



Sen. Pamela J. Althoff

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1 AMENDMENT TO SENATE BILL 2883

2 AMENDMENT NO. _____. Amend Senate Bill 2883 on page 1,
3 line 5, by replacing "Section 845-5" with "Sections 801-40 and
4 845-5"; and

5 on page 1, immediately below line 5, by inserting the
6 following:

7 "(20 ILCS 3501/801-40)

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

13 (a) The Authority shall have power (i) to accept grants,
14 loans or appropriations from the federal government or the
15 State, or any agency or instrumentality thereof, to be used for
16 the operating expenses of the Authority, or for any purposes of

1 the Authority, including the making of direct loans of such
2 funds with respect to projects, and (ii) to enter into any
3 agreement with the federal government or the State, or any
4 agency or instrumentality thereof, in relationship to such
5 grants, loans or appropriations.

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

11 (c) The Authority shall have the continuing power to issue
12 bonds for its corporate purposes. Bonds may be issued by the
13 Authority in one or more series and may provide for the payment
14 of any interest deemed necessary on such bonds, of the costs of
15 issuance of such bonds, of any premium on any insurance, or of
16 the cost of any guarantees, letters of credit or other similar
17 documents, may provide for the funding of the reserves deemed
18 necessary in connection with such bonds, and may provide for
19 the refunding or advance refunding of any bonds or for accounts
20 deemed necessary in connection with any purpose of the
21 Authority. The bonds may bear interest payable at any time or
22 times and at any rate or rates, notwithstanding any other
23 provision of law to the contrary, and such rate or rates may be
24 established by an index or formula which may be implemented or
25 established by persons appointed or retained therefor by the
26 Authority, or may bear no interest or may bear interest payable

1 at maturity or upon redemption prior to maturity, may bear such
2 date or dates, may be payable at such time or times and at such
3 place or places, may mature at any time or times not later than
4 40 years from the date of issuance, may be sold at public or
5 private sale at such time or times and at such price or prices,
6 may be secured by such pledges, reserves, guarantees, letters
7 of credit, insurance contracts or other similar credit support
8 or liquidity instruments, may be executed in such manner, may
9 be subject to redemption prior to maturity, may provide for the
10 registration of the bonds, and may be subject to such other
11 terms and conditions all as may be provided by the resolution
12 or indenture authorizing the issuance of such bonds. The holder
13 or holders of any bonds issued by the Authority may bring suits
14 at law or proceedings in equity to compel the performance and
15 observance by any person or by the Authority or any of its
16 agents or employees of any contract or covenant made with the
17 holders of such bonds and to compel such person or the
18 Authority and any of its agents or employees to perform any
19 duties required to be performed for the benefit of the holders
20 of any such bonds by the provision of the resolution
21 authorizing their issuance, and to enjoin such person or the
22 Authority and any of its agents or employees from taking any
23 action in conflict with any such contract or covenant.
24 Notwithstanding the form and tenor of any such bonds and in the
25 absence of any express recital on the face thereof that it is
26 non-negotiable, all such bonds shall be negotiable

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

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

13 (d) With respect to the powers granted by this Act, the
14 Authority may adopt rules and regulations prescribing the
15 procedures by which persons may apply for assistance under this
16 Act. Nothing herein shall be deemed to preclude the Authority,
17 prior to the filing of any formal application, from conducting
18 preliminary discussions and investigations with respect to the
19 subject matter of any prospective application.

20 (e) The Authority shall have power to acquire by purchase,
21 lease, gift or otherwise any property or rights therein from
22 any person useful for its purposes, whether improved for the
23 purposes of any prospective project, or unimproved. The
24 Authority may also accept any donation of funds for its
25 purposes from any such source. The Authority shall have no
26 independent power of condemnation but may acquire any property

1 or rights therein obtained upon condemnation by any other
2 authority, governmental entity or unit of local government with
3 such power.

4 (f) The Authority shall have power to develop, construct
5 and improve either under its own direction, or through
6 collaboration with any approved applicant, or to acquire
7 through purchase or otherwise, any project, using for such
8 purpose the proceeds derived from the sale of its bonds or from
9 governmental loans or grants, and to hold title in the name of
10 the Authority to such projects.

11 (g) The Authority shall have power to lease pursuant to a
12 lease agreement any project so developed and constructed or
13 acquired to the approved tenant on such terms and conditions as
14 may be appropriate to further the purposes of this Act and to
15 maintain the credit of the Authority. Any such lease may
16 provide for either the Authority or the approved tenant to
17 assume initially, in whole or in part, the costs of
18 maintenance, repair and improvements during the leasehold
19 period. In no case, however, shall the total rentals from any
20 project during any initial leasehold period or the total loan
21 repayments to be made pursuant to any loan agreement, be less
22 than an amount necessary to return over such lease or loan
23 period (1) all costs incurred in connection with the
24 development, construction, acquisition or improvement of the
25 project and for repair, maintenance and improvements thereto
26 during the period of the lease or loan; provided, however, that

1 the rentals or loan repayments need not include costs met
2 through the use of funds other than those obtained by the
3 Authority through the issuance of its bonds or governmental
4 loans; (2) a reasonable percentage additive to be agreed upon
5 by the Authority and the borrower or tenant to cover a properly
6 allocable portion of the Authority's general expenses,
7 including, but not limited to, administrative expenses,
8 salaries and general insurance, and (3) an amount sufficient to
9 pay when due all principal of, interest and premium, if any on,
10 any bonds issued by the Authority with respect to the project.
11 The portion of total rentals payable under clause (3) of this
12 subsection (g) shall be deposited in such special accounts,
13 including all sinking funds, acquisition or construction
14 funds, debt service and other funds as provided by any
15 resolution, mortgage or trust agreement of the Authority
16 pursuant to which any bond is issued.

17 (h) The Authority has the power, upon the termination of
18 any leasehold period of any project, to sell or lease for a
19 further term or terms such project on such terms and conditions
20 as the Authority shall deem reasonable and consistent with the
21 purposes of the Act. The net proceeds from all such sales and
22 the revenues or income from such leases shall be used to
23 satisfy any indebtedness of the Authority with respect to such
24 project and any balance may be used to pay any expenses of the
25 Authority or be used for the further development, construction,
26 acquisition or improvement of projects. In the event any

1 project is vacated by a tenant prior to the termination of the
2 initial leasehold period, the Authority shall sell or lease the
3 facilities of the project on the most advantageous terms
4 available. The net proceeds of any such disposition shall be
5 treated in the same manner as the proceeds from sales or the
6 revenues or income from leases subsequent to the termination of
7 any initial leasehold period.

8 (i) The Authority shall have the power to make loans to
9 persons to finance a project, to enter into loan agreements
10 with respect thereto, and to accept guarantees from persons of
11 its loans or the resultant evidences of obligations of the
12 Authority.

13 (j) The Authority may fix, determine, charge and collect
14 any premiums, fees, charges, costs and expenses, including,
15 without limitation, any application fees, commitment fees,
16 program fees, financing charges or publication fees from any
17 person in connection with its activities under this Act.

18 (k) In addition to the funds established as provided
19 herein, the Authority shall have the power to create and
20 establish such reserve funds and accounts as may be necessary
21 or desirable to accomplish its purposes under this Act and to
22 deposit its available monies into the funds and accounts.

23 (l) At the request of the governing body of any unit of
24 local government, the Authority is authorized to market such
25 local government's revenue bond offerings by preparing bond
26 issues for sale, advertising for sealed bids, receiving bids at

1 its offices, making the award to the bidder that offers the
2 most favorable terms or arranging for negotiated placements or
3 underwritings of such securities. The Authority may, at its
4 discretion, offer for concurrent sale the revenue bonds of
5 several local governments. Sales by the Authority of revenue
6 bonds under this Section shall in no way imply State guarantee
7 of such debt issue. The Authority may require such financial
8 information from participating local governments as it deems
9 necessary in order to carry out the purposes of this subsection
10 (1).

11 (m) The Authority may make grants to any county to which
12 Division 5-37 of the Counties Code is applicable to assist in
13 the financing of capital development, construction and
14 renovation of new or existing facilities for hospitals and
15 health care facilities under that Act. Such grants may only be
16 made from funds appropriated for such purposes from the Build
17 Illinois Bond Fund.

18 (n) The Authority may establish an urban development action
19 grant program for the purpose of assisting municipalities in
20 Illinois which are experiencing severe economic distress to
21 help stimulate economic development activities needed to aid in
22 economic recovery. The Authority shall determine the types of
23 activities and projects for which the urban development action
24 grants may be used, provided that such projects and activities
25 are broadly defined to include all reasonable projects and
26 activities the primary objectives of which are the development

1 of viable urban communities, including decent housing and a
2 suitable living environment, and expansion of economic
3 opportunity, principally for persons of low and moderate
4 incomes. The Authority shall enter into grant agreements from
5 monies appropriated for such purposes from the Build Illinois
6 Bond Fund. The Authority shall monitor the use of the grants,
7 and shall provide for audits of the funds as well as recovery
8 by the Authority of any funds determined to have been spent in
9 violation of this subsection (n) or any rule or regulation
10 promulgated hereunder. The Authority shall provide technical
11 assistance with regard to the effective use of the urban
12 development action grants. The Authority shall file an annual
13 report to the General Assembly concerning the progress of the
14 grant program.

15 (o) The Authority may establish a Housing Partnership
16 Program whereby the Authority provides zero-interest loans to
17 municipalities for the purpose of assisting in the financing of
18 projects for the rehabilitation of affordable multi-family
19 housing for low and moderate income residents. The Authority
20 may provide such loans only upon a municipality's providing
21 evidence that it has obtained private funding for the
22 rehabilitation project. The Authority shall provide 3 State
23 dollars for every 7 dollars obtained by the municipality from
24 sources other than the State of Illinois. The loans shall be
25 made from monies appropriated for such purpose from the Build
26 Illinois Bond Fund. The total amount of loans available under

1 the Housing Partnership Program shall not exceed \$30,000,000.
2 State loan monies under this subsection shall be used only for
3 the acquisition and rehabilitation of existing buildings
4 containing 4 or more dwelling units. The terms of any loan made
5 by the municipality under this subsection shall require
6 repayment of the loan to the municipality upon any sale or
7 other transfer of the project.

8 (p) The Authority may award grants to universities and
9 research institutions, research consortiums and other
10 not-for-profit entities for the purposes of: remodeling or
11 otherwise physically altering existing laboratory or research
12 facilities, expansion or physical additions to existing
13 laboratory or research facilities, construction of new
14 laboratory or research facilities or acquisition of modern
15 equipment to support laboratory or research operations
16 provided that such grants (i) be used solely in support of
17 project and equipment acquisitions which enhance technology
18 transfer, and (ii) not constitute more than 60 percent of the
19 total project or acquisition cost.

20 (q) Grants may be awarded by the Authority to units of
21 local government for the purpose of developing the appropriate
22 infrastructure or defraying other costs to the local government
23 in support of laboratory or research facilities provided that
24 such grants may not exceed 40% of the cost to the unit of local
25 government.

26 (r) The Authority may establish a Direct Loan Program to

1 make loans to individuals, partnerships or corporations for the
2 purpose of an industrial project, as defined in Section 801-10
3 of this Act. For the purposes of such program and not by way of
4 limitation on any other program of the Authority, the Authority
5 shall have the power to issue bonds, notes, or other evidences
6 of indebtedness including commercial paper for purposes of
7 providing a fund of capital from which it may make such loans.
8 The Authority shall have the power to use any appropriations
9 from the State made especially for the Authority's Direct Loan
10 Program for additional capital to make such loans or for the
11 purposes of reserve funds or pledged funds which secure the
12 Authority's obligations of repayment of any bond, note or other
13 form of indebtedness established for the purpose of providing
14 capital for which it intends to make such loans under the
15 Direct Loan Program. For the purpose of obtaining such capital,
16 the Authority may also enter into agreements with financial
17 institutions and other persons for the purpose of selling loans
18 and developing a secondary market for such loans. Loans made
19 under the Direct Loan Program may be in an amount not to exceed
20 \$300,000 and shall be made for a portion of an industrial
21 project which does not exceed 50% of the total project. No loan
22 may be made by the Authority unless approved by the affirmative
23 vote of at least 8 members of the board. The Authority shall
24 establish procedures and publish rules which shall provide for
25 the submission, review, and analysis of each direct loan
26 application and which shall preserve the ability of each board

1 member to reach an individual business judgment regarding the
2 propriety of making each direct loan. The collective discretion
3 of the board to approve or disapprove each loan shall be
4 unencumbered. The Authority may establish and collect such fees
5 and charges, determine and enforce such terms and conditions,
6 and charge such interest rates as it determines to be necessary
7 and appropriate to the successful administration of the Direct
8 Loan Program. The Authority may require such interests in
9 collateral and such guarantees as it determines are necessary
10 to protect the Authority's interest in the repayment of the
11 principal and interest of each loan made under the Direct Loan
12 Program.

13 (s) The Authority may guarantee private loans to third
14 parties up to a specified dollar amount in order to promote
15 economic development in this State.

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

19 (u) The Authority shall have the power to issue bonds,
20 notes or other evidences of indebtedness, which may be used to
21 make loans to units of local government which are authorized to
22 enter into loan agreements and other documents and to issue
23 bonds, notes and other evidences of indebtedness for the
24 purpose of financing the protection of storm sewer outfalls,
25 the construction of adequate storm sewer outfalls, and the
26 provision for flood protection of sanitary sewage treatment

1 plans, in counties that have established a stormwater
2 management planning committee in accordance with Section
3 5-1062 of the Counties Code. Any such loan shall be made by the
4 Authority pursuant to the provisions of Section 820-5 to 820-60
5 of this Act. The unit of local government shall pay back to the
6 Authority the principal amount of the loan, plus annual
7 interest as determined by the Authority. The Authority shall
8 have the power, subject to appropriations by the General
9 Assembly, to subsidize or buy down a portion of the interest on
10 such loans, up to 4% per annum.

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

13 (w) Moral Obligation. In the event that the Authority
14 determines that monies of the Authority will not be sufficient
15 for the payment of the principal of and interest on its bonds
16 during the next State fiscal year, the Chairperson, as soon as
17 practicable, shall certify to the Governor the amount required
18 by the Authority to enable it to pay such principal of and
19 interest on the bonds. The Governor shall submit the amount so
20 certified to the General Assembly as soon as practicable, but
21 no later than the end of the current State fiscal year. This
22 subsection shall apply only to any bonds or notes as to which
23 the Authority shall have determined, in the resolution
24 authorizing the issuance of the bonds or notes, that this
25 subsection shall apply. Whenever the Authority makes such a
26 determination, that fact shall be plainly stated on the face of

1 the bonds or notes and that fact shall also be reported to the
2 Governor. In the event of a withdrawal of moneys from a reserve
3 fund established with respect to any issue or issues of bonds
4 of the Authority to pay principal or interest on those bonds,
5 the Chairperson of the Authority, as soon as practicable, shall
6 certify to the Governor the amount required to restore the
7 reserve fund to the level required in the resolution or
8 indenture securing those bonds. The Governor shall submit the
9 amount so certified to the General Assembly as soon as
10 practicable, but no later than the end of the current State
11 fiscal year. The Authority shall obtain written approval from
12 the Governor for any bonds and notes to be issued under this
13 Section. In addition to any other bonds authorized to be issued
14 under Sections 825-60, 825-65(e), 830-25 and 845-5, the
15 principal amount of Authority bonds outstanding issued under
16 this Section 801-40(w) or under 20 ILCS 3850/1-80 or 30 ILCS
17 360/2-6(c), which have been assumed by the Authority, shall not
18 exceed \$150,000,000. This subsection (w) shall in no way be
19 applied to any bonds issued by the Authority on behalf of the
20 Illinois Power Agency under Section 825-90 of this Act.

21 With respect to bonds that have not been approved in
22 writing by the Governor prior to the effective date of this
23 amendatory Act of the 95th General Assembly, prior to any
24 submission to the Governor for approval of bonds to be issued
25 under this subsection, the board of the Authority shall review
26 the project to be financed and vote upon its recommendation for

1 approval by the Governor. Any submission to the Governor shall
2 include a representation by the board of the Authority that
3 sufficient collateral and security for the bonds, including but
4 not limited to mortgages, letters of credit, and personal
5 guarantees, will be obtained prior to issuance of the bonds.
6 Prior to any approval by the Governor of bonds issued pursuant
7 to this subsection, the Authority shall provide the Governor
8 with a financial feasibility study on the project to be
9 financed. This study shall be prepared by an independent
10 accounting firm whose fee for preparing the study is not
11 contingent upon the issuance of the bonds. The study shall
12 assess whether the revenue projected to repay the bonds is
13 likely to be generated as projected and will be sufficient to
14 repay the bonds for the projected term of the bonds. Also prior
15 to any approval by the Governor of bonds issued pursuant to
16 this subsection, the Commission on Government Forecasting and
17 Accountability shall prepare a report on the project to be
18 financed with its assessment on whether the revenue projected
19 to repay the bonds is likely to be generated as projected and
20 will be sufficient to repay the bonds for the projected term of
21 the bonds. The Authority shall supply the Commission with all
22 information requested by the Commission relating to the report.
23 The Commission's report shall be submitted to the Governor, the
24 Authority, and the leaders of the General Assembly. The
25 Governor shall not approve any bonds to be issued under this
26 subsection until at least 30 days following his receipt of the

1 Commission's report.

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

18 (Source: P.A. 94-91, eff. 7-1-05; 95-470, eff. 8-27-07; 95-481,
19 eff. 8-28-07; revised 10-30-07.); and

20 on page 1, immediately below line 21, by inserting the
21 following:

22 "Section 10. The Southwestern Illinois Development
23 Authority Act is amended by changing Section 7 as follows:

1 (70 ILCS 520/7) (from Ch. 85, par. 6157)

2 Sec. 7. (a) The Authority, with the written approval of the
3 Governor, shall have the continuing power to issue bonds,
4 notes, or other evidences of indebtedness for the purpose of
5 developing, constructing, acquiring or improving projects,
6 including without limitation those established by business
7 entities locating or expanding property within the territorial
8 jurisdiction of the Authority, for entering into venture
9 capital agreements with businesses locating or expanding
10 within the territorial jurisdiction of the Authority, for
11 acquiring and improving any property necessary and useful in
12 connection therewith, for the purposes of the Employee
13 Ownership Assistance Act, and any local government projects.
14 With respect to any local government project, the Authority is
15 authorized to purchase from time to time pursuant to negotiated
16 sale or to otherwise acquire from time to time any local
17 government security upon terms and conditions as the Authority
18 may prescribe in connection therewith. For the purpose of
19 evidencing the obligations of the Authority to repay any money
20 borrowed for any project, the Authority may, pursuant to
21 resolution, from time to time issue and dispose of its interest
22 bearing revenue bonds, notes or other evidences of indebtedness
23 and may also from time to time issue and dispose of such bonds,
24 notes or other evidences of indebtedness to refund, at
25 maturity, at a redemption date or in advance of either, any
26 bonds, notes or other evidences of indebtedness pursuant to

1 redemption provisions or at any time before maturity. All such
2 bonds, notes or other evidences of indebtedness shall be
3 payable solely and only from the revenues or income to be
4 derived from loans made with respect to projects, from the
5 leasing or sale of the projects or from any other funds
6 available to the Authority for such purposes. The bonds, notes
7 or other evidences of indebtedness may bear such date or dates,
8 may mature at such time or times not exceeding 40 years from
9 their respective dates, notwithstanding any other law to the
10 contrary may bear interest at such rate or rates payable
11 annually, semi-annually, quarterly or monthly, may be in such
12 form, may carry such registration privileges, may be executed
13 in such manner, may be payable at such place or places, may be
14 made subject to redemption in such manner and upon such terms,
15 with or without premium as is stated on the face thereof, may
16 be authenticated in such manner and may contain such terms and
17 covenants as may be provided by an applicable resolution.

18 (b) (1) The holder or holders of any bonds, notes or other
19 evidences of indebtedness issued by the Authority may bring
20 suits at law or proceedings in equity to compel the
21 performance and observance by any corporation or person or
22 by the Authority or any of its agents or employees of any
23 contract or covenant made with the holders of such bonds,
24 notes or other evidences of indebtedness, to compel such
25 corporation, person, the Authority and any of its agents or
26 employees to perform any duties required to be performed

1 for the benefit of the holders of any such bonds, notes or
2 other evidences of indebtedness by the provision of the
3 resolution authorizing their issuance and to enjoin such
4 corporation, person, the Authority and any of its agents or
5 employees from taking any action in conflict with any such
6 contract or covenant.

7 (2) If the Authority fails to pay the principal of or
8 interest on any of the bonds or premium, if any, as the
9 same become due, a civil action to compel payment may be
10 instituted in the appropriate circuit court by the holder
11 or holders of the bonds on which such default of payment
12 exists or by an indenture trustee acting on behalf of such
13 holders. Delivery of a summons and a copy of the complaint
14 to the Chairman of the Board shall constitute sufficient
15 service to give the circuit court jurisdiction of the
16 subject matter of such a suit and jurisdiction over the
17 Authority and its officers named as defendants for the
18 purpose of compelling such payment. Any case, controversy
19 or cause of action concerning the validity of this Act
20 relates to the revenue of the State of Illinois.

21 (c) Notwithstanding the form and tenor of any such bonds,
22 notes or other evidences of indebtedness and in the absence of
23 any express recital on the face thereof that it is
24 non-negotiable, all such bonds, notes and other evidences of
25 indebtedness shall be negotiable instruments. Pending the
26 preparation and execution of any such bonds, notes or other

1 evidences of indebtedness, temporary bonds, notes or evidences
2 of indebtedness may be issued as provided by ordinance.

3 (d) To secure the payment of any or all of such bonds,
4 notes or other evidences of indebtedness, the revenues to be
5 received by the Authority from a lease agreement or loan
6 agreement shall be pledged, and, for the purpose of setting
7 forth the covenants and undertakings of the Authority in
8 connection with the issuance thereof and the issuance of any
9 additional bonds, notes or other evidences of indebtedness
10 payable from such revenues, income or other funds to be derived
11 from projects, the Authority may execute and deliver a mortgage
12 or trust agreement. A remedy for any breach or default of the
13 terms of any such mortgage or trust agreement by the Authority
14 may be by mandamus proceedings in the appropriate circuit court
15 to compel the performance and compliance therewith, but the
16 trust agreement may prescribe by whom or on whose behalf such
17 action may be instituted.

18 (e) Such bonds or notes shall be secured as provided in the
19 authorizing ordinance which may, notwithstanding any other
20 provision of this Act, include in addition to any other
21 security a specific pledge or assignment of and lien on or
22 security interest in any or all revenues or money of the
23 Authority from whatever source which may by law be used for
24 debt service purposes and a specific pledge or assignment of
25 and lien on or security interest in any funds or accounts
26 established or provided for by ordinance of the Authority

1 authorizing the issuance of such bonds or notes and, with
2 respect to any local government project, may include without
3 limitation a pledge of any local government securities,
4 including any payments thereon.

5 (f) In the event that the Authority determines that monies
6 of the Authority will not be sufficient for the payment of the
7 principal of and interest on its bonds during the next State
8 fiscal year, the Chairman, as soon as practicable, shall
9 certify to the Governor the amount required by the Authority to
10 enable it to pay such principal of and interest on the bonds.
11 The Governor shall submit the amount so certified to the
12 General Assembly as soon as practicable, but no later than the
13 end of the current State fiscal year. This subsection shall not
14 apply to any bonds or notes as to which the Authority shall
15 have determined, in the resolution authorizing the issuance of
16 the bonds or notes, that this subsection shall not apply.
17 Whenever the Authority makes such a determination, that fact
18 shall be plainly stated on the face of the bonds or notes, and
19 that fact shall also be reported to the Governor.

20 In the event of a withdrawal of moneys from a reserve fund
21 established with respect to any issue or issues of bonds of the
22 Authority to pay principal or interest on those bonds, the
23 Chairman of the Authority, as soon as practicable, shall
24 certify to the Governor the amount required to restore the
25 reserve fund to the level required in the resolution or
26 indenture securing those bonds. The Governor shall submit the

1 amount so certified to the General Assembly as soon as
2 practicable, but no later than the end of the current State
3 fiscal year.

4 With respect to bonds that have not been approved in
5 writing by the Governor prior to the effective date of this
6 amendatory Act of the 95th General Assembly, prior to any
7 submission to the Governor for approval of bonds to be issued
8 under this subsection, the board of the Authority shall review
9 the project to be financed and vote upon its recommendation for
10 approval by the Governor. Any submission to the Governor shall
11 include a representation by the board of the Authority that
12 sufficient collateral and security for the bonds, including but
13 not limited to mortgages, letters of credit, and personal
14 guarantees, will be obtained prior to issuance of the bonds.
15 Prior to any approval by the Governor of bonds issued pursuant
16 to this subsection, the Authority shall provide the Governor
17 with a financial feasibility study on the project to be
18 financed. This study shall be prepared by an independent
19 accounting firm whose fee for preparing the study is not
20 contingent upon the issuance of the bonds. The study shall
21 assess whether the revenue projected to repay the bonds is
22 likely to be generated as projected and will be sufficient to
23 repay the bonds for the projected term of the bonds. Also prior
24 to any approval by the Governor of bonds issued pursuant to
25 this subsection, the Commission on Government Forecasting and
26 Accountability shall prepare a report on the project to be

1 financed with its assessment on whether the revenue projected
2 to repay the bonds is likely to be generated as projected and
3 will be sufficient to repay the bonds for the projected term of
4 the bonds. The Authority shall supply the Commission with all
5 information requested by the Commission relating to the report.
6 The Commission's report shall be submitted to the Governor, the
7 Authority, and the leaders of the General Assembly. The
8 Governor shall not approve any bonds to be issued under this
9 subsection until at least 30 days following his receipt of the
10 Commission's report.

11 (g) The State of Illinois pledges to and agrees with the
12 holders of the bonds and notes of the Authority issued pursuant
13 to this Section that the State will not limit or alter the
14 rights and powers vested in the Authority by this Act so as to
15 impair the terms of any contract made by the Authority with
16 such holders or in any way impair the rights and remedies of
17 such holders until such bonds and notes, together with interest
18 thereon, with interest on any unpaid installments of interest,
19 and all costs and expenses in connection with any action or
20 proceedings by or on behalf of such holders, are fully met and
21 discharged. In addition, the State pledges to and agrees with
22 the holders of the bonds and notes of the Authority issued
23 pursuant to this Section that the State will not limit or alter
24 the basis on which State funds are to be paid to the Authority
25 as provided in this Act, or the use of such funds, so as to
26 impair the terms of any such contract. The Authority is

1 authorized to include these pledges and agreements of the State
2 in any contract with the holders of bonds or notes issued under
3 this Section.

4 (Source: P.A. 86-1455; 87-778.)

5 Section 15. The Upper Illinois River Valley Development
6 Authority Act is amended by changing Section 7 as follows:

7 (70 ILCS 530/7) (from Ch. 85, par. 7157)

8 Sec. 7. Bonds.

9 (a) The Authority, with the written approval of the
10 Governor, shall have the continuing power to issue bonds,
11 notes, or other evidences of indebtedness in an aggregate
12 amount not to exceed \$250,000,000 for the purpose of
13 developing, constructing, acquiring or improving projects,
14 including those established by business entities locating or
15 expanding property within the territorial jurisdiction of the
16 Authority, for entering into venture capital agreements with
17 businesses locating or expanding within the territorial
18 jurisdiction of the Authority, for acquiring and improving any
19 property necessary and useful in connection therewith and for
20 the purposes of the Employee Ownership Assistance Act. For the
21 purpose of evidencing the obligations of the Authority to repay
22 any money borrowed, the Authority may, pursuant to resolution,
23 from time to time issue and dispose of its interest bearing
24 revenue bonds, notes or other evidences of indebtedness and may

1 also from time to time issue and dispose of such bonds, notes
2 or other evidences of indebtedness to refund, at maturity, at a
3 redemption date or in advance of either, any bonds, notes or
4 other evidences of indebtedness pursuant to redemption
5 provisions or at any time before maturity. All such bonds,
6 notes or other evidences of indebtedness shall be payable
7 solely and only from the revenues or income to be derived from
8 loans made with respect to projects, from the leasing or sale
9 of the projects or from any other funds available to the
10 Authority for such purposes. The bonds, notes or other
11 evidences of indebtedness may bear such date or dates, may
12 mature at such time or times not exceeding 40 years from their
13 respective dates, may bear interest at such rate or rates not
14 exceeding the maximum rate permitted by "An Act to authorize
15 public corporations to issue bonds, other evidences of
16 indebtedness and tax anticipation warrants subject to interest
17 rate limitations set forth therein", approved May 26, 1970, as
18 amended, may be in such form, may carry such registration
19 privileges, may be executed in such manner, may be payable at
20 such place or places, may be made subject to redemption in such
21 manner and upon such terms, with or without premium as is
22 stated on the face thereof, may be authenticated in such manner
23 and may contain such terms and covenants as may be provided by
24 an applicable resolution.

25 (b-1) The holder or holders of any bonds, notes or other
26 evidences of indebtedness issued by the Authority may bring

1 suits at law or proceedings in equity to compel the performance
2 and observance by any corporation or person or by the Authority
3 or any of its agents or employees of any contract or covenant
4 made with the holders of such bonds, notes or other evidences
5 of indebtedness, to compel such corporation, person, the
6 Authority and any of its agents or employees to perform any
7 duties required to be performed for the benefit of the holders
8 of any such bonds, notes or other evidences of indebtedness by
9 the provision of the resolution authorizing their issuance and
10 to enjoin such corporation, person, the Authority and any of
11 its agents or employees from taking any action in conflict with
12 any such contract or covenant.

13 (b-2) If the Authority fails to pay the principal of or
14 interest on any of the bonds or premium, if any, as the same
15 become due, a civil action to compel payment may be instituted
16 in the appropriate circuit court by the holder or holders of
17 the bonds on which such default of payment exists or by an
18 indenture trustee acting on behalf of such holders. Delivery of
19 a summons and a copy of the complaint to the Chairman of the
20 Board shall constitute sufficient service to give the circuit
21 court jurisdiction of the subject matter of such a suit and
22 jurisdiction over the Authority and its officers named as
23 defendants for the purpose of compelling such payment. Any
24 case, controversy or cause of action concerning the validity of
25 this Act relates to the revenue of the State of Illinois.

26 (c) Notwithstanding the form and tenor of any such bonds,

1 notes or other evidences of indebtedness and in the absence of
2 any express recital on the face thereof that it is
3 non-negotiable, all such bonds, notes and other evidences of
4 indebtedness shall be negotiable instruments. Pending the
5 preparation and execution of any such bonds, notes or other
6 evidences of indebtedness, temporary bonds, notes or evidences
7 of indebtedness may be issued as provided by ordinance.

8 (d) To secure the payment of any or all of such bonds,
9 notes or other evidences of indebtedness, the revenues to be
10 received by the Authority from a lease agreement or loan
11 agreement shall be pledged, and, for the purpose of setting
12 forth the covenants and undertakings of the Authority in
13 connection with the issuance thereof and the issuance of any
14 additional bonds, notes or other evidences of indebtedness
15 payable from such revenues, income or other funds to be derived
16 from projects, the Authority may execute and deliver a mortgage
17 or trust agreement. A remedy for any breach or default of the
18 terms of any such mortgage or trust agreement by the Authority
19 may be by mandamus proceedings in the appropriate circuit court
20 to compel the performance and compliance therewith, but the
21 trust agreement may prescribe by whom or on whose behalf such
22 action may be instituted.

23 (e) Such bonds or notes shall be secured as provided in the
24 authorizing ordinance which may, notwithstanding any other
25 provision of this Act, include in addition to any other
26 security a specific pledge or assignment of and lien on or

1 security interest in any or all revenues or money of the
2 Authority from whatever source which may by law be used for
3 debt service purposes and a specific pledge or assignment of
4 and lien on or security interest in any funds or accounts
5 established or provided for by ordinance of the Authority
6 authorizing the issuance of such bonds or notes.

7 (f) In the event that the Authority determines that monies
8 of the Authority will not be sufficient for the payment of the
9 principal of and interest on its bonds during the next State
10 fiscal year, the Chairman, as soon as practicable, shall
11 certify to the Governor the amount required by the Authority to
12 enable it to pay such principal of and interest on the bonds.
13 The Governor shall submit the amount so certified to the
14 General Assembly as soon as practicable, but no later than the
15 end of the current State fiscal year. This Section shall not
16 apply to any bonds or notes as to which the Authority shall
17 have determined, in the resolution authorizing the issuance of
18 the bonds or notes, that this Section shall not apply. Whenever
19 the Authority makes such a determination, that fact shall be
20 plainly stated on the face of the bonds or notes and that fact
21 shall also be reported to the Governor.

22 In the event of a withdrawal of moneys from a reserve fund
23 established with respect to any issue or issues of bonds of the
24 Authority to pay principal or interest on those bonds, the
25 Chairman of the Authority, as soon as practicable, shall
26 certify to the Governor the amount required to restore the

1 reserve fund to the level required in the resolution or
2 indenture securing those bonds. The Governor shall submit the
3 amount so certified to the General Assembly as soon as
4 practicable, but no later than the end of the current State
5 fiscal year.

6 With respect to bonds that have not been approved in
7 writing by the Governor prior to the effective date of this
8 amendatory Act of the 95th General Assembly, prior to any
9 submission to the Governor for approval of bonds to be issued
10 under this subsection, the board of the Authority shall review
11 the project to be financed and vote upon its recommendation for
12 approval by the Governor. Any submission to the Governor shall
13 include a representation by the board of the Authority that
14 sufficient collateral and security for the bonds, including but
15 not limited to mortgages, letters of credit, and personal
16 guarantees, will be obtained prior to issuance of the bonds.
17 Prior to any approval by the Governor of bonds issued pursuant
18 to this subsection, the Authority shall provide the Governor
19 with a financial feasibility study on the project to be
20 financed. This study shall be prepared by an independent
21 accounting firm whose fee for preparing the study is not
22 contingent upon the issuance of the bonds. The study shall
23 assess whether the revenue projected to repay the bonds is
24 likely to be generated as projected and will be sufficient to
25 repay the bonds for the projected term of the bonds. Also prior
26 to any approval by the Governor of bonds issued pursuant to

1 this subsection, the Commission on Government Forecasting and
2 Accountability shall prepare a report on the project to be
3 financed with its assessment on whether the revenue projected
4 to repay the bonds is likely to be generated as projected and
5 will be sufficient to repay the bonds for the projected term of
6 the bonds. The Authority shall supply the Commission with all
7 information requested by the Commission relating to the report.
8 The Commission's report shall be submitted to the Governor, the
9 Authority, and the leaders of the General Assembly. The
10 Governor shall not approve any bonds to be issued under this
11 subsection until at least 30 days following his receipt of the
12 Commission's report.

13 (g) The State of Illinois pledges to and agrees with the
14 holders of the bonds and notes of the Authority issued pursuant
15 to this Section that the State will not limit or alter the
16 rights and powers vested in the Authority by this Act so as to
17 impair the terms of any contract made by the Authority with
18 such holders or in any way impair the rights and remedies of
19 such holders until such bonds and notes, together with interest
20 thereon, with interest on any unpaid installments of interest,
21 and all costs and expenses in connection with any action or
22 proceedings by or on behalf of such holders, are fully met and
23 discharged. In addition, the State pledges to and agrees with
24 the holders of the bonds and notes of the Authority issued
25 pursuant to this Section that the State will not limit or alter
26 the basis on which State funds are to be paid to the Authority

1 as provided in this Act, or the use of such funds, so as to
2 impair the terms of any such contract. The Authority is
3 authorized to include these pledges and agreements of the State
4 in any contract with the holders of bonds or notes issued
5 pursuant to this Section.

6 (h) Not less than 30 days prior to the commitment to issue
7 bonds, notes, or other evidences of indebtedness for the
8 purpose of developing, constructing, acquiring or improving
9 housing or residential projects, as defined in Section 3, the
10 Authority shall provide notice to the Executive Director of the
11 Illinois Housing Development Authority. Within 30 days after
12 notice is provided, the Illinois Housing Development Authority
13 shall either in writing express interest in financing the
14 project or notify the Authority that it is not interested in
15 providing such financing and the Authority may finance the
16 project or seek alternative financing.

17 (Source: P.A. 91-905, eff. 7-7-00.)".