) The Authority shall have power to develop, construct
17 and improve either under its own direction, or through
18 collaboration with any approved applicant, or to acquire
19 through purchase or otherwise, any project, using for such
20 purpose the proceeds derived from the sale of its bonds or from
21 governmental loans or grants, and to hold title in the name of
22 the Authority to such projects.

23 (g) The Authority shall have power to lease pursuant to a
24 lease agreement any project so developed and constructed or
25 acquired to the approved tenant on such terms and conditions as
26 may be appropriate to further the purposes of this Act and to

1 maintain the credit of the Authority. Any such lease may
2 provide for either the Authority or the approved tenant to
3 assume initially, in whole or in part, the costs of
4 maintenance, repair and improvements during the leasehold
5 period. In no case, however, shall the total rentals from any
6 project during any initial leasehold period or the total loan
7 repayments to be made pursuant to any loan agreement, be less
8 than an amount necessary to return over such lease or loan
9 period (1) all costs incurred in connection with the
10 development, construction, acquisition or improvement of the
11 project and for repair, maintenance and improvements thereto
12 during the period of the lease or loan; provided, however, that
13 the rentals or loan repayments need not include costs met
14 through the use of funds other than those obtained by the
15 Authority through the issuance of its bonds or governmental
16 loans; (2) a reasonable percentage additive to be agreed upon
17 by the Authority and the borrower or tenant to cover a properly
18 allocable portion of the Authority's general expenses,
19 including, but not limited to, administrative expenses,
20 salaries and general insurance, and (3) an amount sufficient to
21 pay when due all principal of, interest and premium, if any on,
22 any bonds issued by the Authority with respect to the project.
23 The portion of total rentals payable under clause (3) of this
24 subsection (g) shall be deposited in such special accounts,
25 including all sinking funds, acquisition or construction
26 funds, debt service and other funds as provided by any

1 resolution, mortgage or trust agreement of the Authority
2 pursuant to which any bond is issued.

3 (h) The Authority has the power, upon the termination of
4 any leasehold period of any project, to sell or lease for a
5 further term or terms such project on such terms and conditions
6 as the Authority shall deem reasonable and consistent with the
7 purposes of the Act. The net proceeds from all such sales and
8 the revenues or income from such leases shall be used to
9 satisfy any indebtedness of the Authority with respect to such
10 project and any balance may be used to pay any expenses of the
11 Authority or be used for the further development, construction,
12 acquisition or improvement of projects. In the event any
13 project is vacated by a tenant prior to the termination of the
14 initial leasehold period, the Authority shall sell or lease the
15 facilities of the project on the most advantageous terms
16 available. The net proceeds of any such disposition shall be
17 treated in the same manner as the proceeds from sales or the
18 revenues or income from leases subsequent to the termination of
19 any initial leasehold period.

20 (i) The Authority shall have the power to make loans to
21 persons to finance a project, to enter into loan agreements
22 with respect thereto, and to accept guarantees from persons of
23 its loans or the resultant evidences of obligations of the
24 Authority.

25 (j) The Authority may fix, determine, charge and collect
26 any premiums, fees, charges, costs and expenses, including,

1 without limitation, any application fees, commitment fees,
2 program fees, financing charges or publication fees from any
3 person in connection with its activities under this Act.

4 (k) In addition to the funds established as provided
5 herein, the Authority shall have the power to create and
6 establish such reserve funds and accounts as may be necessary
7 or desirable to accomplish its purposes under this Act and to
8 deposit its available monies into the funds and accounts.

9 (l) At the request of the governing body of any unit of
10 local government, the Authority is authorized to market such
11 local government's revenue bond offerings by preparing bond
12 issues for sale, advertising for sealed bids, receiving bids at
13 its offices, making the award to the bidder that offers the
14 most favorable terms or arranging for negotiated placements or
15 underwritings of such securities. The Authority may, at its
16 discretion, offer for concurrent sale the revenue bonds of
17 several local governments. Sales by the Authority of revenue
18 bonds under this Section shall in no way imply State guarantee
19 of such debt issue. The Authority may require such financial
20 information from participating local governments as it deems
21 necessary in order to carry out the purposes of this subsection
22 (1).

23 (m) The Authority may make grants to any county to which
24 Division 5-37 of the Counties Code is applicable to assist in
25 the financing of capital development, construction and
26 renovation of new or existing facilities for hospitals and

1 health care facilities under that Act. Such grants may only be
2 made from funds appropriated for such purposes from the Build
3 Illinois Bond Fund.

4 (n) The Authority may establish an urban development action
5 grant program for the purpose of assisting municipalities in
6 Illinois which are experiencing severe economic distress to
7 help stimulate economic development activities needed to aid in
8 economic recovery. The Authority shall determine the types of
9 activities and projects for which the urban development action
10 grants may be used, provided that such projects and activities
11 are broadly defined to include all reasonable projects and
12 activities the primary objectives of which are the development
13 of viable urban communities, including decent housing and a
14 suitable living environment, and expansion of economic
15 opportunity, principally for persons of low and moderate
16 incomes. The Authority shall enter into grant agreements from
17 monies appropriated for such purposes from the Build Illinois
18 Bond Fund. The Authority shall monitor the use of the grants,
19 and shall provide for audits of the funds as well as recovery
20 by the Authority of any funds determined to have been spent in
21 violation of this subsection (n) or any rule or regulation
22 promulgated hereunder. The Authority shall provide technical
23 assistance with regard to the effective use of the urban
24 development action grants. The Authority shall file an annual
25 report to the General Assembly concerning the progress of the
26 grant program.

1 (o) The Authority may establish a Housing Partnership
2 Program whereby the Authority provides zero-interest loans to
3 municipalities for the purpose of assisting in the financing of
4 projects for the rehabilitation of affordable multi-family
5 housing for low and moderate income residents. The Authority
6 may provide such loans only upon a municipality's providing
7 evidence that it has obtained private funding for the
8 rehabilitation project. The Authority shall provide 3 State
9 dollars for every 7 dollars obtained by the municipality from
10 sources other than the State of Illinois. The loans shall be
11 made from monies appropriated for such purpose from the Build
12 Illinois Bond Fund. The total amount of loans available under
13 the Housing Partnership Program shall not exceed \$30,000,000.
14 State loan monies under this subsection shall be used only for
15 the acquisition and rehabilitation of existing buildings
16 containing 4 or more dwelling units. The terms of any loan made
17 by the municipality under this subsection shall require
18 repayment of the loan to the municipality upon any sale or
19 other transfer of the project.

20 (p) The Authority may award grants to universities and
21 research institutions, research consortiums and other
22 not-for-profit entities for the purposes of: remodeling or
23 otherwise physically altering existing laboratory or research
24 facilities, expansion or physical additions to existing
25 laboratory or research facilities, construction of new
26 laboratory or research facilities or acquisition of modern

1 equipment to support laboratory or research operations
2 provided that such grants (i) be used solely in support of
3 project and equipment acquisitions which enhance technology
4 transfer, and (ii) not constitute more than 60 percent of the
5 total project or acquisition cost.

6 (q) Grants may be awarded by the Authority to units of
7 local government for the purpose of developing the appropriate
8 infrastructure or defraying other costs to the local government
9 in support of laboratory or research facilities provided that
10 such grants may not exceed 40% of the cost to the unit of local
11 government.

12 (r) The Authority may establish a Direct Loan Program to
13 make loans to individuals, partnerships or corporations for the
14 purpose of an industrial project, as defined in Section 801-10
15 of this Act. For the purposes of such program and not by way of
16 limitation on any other program of the Authority, the Authority
17 shall have the power to issue bonds, notes, or other evidences
18 of indebtedness including commercial paper for purposes of
19 providing a fund of capital from which it may make such loans.
20 The Authority shall have the power to use any appropriations
21 from the State made especially for the Authority's Direct Loan
22 Program for additional capital to make such loans or for the
23 purposes of reserve funds or pledged funds which secure the
24 Authority's obligations of repayment of any bond, note or other
25 form of indebtedness established for the purpose of providing
26 capital for which it intends to make such loans under the

1 Direct Loan Program. For the purpose of obtaining such capital,
2 the Authority may also enter into agreements with financial
3 institutions and other persons for the purpose of selling loans
4 and developing a secondary market for such loans. Loans made
5 under the Direct Loan Program may be in an amount not to exceed
6 \$300,000 and shall be made for a portion of an industrial
7 project which does not exceed 50% of the total project. No loan
8 may be made by the Authority unless approved by the affirmative
9 vote of at least 8 members of the board. The Authority shall
10 establish procedures and publish rules which shall provide for
11 the submission, review, and analysis of each direct loan
12 application and which shall preserve the ability of each board
13 member to reach an individual business judgment regarding the
14 propriety of making each direct loan. The collective discretion
15 of the board to approve or disapprove each loan shall be
16 unencumbered. The Authority may establish and collect such fees
17 and charges, determine and enforce such terms and conditions,
18 and charge such interest rates as it determines to be necessary
19 and appropriate to the successful administration of the Direct
20 Loan Program. The Authority may require such interests in
21 collateral and such guarantees as it determines are necessary
22 to protect the Authority's interest in the repayment of the
23 principal and interest of each loan made under the Direct Loan
24 Program.

25 (s) The Authority may guarantee private loans to third
26 parties up to a specified dollar amount in order to promote

1 economic development in this State.

2 (t) The Authority may adopt rules and regulations as may be
3 necessary or advisable to implement the powers conferred by
4 this Act.

5 (u) The Authority shall have the power to issue bonds,
6 notes or other evidences of indebtedness, which may be used to
7 make loans to units of local government which are authorized to
8 enter into loan agreements and other documents and to issue
9 bonds, notes and other evidences of indebtedness for the
10 purpose of financing the protection of storm sewer outfalls,
11 the construction of adequate storm sewer outfalls, and the
12 provision for flood protection of sanitary sewage treatment
13 plans, in counties that have established a stormwater
14 management planning committee in accordance with Section
15 5-1062 of the Counties Code. Any such loan shall be made by the
16 Authority pursuant to the provisions of Section 820-5 to 820-60
17 of this Act. The unit of local government shall pay back to the
18 Authority the principal amount of the loan, plus annual
19 interest as determined by the Authority. The Authority shall
20 have the power, subject to appropriations by the General
21 Assembly, to subsidize or buy down a portion of the interest on
22 such loans, up to 4% per annum.

23 (v) The Authority may accept security interests as provided
24 in Sections 11-3 and 11-3.3 of the Illinois Public Aid Code.

25 (w) Moral Obligation. In the event that the Authority
26 determines that monies of the Authority will not be sufficient

1 for the payment of the principal of and interest on its bonds
2 during the next State fiscal year, the Chairperson, as soon as
3 practicable, shall certify to the Governor the amount required
4 by the Authority to enable it to pay such principal of and
5 interest on the bonds. The Governor shall submit the amount so
6 certified to the General Assembly as soon as practicable, but
7 no later than the end of the current State fiscal year. This
8 subsection shall apply only to any bonds or notes as to which
9 the Authority shall have determined, in the resolution
10 authorizing the issuance of the bonds or notes, that this
11 subsection shall apply. Whenever the Authority makes such a
12 determination, that fact shall be plainly stated on the face of
13 the bonds or notes and that fact shall also be reported to the
14 Governor. In the event of a withdrawal of moneys from a reserve
15 fund established with respect to any issue or issues of bonds
16 of the Authority to pay principal or interest on those bonds,
17 the Chairperson of the Authority, as soon as practicable, shall
18 certify to the Governor the amount required to restore the
19 reserve fund to the level required in the resolution or
20 indenture securing those bonds. The Governor shall submit the
21 amount so certified to the General Assembly as soon as
22 practicable, but no later than the end of the current State
23 fiscal year. The Authority shall obtain written approval from
24 the Governor for any bonds and notes to be issued under this
25 Section. In addition to any other bonds authorized to be issued
26 under Sections 825-60, 825-65(e), 830-25 and 845-5, the

1 principal amount of Authority bonds outstanding issued under
2 this Section 801-40(w) or under 20 ILCS 3850/1-80 or 30 ILCS
3 360/2-6(c), which have been assumed by the Authority, shall not
4 exceed \$150,000,000. This subsection (w) shall in no way be
5 applied to any bonds issued by the Authority on behalf of the
6 Illinois Power Agency under Section 825-90 of this Act.

7 (x) The Authority may enter into agreements or contracts
8 with any person necessary or appropriate to place the payment
9 obligations of the Authority under any of its bonds in whole or
10 in part on any interest rate basis, cash flow basis, or other
11 basis desired by the Authority, including without limitation
12 agreements or contracts commonly known as "interest rate swap
13 agreements", "forward payment conversion agreements", and
14 "futures", or agreements or contracts to exchange cash flows or
15 a series of payments, or agreements or contracts, including
16 without limitation agreements or contracts commonly known as
17 "options", "puts", or "calls", to hedge payment, rate spread,
18 or similar exposure; provided that any such agreement or
19 contract shall not constitute an obligation for borrowed money
20 and shall not be taken into account under Section 845-5 of this
21 Act or any other debt limit of the Authority or the State of
22 Illinois.

23 (y) The Authority shall publish summaries of projects and
24 actions approved by the members of the Authority on its
25 website. These summaries shall include, but not be limited to,
26 information regarding the:

- 1 (1) project;
- 2 (2) Board's action or actions;
- 3 (3) purpose of the project;
- 4 (4) Authority's program and contribution;
- 5 (5) volume cap;
- 6 (6) jobs retained;
- 7 (7) projected new jobs;
- 8 (8) construction jobs created;
- 9 (9) estimated sources and uses of funds;
- 10 (10) financing summary;
- 11 (11) project summary;
- 12 (12) business summary;
- 13 (13) ownership or economic disclosure statement;
- 14 (14) professional and financial information;
- 15 (15) service area; and
- 16 (16) legislative district.

17 The disclosure of information pursuant to this subsection
18 shall comply with the Freedom of Information Act.

19 (Source: P.A. 95-470, eff. 8-27-07; 95-481, eff. 8-28-07;
20 95-876, eff. 8-21-08; 96-795, eff. 7-1-10 (see Section 5 of
21 P.A. 96-793 for the effective date of changes made by P.A.
22 96-795).)

23 Section 4. The State Finance Act is amended by adding
24 Sections 5.878 and 14.3 as follows:

1 (30 ILCS 105/5.878 new)

2 Sec. 5.878. The State Pension Obligation Acceleration Bond
3 Fund.

4 (30 ILCS 105/14.3 new)

5 Sec. 14.3. Spending limitation.

6 (a) If, in State fiscal years 2018 through 2025, State
7 spending exceeds the State spending limitation set forth in
8 subsection (b) of this Section, then no member of the General
9 Assembly shall receive any compensation for his or her service
10 as a member of the General Assembly, including any salary,
11 stipend, or per diem, for the remainder of the fiscal year or
12 until such time as the Governor is presented with a bill or
13 bills passed by the General Assembly to reduce State spending
14 to a level that does not exceed the State spending limitation,
15 whichever occurs sooner.

16 (b) The State spending limitation for each fiscal year
17 specified in subsection (a) is \$31,374,000,000.

18 (c) Notwithstanding any other provision of law to the
19 contrary, the Auditor General shall examine each Public Act
20 authorizing State spending from State general funds and prepare
21 a report no later than 30 days after receiving notification of
22 the Public Act from the Secretary of State or 60 days after the
23 effective date of the Public Act, whichever is earlier. The
24 Auditor General shall file the report with the Secretary of
25 State and copies with the Governor, the State Treasurer, the

1 State Comptroller, the Senate, and the House of
2 Representatives. The report shall indicate: (i) the amount of
3 State spending set forth in the applicable Public Act; (ii) the
4 total amount of State spending authorized by law for the
5 applicable fiscal year as of the date of the report; and (iii)
6 whether State spending exceeds the State spending limitation
7 set forth in subsection (b). The Auditor General may examine
8 multiple Public Acts in one consolidated report, provided that
9 each Public Act is examined within the time period mandated by
10 this subsection (c). The Auditor General shall issue reports in
11 accordance with this Section through June 30, 2025.

12 At the request of the Auditor General, each State agency
13 shall, without delay, make available to the Auditor General or
14 his or her designated representative any record or information
15 requested and shall provide for examination or copying all
16 records, accounts, papers, reports, vouchers, correspondence,
17 books and other documentation in the custody of that agency,
18 including information stored in electronic data processing
19 systems, which is related to or within the scope of a report
20 prepared under this Section. The Auditor General shall report
21 to the Governor each instance in which a State agency fails to
22 cooperate promptly and fully with his or her office as required
23 by this Section.

24 The Auditor General's report shall not be in the nature of
25 a post-audit or examination and shall not lead to the issuance
26 of an opinion as that term is defined in generally accepted

1 government auditing standards.

2 (d) If the Auditor General reports that State spending has
3 exceeded the State spending limitation set forth in subsection
4 (b) and if the Governor has not been presented with a bill or
5 bills passed by the General Assembly to reduce State spending
6 to a level that does not exceed the State spending limitation
7 within 45 calendar days of receipt of the Auditor General's
8 report, then the Governor may, for the purpose of reducing
9 State spending to a level that does not exceed the State
10 spending limitation set forth in subsection (b), designate
11 amounts to be set aside as a reserve from the amounts
12 appropriated from the State general funds for all boards,
13 commissions, agencies, institutions, authorities, colleges,
14 universities, and bodies politic and corporate of the State,
15 but not other constitutional officers, the legislative or
16 judicial branch, the office of the Executive Inspector General,
17 or the Executive Ethics Commission. Such a designation must be
18 made within 15 calendar days after the end of that 45-day
19 period. If the Governor designates amounts to be set aside as a
20 reserve, the Governor shall give notice of the designation to
21 the Auditor General, the State Treasurer, the State
22 Comptroller, the Senate, and the House of Representatives. The
23 amounts placed in reserves shall not be transferred, obligated,
24 encumbered, expended, or otherwise committed unless so
25 authorized by law. Any amount placed in reserves is not State
26 spending and shall not be considered when calculating the total

1 amount of State spending. Any Public Act authorizing the use of
2 amounts placed in reserve by the Governor is considered State
3 spending, unless such Public Act authorizes the use of amounts
4 placed in reserves in response to a fiscal emergency under
5 subsection (g).

6 (e) If the Auditor General reports under subsection (c)
7 that State spending has exceeded the State spending limitation
8 set forth in subsection (b), then the Auditor General shall
9 issue a supplemental report no sooner than the 61st day and no
10 later than the 65th day after issuing the report pursuant to
11 subsection (c). The supplemental report shall: (i) summarize
12 details of actions taken by the General Assembly and the
13 Governor after the issuance of the initial report to reduce
14 State spending, if any, (ii) indicate whether the level of
15 State spending has changed since the initial report, and (iii)
16 indicate whether State spending exceeds the State spending
17 limitation. The Auditor General shall file the report with the
18 Secretary of State and copies with the Governor, the State
19 Treasurer, the State Comptroller, the Senate, and the House of
20 Representatives. If the supplemental report of the Auditor
21 General provides that State spending exceeds the State spending
22 limitation, then the compensation of members of the General
23 Assembly shall be withheld in accordance with subsection (a)
24 beginning with the first pay period after the issuance of the
25 supplemental report.

26 (f) Notwithstanding the State spending limitation set

1 forth in subsection (b) of this Section, the Governor may
2 declare a fiscal emergency by filing a declaration with the
3 Secretary of State and copies with the State Treasurer, the
4 State Comptroller, the Senate, and the House of
5 Representatives. The declaration must be limited to only one
6 State fiscal year, set forth compelling reasons for declaring a
7 fiscal emergency, and request a specific dollar amount. Unless,
8 within 10 calendar days of receipt of the Governor's
9 declaration, the State Comptroller or State Treasurer notifies
10 the Senate and the House of Representatives that he or she does
11 not concur in the Governor's declaration, State spending
12 authorized by law to address the fiscal emergency in an amount
13 no greater than the dollar amount specified in the declaration
14 shall not be considered "State spending" for purposes of the
15 State spending limitation.

16 (g) As used in this Section:

17 "State general funds" means the General Revenue Fund, the
18 Common School Fund, the General Revenue Common School Special
19 Account Fund, the Education Assistance Fund, and the Budget
20 Stabilization Fund.

21 "State spending" means (i) the total amount authorized for
22 spending by appropriation or statutory transfer from the State
23 general funds in the applicable fiscal year, and (ii) any
24 amounts the Governor places in reserves in accordance with
25 subsection (d) that are subsequently released from reserves
26 following authorization by a Public Act. For the purpose of

1 this definition, "appropriation" means authority to spend
2 money from a State general fund for a specific amount, purpose,
3 and time period, including any supplemental appropriation or
4 continuing appropriation, but does not include
5 reappropriations from a previous fiscal year. For the purpose
6 of this definition, "statutory transfer" means authority to
7 transfer funds from one State general fund to any other fund in
8 the State treasury, but does not include transfers made from
9 one State general fund to another State general fund.

10 "State spending limitation" means the amount described in
11 subsection (b) of this Section for the applicable fiscal year.

12 Section 5. The General Obligation Bond Act is amended by
13 changing Sections 2, 2.5, 9, 11, 12, and 13 and by adding
14 Sections 7.6 and 7.7 as follows:

15 (30 ILCS 330/2) (from Ch. 127, par. 652)

16 Sec. 2. Authorization for Bonds. The State of Illinois is
17 authorized to issue, sell and provide for the retirement of
18 General Obligation Bonds of the State of Illinois for the
19 categories and specific purposes expressed in Sections 2
20 through 8 of this Act, in the total amount of \$57,167,925,743
21 ~~\$49,917,925,743~~.

22 The bonds authorized in this Section 2 and in Section 16 of
23 this Act are herein called "Bonds".

24 Of the total amount of Bonds authorized in this Act, up to

1 \$2,200,000,000 in aggregate original principal amount may be
2 issued and sold in accordance with the Baccalaureate Savings
3 Act in the form of General Obligation College Savings Bonds.

4 Of the total amount of Bonds authorized in this Act, up to
5 \$300,000,000 in aggregate original principal amount may be
6 issued and sold in accordance with the Retirement Savings Act
7 in the form of General Obligation Retirement Savings Bonds.

8 Of the total amount of Bonds authorized in this Act, the
9 additional \$10,000,000,000 authorized by Public Act 93-2, the
10 \$3,466,000,000 authorized by Public Act 96-43, and the
11 \$4,096,348,300 authorized by Public Act 96-1497 shall be used
12 solely as provided in Section 7.2.

13 Of the total amount of Bonds authorized in this Act, the
14 additional \$7,000,000,000 authorized by Section 7.6 shall be
15 used solely as provided in Section 7.6 and shall be issued by
16 September 1, 2017.

17 Of the total amount of Bonds authorized in this Act, the
18 additional \$250,000,000 authorized by Section 7.7 shall be used
19 solely as provided in Section 7.7.

20 The issuance and sale of Bonds pursuant to the General
21 Obligation Bond Act is an economical and efficient method of
22 financing the long-term capital needs of the State. This Act
23 will permit the issuance of a multi-purpose General Obligation
24 Bond with uniform terms and features. This will not only lower
25 the cost of registration but also reduce the overall cost of
26 issuing debt by improving the marketability of Illinois General

1 Obligation Bonds.

2 (Source: P.A. 97-333, eff. 8-12-11; 97-771, eff. 7-10-12;
3 97-813, eff. 7-13-12; 98-94, eff. 7-17-13; 98-463, eff.
4 8-16-13; 98-781, eff. 7-22-14.)

5 (30 ILCS 330/2.5)

6 Sec. 2.5. Limitation on issuance of Bonds.

7 (a) Except as provided in subsection (b), no Bonds may be
8 issued if, after the issuance, in the next State fiscal year
9 after the issuance of the Bonds, the amount of debt service
10 (including principal, whether payable at maturity or pursuant
11 to mandatory sinking fund installments, and interest) on all
12 then-outstanding Bonds, other than (i) Bonds authorized by this
13 amendatory Act of the 100th General Assembly, (ii) Bonds issued
14 authorized by Public Act 96-43, and (iii) other than Bonds
15 authorized by Public Act 96-1497, would exceed 7% of the
16 aggregate appropriations from the general funds (which consist
17 of the General Revenue Fund, the Common School Fund, the
18 General Revenue Common School Special Account Fund, and the
19 Education Assistance Fund) and the Road Fund for the fiscal
20 year immediately prior to the fiscal year of the issuance.

21 (b) If the Comptroller and Treasurer each consent in
22 writing, Bonds may be issued even if the issuance does not
23 comply with subsection (a). In addition, \$2,000,000,000 in
24 Bonds for the purposes set forth in Sections 3, 4, 5, 6, and 7,
25 and \$2,000,000,000 in Refunding Bonds under Section 16, may be

1 issued during State fiscal year 2017 without complying with
2 subsection (a).

3 (Source: P.A. 99-523, eff. 6-30-16.)

4 (30 ILCS 330/7.6 new)

5 Sec. 7.6. State General Obligation Restructuring Bonds.

6 (a) As used in this Act, "State General Obligation
7 Restructuring Bonds" means Bonds (i) authorized by this
8 amendatory Act of the 100th General Assembly or any other
9 Public Act of the 100th General Assembly authorizing the
10 issuance of State General Obligation Restructuring Bonds and
11 (ii) used for the payment of unpaid obligations of the State as
12 incurred from time to time and as authorized by the General
13 Assembly.

14 (b) State General Obligation Restructuring Bonds in the
15 amount of \$7,000,000,000 are hereby authorized to be used for
16 purpose of paying vouchers incurred by the State prior to July
17 1, 2017.

18 (c) The proceeds of State General Obligation Restructuring
19 Bonds authorized in subsection (b) of this Section, less the
20 amounts authorized in the Bond Sale Order to be deposited
21 directly into the capitalized interest account of the General
22 Obligation Bond Retirement and Interest Fund or otherwise
23 directly paid out for bond sale expenses under Section 8, shall
24 be deposited into the General Revenue Fund, and the Comptroller
25 and the Treasurer shall, as soon as practical, make payments as

1 contemplated by this Section.

2 (30 ILCS 330/7.7 new)

3 Sec. 7.7. State Pension Obligation Acceleration Bonds.

4 (a) As used in this Act, "State Pension Obligation
5 Acceleration Bonds" means Bonds authorized by this amendatory
6 Act of the 100th General Assembly and used for the purposes set
7 forth in subsection (c-5) of Section 801-40 of the Illinois
8 Finance Authority Act.

9 (b) State Pension Obligation Acceleration Bonds in the
10 amount of \$250,000,000 are hereby authorized to be used for the
11 purposes set forth in subsection (c-5) of Section 801-40 of the
12 Illinois Finance Authority Act.

13 (c) The proceeds of State Pension Obligation Acceleration
14 Bonds authorized in subsection (b) of this Section, less the
15 amounts authorized in the Bond Sale Order to be directly paid
16 out for bond sale expenses under Section 8, shall be deposited
17 directly into the State Pension Obligation Acceleration Bond
18 Fund, and the Comptroller and the Treasurer shall, as soon as
19 practical, make payments as contemplated by subsection (c-5) of
20 Section 801-40 of the Illinois Finance Authority Act.

21 (d) There is created the State Pension Obligation
22 Acceleration Bond Fund as a special fund in the State Treasury.
23 Funds deposited in the State Pension Obligation Acceleration
24 Bond Fund may only be used for the purposes set forth in
25 subsection (c-5) of Section 801-40 of the Illinois Finance

1 Authority Act or for the payment of principal and interest due
2 on State Pension Obligation Acceleration Bonds.

3 (30 ILCS 330/9) (from Ch. 127, par. 659)

4 Sec. 9. Conditions for Issuance and Sale of Bonds -
5 Requirements for Bonds.

6 (a) Except as otherwise provided in this subsection and
7 subsections (h) and (i), Bonds shall be issued and sold from
8 time to time, in one or more series, in such amounts and at
9 such prices as may be directed by the Governor, upon
10 recommendation by the Director of the Governor's Office of
11 Management and Budget. Bonds shall be in such form (either
12 coupon, registered or book entry), in such denominations,
13 payable within 25 years from their date, subject to such terms
14 of redemption with or without premium, bear interest payable at
15 such times and at such fixed or variable rate or rates, and be
16 dated as shall be fixed and determined by the Director of the
17 Governor's Office of Management and Budget in the order
18 authorizing the issuance and sale of any series of Bonds, which
19 order shall be approved by the Governor and is herein called a
20 "Bond Sale Order"; provided however, that interest payable at
21 fixed or variable rates shall not exceed that permitted in the
22 Bond Authorization Act, as now or hereafter amended. Bonds
23 shall be payable at such place or places, within or without the
24 State of Illinois, and may be made registrable as to either
25 principal or as to both principal and interest, as shall be

1 specified in the Bond Sale Order. Bonds may be callable or
2 subject to purchase and retirement or tender and remarketing as
3 fixed and determined in the Bond Sale Order. Bonds, other than
4 Bonds issued under Section 3 of this Act for the costs
5 associated with the purchase and implementation of information
6 technology, (i) except for refunding Bonds satisfying the
7 requirements of Section 16 of this Act and sold during fiscal
8 year 2009, 2010, 2011, or 2017 must be issued with principal or
9 mandatory redemption amounts in equal amounts, with the first
10 maturity issued occurring within the fiscal year in which the
11 Bonds are issued or within the next succeeding fiscal year and
12 (ii) must mature or be subject to mandatory redemption each
13 fiscal year thereafter up to 25 years, except for refunding
14 Bonds satisfying the requirements of Section 16 of this Act and
15 sold during fiscal year 2009, 2010, or 2011 which must mature
16 or be subject to mandatory redemption each fiscal year
17 thereafter up to 16 years. Bonds issued under Section 3 of this
18 Act for the costs associated with the purchase and
19 implementation of information technology must be issued with
20 principal or mandatory redemption amounts in equal amounts,
21 with the first maturity issued occurring with the fiscal year
22 in which the respective bonds are issued or with the next
23 succeeding fiscal year, with the respective bonds issued
24 maturing or subject to mandatory redemption each fiscal year
25 thereafter up to 10 years. Notwithstanding any provision of
26 this Act to the contrary, the Bonds authorized by Public Act

1 96-43 shall be payable within 5 years from their date and must
 2 be issued with principal or mandatory redemption amounts in
 3 equal amounts, with payment of principal or mandatory
 4 redemption beginning in the first fiscal year following the
 5 fiscal year in which the Bonds are issued.

6 Notwithstanding any provision of this Act to the contrary,
 7 the Bonds authorized by Public Act 96-1497 shall be payable
 8 within 8 years from their date and shall be issued with payment
 9 of maturing principal or scheduled mandatory redemptions in
 10 accordance with the following schedule, except the following
 11 amounts shall be prorated if less than the total additional
 12 amount of Bonds authorized by Public Act 96-1497 are issued:

13	Fiscal Year After Issuance	Amount
14	1-2	\$0
15	3	\$110,712,120
16	4	\$332,136,360
17	5	\$664,272,720
18	6-8	\$996,409,080

19 Notwithstanding any provision of this Act to the contrary,
 20 State General Obligation Restructuring Bonds issued under
 21 Section 7.6 shall be payable within 7 years from the date of
 22 sale and shall be issued with payment of principal or mandatory
 23 redemption as set forth in subsection (h) of this Section.

24 In the case of any series of Bonds bearing interest at a
 25 variable interest rate ("Variable Rate Bonds"), in lieu of
 26 determining the rate or rates at which such series of Variable

1 Rate Bonds shall bear interest and the price or prices at which
2 such Variable Rate Bonds shall be initially sold or remarketed
3 (in the event of purchase and subsequent resale), the Bond Sale
4 Order may provide that such interest rates and prices may vary
5 from time to time depending on criteria established in such
6 Bond Sale Order, which criteria may include, without
7 limitation, references to indices or variations in interest
8 rates as may, in the judgment of a remarketing agent, be
9 necessary to cause Variable Rate Bonds of such series to be
10 remarketable from time to time at a price equal to their
11 principal amount, and may provide for appointment of a bank,
12 trust company, investment bank, or other financial institution
13 to serve as remarketing agent in that connection. The Bond Sale
14 Order may provide that alternative interest rates or provisions
15 for establishing alternative interest rates, different
16 security or claim priorities, or different call or amortization
17 provisions will apply during such times as Variable Rate Bonds
18 of any series are held by a person providing credit or
19 liquidity enhancement arrangements for such Bonds as
20 authorized in subsection (b) of this Section. The Bond Sale
21 Order may also provide for such variable interest rates to be
22 established pursuant to a process generally known as an auction
23 rate process and may provide for appointment of one or more
24 financial institutions to serve as auction agents and
25 broker-dealers in connection with the establishment of such
26 interest rates and the sale and remarketing of such Bonds.

1 (b) In connection with the issuance of any series of Bonds,
2 the State may enter into arrangements to provide additional
3 security and liquidity for such Bonds, including, without
4 limitation, bond or interest rate insurance or letters of
5 credit, lines of credit, bond purchase contracts, or other
6 arrangements whereby funds are made available to retire or
7 purchase Bonds, thereby assuring the ability of owners of the
8 Bonds to sell or redeem their Bonds. The State may enter into
9 contracts and may agree to pay fees to persons providing such
10 arrangements, but only under circumstances where the Director
11 of the Governor's Office of Management and Budget certifies
12 that he or she reasonably expects the total interest paid or to
13 be paid on the Bonds, together with the fees for the
14 arrangements (being treated as if interest), would not, taken
15 together, cause the Bonds to bear interest, calculated to their
16 stated maturity, at a rate in excess of the rate that the Bonds
17 would bear in the absence of such arrangements.

18 The State may, with respect to Bonds issued or anticipated
19 to be issued, participate in and enter into arrangements with
20 respect to interest rate protection or exchange agreements,
21 guarantees, or financial futures contracts for the purpose of
22 limiting, reducing, or managing interest rate exposure. The
23 authority granted under this paragraph, however, shall not
24 increase the principal amount of Bonds authorized to be issued
25 by law. The arrangements may be executed and delivered by the
26 Director of the Governor's Office of Management and Budget on

1 behalf of the State. Net payments for such arrangements shall
2 constitute interest on the Bonds and shall be paid from the
3 General Obligation Bond Retirement and Interest Fund. The
4 Director of the Governor's Office of Management and Budget
5 shall at least annually certify to the Governor and the State
6 Comptroller his or her estimate of the amounts of such net
7 payments to be included in the calculation of interest required
8 to be paid by the State.

9 (c) Prior to the issuance of any Variable Rate Bonds
10 pursuant to subsection (a), the Director of the Governor's
11 Office of Management and Budget shall adopt an interest rate
12 risk management policy providing that the amount of the State's
13 variable rate exposure with respect to Bonds shall not exceed
14 20%. This policy shall remain in effect while any Bonds are
15 outstanding and the issuance of Bonds shall be subject to the
16 terms of such policy. The terms of this policy may be amended
17 from time to time by the Director of the Governor's Office of
18 Management and Budget but in no event shall any amendment cause
19 the permitted level of the State's variable rate exposure with
20 respect to Bonds to exceed 20%.

21 (d) "Build America Bonds" in this Section means Bonds
22 authorized by Section 54AA of the Internal Revenue Code of
23 1986, as amended ("Internal Revenue Code"), and bonds issued
24 from time to time to refund or continue to refund "Build
25 America Bonds".

26 (e) Notwithstanding any other provision of this Section,

1 Qualified School Construction Bonds shall be issued and sold
2 from time to time, in one or more series, in such amounts and
3 at such prices as may be directed by the Governor, upon
4 recommendation by the Director of the Governor's Office of
5 Management and Budget. Qualified School Construction Bonds
6 shall be in such form (either coupon, registered or book
7 entry), in such denominations, payable within 25 years from
8 their date, subject to such terms of redemption with or without
9 premium, and if the Qualified School Construction Bonds are
10 issued with a supplemental coupon, bear interest payable at
11 such times and at such fixed or variable rate or rates, and be
12 dated as shall be fixed and determined by the Director of the
13 Governor's Office of Management and Budget in the order
14 authorizing the issuance and sale of any series of Qualified
15 School Construction Bonds, which order shall be approved by the
16 Governor and is herein called a "Bond Sale Order"; except that
17 interest payable at fixed or variable rates, if any, shall not
18 exceed that permitted in the Bond Authorization Act, as now or
19 hereafter amended. Qualified School Construction Bonds shall
20 be payable at such place or places, within or without the State
21 of Illinois, and may be made registrable as to either principal
22 or as to both principal and interest, as shall be specified in
23 the Bond Sale Order. Qualified School Construction Bonds may be
24 callable or subject to purchase and retirement or tender and
25 remarketing as fixed and determined in the Bond Sale Order.
26 Qualified School Construction Bonds must be issued with

1 principal or mandatory redemption amounts or sinking fund
2 payments into the General Obligation Bond Retirement and
3 Interest Fund (or subaccount therefor) in equal amounts, with
4 the first maturity issued, mandatory redemption payment or
5 sinking fund payment occurring within the fiscal year in which
6 the Qualified School Construction Bonds are issued or within
7 the next succeeding fiscal year, with Qualified School
8 Construction Bonds issued maturing or subject to mandatory
9 redemption or with sinking fund payments thereof deposited each
10 fiscal year thereafter up to 25 years. Sinking fund payments
11 set forth in this subsection shall be permitted only to the
12 extent authorized in Section 54F of the Internal Revenue Code
13 or as otherwise determined by the Director of the Governor's
14 Office of Management and Budget. "Qualified School
15 Construction Bonds" in this subsection means Bonds authorized
16 by Section 54F of the Internal Revenue Code and for bonds
17 issued from time to time to refund or continue to refund such
18 "Qualified School Construction Bonds".

19 (f) Beginning with the next issuance by the Governor's
20 Office of Management and Budget to the Procurement Policy Board
21 of a request for quotation for the purpose of formulating a new
22 pool of qualified underwriting banks list, all entities
23 responding to such a request for quotation for inclusion on
24 that list shall provide a written report to the Governor's
25 Office of Management and Budget and the Illinois Comptroller.
26 The written report submitted to the Comptroller shall (i) be

1 published on the Comptroller's Internet website and (ii) be
2 used by the Governor's Office of Management and Budget for the
3 purposes of scoring such a request for quotation. The written
4 report, at a minimum, shall:

5 (1) disclose whether, within the past 3 months,
6 pursuant to its credit default swap market-making
7 activities, the firm has entered into any State of Illinois
8 credit default swaps ("CDS");

9 (2) include, in the event of State of Illinois CDS
10 activity, disclosure of the firm's cumulative notional
11 volume of State of Illinois CDS trades and the firm's
12 outstanding gross and net notional amount of State of
13 Illinois CDS, as of the end of the current 3-month period;

14 (3) indicate, pursuant to the firm's proprietary
15 trading activities, disclosure of whether the firm, within
16 the past 3 months, has entered into any proprietary trades
17 for its own account in State of Illinois CDS;

18 (4) include, in the event of State of Illinois
19 proprietary trades, disclosure of the firm's outstanding
20 gross and net notional amount of proprietary State of
21 Illinois CDS and whether the net position is short or long
22 credit protection, as of the end of the current 3-month
23 period;

24 (5) list all time periods during the past 3 months
25 during which the firm held net long or net short State of
26 Illinois CDS proprietary credit protection positions, the

1 amount of such positions, and whether those positions were
2 net long or net short credit protection positions; and

3 (6) indicate whether, within the previous 3 months, the
4 firm released any publicly available research or marketing
5 reports that reference State of Illinois CDS and include
6 those research or marketing reports as attachments.

7 (g) All entities included on a Governor's Office of
8 Management and Budget's pool of qualified underwriting banks
9 list shall, as soon as possible after March 18, 2011 (the
10 effective date of Public Act 96-1554), but not later than
11 January 21, 2011, and on a quarterly fiscal basis thereafter,
12 provide a written report to the Governor's Office of Management
13 and Budget and the Illinois Comptroller. The written reports
14 submitted to the Comptroller shall be published on the
15 Comptroller's Internet website. The written reports, at a
16 minimum, shall:

17 (1) disclose whether, within the past 3 months,
18 pursuant to its credit default swap market-making
19 activities, the firm has entered into any State of Illinois
20 credit default swaps ("CDS");

21 (2) include, in the event of State of Illinois CDS
22 activity, disclosure of the firm's cumulative notional
23 volume of State of Illinois CDS trades and the firm's
24 outstanding gross and net notional amount of State of
25 Illinois CDS, as of the end of the current 3-month period;

26 (3) indicate, pursuant to the firm's proprietary

1 trading activities, disclosure of whether the firm, within
2 the past 3 months, has entered into any proprietary trades
3 for its own account in State of Illinois CDS;

4 (4) include, in the event of State of Illinois
5 proprietary trades, disclosure of the firm's outstanding
6 gross and net notional amount of proprietary State of
7 Illinois CDS and whether the net position is short or long
8 credit protection, as of the end of the current 3-month
9 period;

10 (5) list all time periods during the past 3 months
11 during which the firm held net long or net short State of
12 Illinois CDS proprietary credit protection positions, the
13 amount of such positions, and whether those positions were
14 net long or net short credit protection positions; and

15 (6) indicate whether, within the previous 3 months, the
16 firm released any publicly available research or marketing
17 reports that reference State of Illinois CDS and include
18 those research or marketing reports as attachments.

19 (h) Notwithstanding any other provision of this Section,
20 for purposes of maximizing market efficiencies and cost
21 savings, State General Obligation Restructuring Bonds may be
22 issued and sold from time to time, in one or more series, in
23 such amounts and at such prices as may be directed by the
24 Governor, upon recommendation by the Director of the Governor's
25 Office of Management and Budget. State General Obligation
26 Restructuring Bonds shall be in such form, either coupon,

1 registered, or book entry, in such denominations, shall bear
2 interest payable at such times and at such fixed or variable
3 rate or rates, and be dated as shall be fixed and determined by
4 the Director of the Governor's Office of Management and Budget
5 in the order authorizing the issuance and sale of any series of
6 State General Obligation Restructuring Bonds, which order
7 shall be approved by the Governor and is herein called a "Bond
8 Sale Order"; provided, however, that interest payable at fixed
9 or variable rates shall not exceed that permitted in the Bond
10 Authorization Act. State General Obligation Restructuring
11 Bonds shall be payable at such place or places, within or
12 without the State of Illinois, and may be made registrable as
13 to either principal or as to both principal and interest, as
14 shall be specified in the Bond Sale Order. State General
15 Obligation Restructuring Bonds may be callable or subject to
16 purchase and retirement or tender and remarketing as fixed and
17 determined in the Bond Sale Order.

18 The aggregate principal and interest amounts of State
19 General Obligation Restructuring Bonds authorized by and
20 issued pursuant to this amendatory Act of the 100th General
21 Assembly or other such amendatory Acts of the 100th General
22 Assembly authorizing the issuance of State General Obligation
23 Restructuring Bonds shall, in the aggregate, mature or be
24 subject to redemption in the annual percentages set forth in
25 the following schedule:

26 (1) for fiscal year 2019, 14.2857%;

- 1 (2) for fiscal year 2020, 14.2857%;
2 (3) for fiscal year 2021, 14.2857%;
3 (4) for fiscal year 2022, 14.2857%;
4 (5) for fiscal year 2023, 14.2857%;
5 (6) for fiscal year 2024, 14.2857%; and
6 (7) for fiscal year 2025, 14.2858%.

7 Notwithstanding the foregoing, the principal amounts
8 calculated above shall be in increments of \$5,000. Moreover,
9 the percentages set forth in items (1) through (7) shall be
10 applicable to the aggregate principal amount of State General
11 Obligation Restructuring Bonds authorized by this amendatory
12 Act of the 100th General Assembly and any other amendatory Acts
13 of the 100th General Assembly authorizing State General
14 Obligation Restructuring Bonds. While individual series of
15 State General Obligation Restructuring Bonds as may be sold
16 from time to time need not be scheduled to mature or be subject
17 to redemption in accordance with the percentages above,
18 redemptions whether by maturity or sinking fund, in any fiscal
19 year for all State General Obligation Restructuring Bonds, in
20 the aggregate, shall be no less than the percentages shown
21 above. Notwithstanding the foregoing, in the event that fewer
22 than all of the State General Obligation Restructuring Bonds
23 authorized by this amendatory Act of the 100th General Assembly
24 have been issued by September 1, 2017, failure of the
25 then-outstanding State General Obligation Restructuring Bonds
26 to satisfy the repayment schedule set forth above shall not

1 affect the validity of any of those outstanding Bonds.

2 (i) Notwithstanding any other provision of this Section,
3 for purposes of maximizing market efficiencies and cost
4 savings, State Pension Obligation Acceleration Bonds may be
5 issued and sold from time to time, in one or more series, in
6 such amounts and at such prices as may be directed by the
7 Governor, upon recommendation by the Director of the Governor's
8 Office of Management and Budget. State Pension Obligation
9 Acceleration Bonds shall be in such form, either coupon,
10 registered, or book entry, in such denominations, shall bear
11 interest payable at such times and at such fixed or variable
12 rate or rates, and be dated as shall be fixed and determined by
13 the Director of the Governor's Office of Management and Budget
14 in the order authorizing the issuance and sale of any series of
15 State Pension Obligation Acceleration Bonds, which order shall
16 be approved by the Governor and is herein called a "Bond Sale
17 Order"; provided, however, that interest payable at fixed or
18 variable rates shall not exceed that permitted in the Bond
19 Authorization Act. State Pension Obligation Acceleration Bonds
20 shall be payable at such place or places, within or without the
21 State of Illinois, and may be made registrable as to either
22 principal or as to both principal and interest, as shall be
23 specified in the Bond Sale Order. State Pension Obligation
24 Acceleration Bonds may be callable or subject to purchase and
25 retirement or tender and remarketing as fixed and determined in
26 the Bond Sale Order.

1 (Source: P.A. 99-523, eff. 6-30-16.)

2 (30 ILCS 330/11) (from Ch. 127, par. 661)

3 Sec. 11. Sale of Bonds. Except as otherwise provided in
4 this Section, Bonds shall be sold from time to time pursuant to
5 notice of sale and public bid or by negotiated sale in such
6 amounts and at such times as is directed by the Governor, upon
7 recommendation by the Director of the Governor's Office of
8 Management and Budget. At least 25%, based on total principal
9 amount, of all Bonds issued each fiscal year shall be sold
10 pursuant to notice of sale and public bid. At all times during
11 each fiscal year, no more than 75%, based on total principal
12 amount, of the Bonds issued each fiscal year, shall have been
13 sold by negotiated sale. Failure to satisfy the requirements in
14 the preceding 2 sentences shall not affect the validity of any
15 previously issued Bonds; provided that all Bonds authorized by
16 Public Act 96-43 and Public Act 96-1497 shall not be included
17 in determining compliance for any fiscal year with the
18 requirements of the preceding 2 sentences; and further provided
19 that refunding Bonds satisfying the requirements of Section 16
20 of this Act and sold during fiscal year 2009, 2010, 2011, or
21 2017 shall not be subject to the requirements in the preceding
22 2 sentences.

23 If any Bonds, including refunding Bonds, are to be sold by
24 negotiated sale, the Director of the Governor's Office of
25 Management and Budget shall comply with the competitive request

1 for proposal process set forth in the Illinois Procurement Code
2 and all other applicable requirements of that Code.

3 If Bonds are to be sold pursuant to notice of sale and
4 public bid, the Director of the Governor's Office of Management
5 and Budget may, from time to time, as Bonds are to be sold,
6 advertise the sale of the Bonds in at least 2 daily newspapers,
7 one of which is published in the City of Springfield and one in
8 the City of Chicago. The sale of the Bonds shall also be
9 advertised in the volume of the Illinois Procurement Bulletin
10 that is published by the Department of Central Management
11 Services, and shall be published once at least 10 days prior to
12 the date fixed for the opening of the bids. The Director of the
13 Governor's Office of Management and Budget may reschedule the
14 date of sale upon the giving of such additional notice as the
15 Director deems adequate to inform prospective bidders of such
16 change; provided, however, that all other conditions of the
17 sale shall continue as originally advertised.

18 Executed Bonds shall, upon payment therefor, be delivered
19 to the purchaser, and the proceeds of Bonds shall be paid into
20 the State Treasury as directed by Section 12 of this Act.

21 All State General Obligation Restructuring Bonds shall
22 comply with this Section. Notwithstanding anything to the
23 contrary, however, for purposes of complying with this Section,
24 State General Obligation Restructuring Bonds, regardless of
25 the number of series or issuances sold thereunder, shall be
26 considered a single issue or series. Furthermore, for purposes

1 of complying with the competitive bidding requirements of this
2 Section, the words "at all times" shall not apply to any such
3 sale of the State General Obligation Restructuring Bonds. The
4 Director of the Governor's Office of Management and Budget
5 shall determine the time and manner of any competitive sale of
6 the State General Obligation Restructuring Bonds; however,
7 that sale shall under no circumstances take place later than 60
8 days after the State closes the sale of 75% of the State
9 General Obligation Restructuring Bonds by negotiated sale.

10 All State Pension Obligation Acceleration Bonds shall
11 comply with this Section. Notwithstanding anything to the
12 contrary, however, for purposes of complying with this Section,
13 State Pension Obligation Acceleration Bonds, regardless of the
14 number of series or issuances sold thereunder, shall be
15 considered a single issue or series. Furthermore, for purposes
16 of complying with the competitive bidding requirements of this
17 Section, the words "at all times" shall not apply to any such
18 sale of the State Pension Obligation Acceleration Bonds. The
19 Director of the Governor's Office of Management and Budget
20 shall determine the time and manner of any competitive sale of
21 the State Pension Obligation Acceleration Bonds; however, that
22 sale shall under no circumstances take place later than 60 days
23 after the State closes the sale of 75% of the State Pension
24 Obligation Acceleration Bonds by negotiated sale.

25 (Source: P.A. 98-44, eff. 6-28-13; 99-523, eff. 6-30-16.)

1 (30 ILCS 330/12) (from Ch. 127, par. 662)

2 Sec. 12. Allocation of Proceeds from Sale of Bonds.

3 (a) Proceeds from the sale of Bonds, authorized by Section
4 3 of this Act, shall be deposited in the separate fund known as
5 the Capital Development Fund.

6 (b) Proceeds from the sale of Bonds, authorized by
7 paragraph (a) of Section 4 of this Act, shall be deposited in
8 the separate fund known as the Transportation Bond, Series A
9 Fund.

10 (c) Proceeds from the sale of Bonds, authorized by
11 paragraphs (b) and (c) of Section 4 of this Act, shall be
12 deposited in the separate fund known as the Transportation
13 Bond, Series B Fund.

14 (c-1) Proceeds from the sale of Bonds, authorized by
15 paragraph (d) of Section 4 of this Act, shall be deposited into
16 the Transportation Bond Series D Fund, which is hereby created.

17 (d) Proceeds from the sale of Bonds, authorized by Section
18 5 of this Act, shall be deposited in the separate fund known as
19 the School Construction Fund.

20 (e) Proceeds from the sale of Bonds, authorized by Section
21 6 of this Act, shall be deposited in the separate fund known as
22 the Anti-Pollution Fund.

23 (f) Proceeds from the sale of Bonds, authorized by Section
24 7 of this Act, shall be deposited in the separate fund known as
25 the Coal Development Fund.

26 (f-2) Proceeds from the sale of Bonds, authorized by

1 Section 7.2 of this Act, shall be deposited as set forth in
2 Section 7.2.

3 (f-5) Proceeds from the sale of Bonds, authorized by
4 Section 7.5 of this Act, shall be deposited as set forth in
5 Section 7.5.

6 (f-6) Proceeds from the sale of Bonds, authorized by
7 Section 7.6 of this Act, shall be deposited as set forth in
8 Section 7.6.

9 (f-7) Proceeds from the sale of Bonds, authorized by
10 Section 7.7 of this Act, shall be deposited as set forth in
11 Section 7.7.

12 (g) Proceeds from the sale of Bonds, authorized by Section
13 8 of this Act, shall be deposited in the Capital Development
14 Fund.

15 (h) Subsequent to the issuance of any Bonds for the
16 purposes described in Sections 2 through 8 of this Act, the
17 Governor and the Director of the Governor's Office of
18 Management and Budget may provide for the reallocation of
19 unspent proceeds of such Bonds to any other purposes authorized
20 under said Sections of this Act, subject to the limitations on
21 aggregate principal amounts contained therein. Upon any such
22 reallocation, such unspent proceeds shall be transferred to the
23 appropriate funds as determined by reference to paragraphs (a)
24 through (g) of this Section.

25 (Source: P.A. 96-36, eff. 7-13-09.)

1 (30 ILCS 330/13) (from Ch. 127, par. 663)

2 Sec. 13. Appropriation of Proceeds from Sale of Bonds.

3 (a) At all times, the proceeds from the sale of Bonds
4 issued pursuant to this Act are subject to appropriation by the
5 General Assembly and, except as provided in Sections ~~Section~~
6 7.2, 7.6, and 7.7, may be obligated or expended only with the
7 written approval of the Governor, in such amounts, at such
8 times, and for such purposes as the respective State agencies,
9 as defined in Section 1-7 of the Illinois State Auditing Act,
10 as amended, deem necessary or desirable for the specific
11 purposes contemplated in Sections 2 through 8 of this Act.
12 Notwithstanding any other provision of this Act, proceeds from
13 the sale of Bonds issued pursuant to this Act appropriated by
14 the General Assembly to the Architect of the Capitol may be
15 obligated or expended by the Architect of the Capitol without
16 the written approval of the Governor.

17 (b) Proceeds from the sale of Bonds for the purpose of
18 development of coal and alternative forms of energy shall be
19 expended in such amounts and at such times as the Department of
20 Commerce and Economic Opportunity, with the advice and
21 recommendation of the Illinois Coal Development Board for coal
22 development projects, may deem necessary and desirable for the
23 specific purpose contemplated by Section 7 of this Act. In
24 considering the approval of projects to be funded, the
25 Department of Commerce and Economic Opportunity shall give
26 special consideration to projects designed to remove sulfur and

1 other pollutants in the preparation and utilization of coal,
2 and in the use and operation of electric utility generating
3 plants and industrial facilities which utilize Illinois coal as
4 their primary source of fuel.

5 (c) Except as directed in subsection (c-1) or (c-2), any
6 monies received by any officer or employee of the state
7 representing a reimbursement of expenditures previously paid
8 from general obligation bond proceeds shall be deposited into
9 the General Obligation Bond Retirement and Interest Fund
10 authorized in Section 14 of this Act.

11 (c-1) Any money received by the Department of
12 Transportation as reimbursement for expenditures for high
13 speed rail purposes pursuant to appropriations from the
14 Transportation Bond, Series B Fund for (i) CREATE (Chicago
15 Region Environmental and Transportation Efficiency), (ii) High
16 Speed Rail, or (iii) AMTRAK projects authorized by the federal
17 government under the provisions of the American Recovery and
18 Reinvestment Act of 2009 or the Safe Accountable Flexible
19 Efficient Transportation Equity Act—A Legacy for Users
20 (SAFETEA-LU), or any successor federal transportation
21 authorization Act, shall be deposited into the Federal High
22 Speed Rail Trust Fund.

23 (c-2) Any money received by the Department of
24 Transportation as reimbursement for expenditures for transit
25 capital purposes pursuant to appropriations from the
26 Transportation Bond, Series B Fund for projects authorized by

1 the federal government under the provisions of the American
2 Recovery and Reinvestment Act of 2009 or the Safe Accountable
3 Flexible Efficient Transportation Equity Act—A Legacy for
4 Users (SAFETEA-LU), or any successor federal transportation
5 authorization Act, shall be deposited into the Federal Mass
6 Transit Trust Fund.

7 (Source: P.A. 98-674, eff. 6-30-14.)

8 Section 10. The State Pension Funds Continuing
9 Appropriation Act is amended by adding Section 1.10 as follows:

10 (40 ILCS 15/1.10 new)

11 Sec. 1.10. Appropriations for State Pension Obligation
12 Acceleration Bonds. If for any reason the aggregate
13 appropriations made available are insufficient to meet the
14 levels required for the payment of principal and interest due
15 on State Pension Obligation Acceleration Bonds under Section
16 7.7 of the General Obligation Bond Act, this Section shall
17 constitute a continuing appropriation of all amounts necessary
18 for those purposes.

19 Section 99. Effective date. This Act takes effect upon
20 becoming law.

1		INDEX
2		Statutes amended in order of appearance
3	20 ILCS 3501/801-40	
4	30 ILCS 105/5.878 new	
5	30 ILCS 105/14.3 new	
6	30 ILCS 330/2	from Ch. 127, par. 652
7	30 ILCS 330/2.5	
8	30 ILCS 330/7.6 new	
9	30 ILCS 330/7.7 new	
10	30 ILCS 330/9	from Ch. 127, par. 659
11	30 ILCS 330/11	from Ch. 127, par. 661
12	30 ILCS 330/12	from Ch. 127, par. 662
13	30 ILCS 330/13	from Ch. 127, par. 663
14	40 ILCS 15/1.10 new	