

1 AN ACT concerning urban development.

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

4 Section 1. Short title. This Act may be cited as the
5 Illinois Urban Development Authority Act.

6 Section 2. Findings. The General Assembly hereby
7 determines and declares that:

8 (1) the economic burdens resulting from involuntary
9 unemployment fall in part upon the State in the form of
10 increased need for public assistance, reduced tax
11 revenues, and increased resources devoted to crime
12 prevention and incarceration and that the unemployed
13 worker and his or her family may migrate outside the State
14 to find work and such migration will reduce the tax
15 revenues of local governments and the State of Illinois,
16 thereby endangering their financial ability to support
17 necessary governmental services for their remaining
18 inhabitants;

19 (2) the State has a responsibility to help create a
20 favorable climate for new and improved job opportunities
21 for all of its citizens, especially in areas with high
22 economic distress, by encouraging the development of
23 commercial and service businesses and industrial and

1 manufacturing plants and creating job opportunities;

2 (3) the State has a responsibility to increase and
3 improve post-release employment opportunities for
4 ex-offenders and reduce recidivism rates through the
5 combined resources and expertise of providers of workforce
6 development, supportive services, and private enterprises;

7 (4) a lack of decent housing contributes to urban
8 blight, crime, anti-social behavior, disease, a higher
9 need for public assistance, reduced tax revenues, and the
10 migration of workers and their families away from areas
11 that fail to offer adequate, decent, affordable housing;

12 (5) decent, affordable housing is a necessary
13 ingredient of life affording each citizen basic human
14 dignity, a sense of self worth, confidence, and a firm
15 foundation upon which to build a family and educate
16 children; and

17 (6) in order to foster civic and neighborhood pride,
18 citizens require access to educational institutions,
19 recreation, parks and open spaces, entertainment and
20 sports, a reliable transportation network, cultural
21 facilities, and theaters.

22 It is hereby declared to be the policy of the State of
23 Illinois, in the interest of promoting industrial, commercial,
24 residential, jobs, service, transportation, and facilities,
25 thereby reducing the evils attendant upon unemployment, crime,
26 and recidivism and enhancing the public health, safety, morals,

1 happiness, and general welfare of this State specifically by
2 making available through the Illinois Urban Development
3 Authority, funds for industrial projects, commercial projects,
4 and housing projects to a municipality with a municipal poverty
5 rate greater than 3% in excess of the statewide average.

6 Section 3. Definitions. The following terms, whenever used
7 or referred to in this Act, shall have the following meanings,
8 except in such instances where the context may clearly indicate
9 otherwise:

10 "Authority" means the Illinois Urban Development Authority
11 created by this Act.

12 "Board" means the Illinois Urban Development Authority
13 Board of Directors.

14 "Bonds" shall include bonds, notes, or other evidence of
15 indebtedness.

16 "Commercial project" means any project, including but not
17 limited to one or more buildings and other structures,
18 improvements, machinery, and equipment whether or not on the
19 same site or sites now existing or hereafter acquired, suitable
20 for use by any retail or wholesale concern, distributorship, or
21 agency, any cultural facilities of a for-profit or
22 not-for-profit type including but not limited to educational,
23 theatrical, recreational and entertainment, sports facilities,
24 racetracks, stadiums, convention centers, exhibition halls,
25 arenas, opera houses and theaters, waterfront improvements,

1 swimming pools, boat storage, moorage, docking facilities,
2 restaurants, coliseums, sports training facilities, parking
3 facilities, terminals, hotels and motels, gymnasiums, medical
4 facilities, and port facilities.

5 "Costs incurred in connection with the development,
6 construction, acquisition, or improvement of a project" means
7 the cost of purchase and construction of all lands and
8 improvements in connection with a project and equipment and
9 other property, rights, easements, and franchises acquired
10 that are deemed necessary for such construction; financing
11 charges; interest costs with respect to bonds, notes, and other
12 evidences of indebtedness of the Authority prior to and during
13 construction and for a period of 6 months thereafter;
14 engineering and legal expenses; the costs of plans,
15 specifications, surveys, and estimates of costs and other
16 expenses necessary or incident to determining the feasibility
17 or practicability of any project, together with such other
18 expenses as may be necessary or incident to the financing,
19 insuring, acquisition, and construction of a specific project
20 and the placing of the same in operation.

21 "Financial aid" means the expenditure of Authority funds or
22 funds provided by the Authority through the issuance of its
23 revenue bonds, notes, or other evidences of indebtedness for
24 the development, construction, acquisition, or improvement of
25 a project.

26 "Governmental agency" means any federal, State or local

1 governmental body, and any agency or instrumentality thereof,
2 corporate or otherwise.

3 "Governor" means the Governor of the State of Illinois.

4 "Housing project" or "residential project" includes a
5 specific work or improvement undertaken to provide dwelling
6 accommodations, including the acquisition, construction,
7 leasing, or rehabilitation of lands, buildings, and community
8 facilities and in connection therewith to provide nonhousing
9 facilities which are an integral part of a planned large-scale
10 project or new community.

11 "Industrial project" means (1) a capital project,
12 including one or more buildings and other structures,
13 improvements, machinery, and equipment whether or not on the
14 same site or sites now existing or hereafter acquired, suitable
15 for use by any manufacturing, industrial, research,
16 transportation, or commercial enterprise including but not
17 limited to use as a factory, mill, processing plant, assembly
18 plant, packaging plant, fabricating plant, office building,
19 industrial distribution center, warehouse, repair, overhaul or
20 service facility, freight terminal, research facility, test
21 facility, railroad facility, solid waste and wastewater
22 treatment and disposal sites and other pollution control
23 facilities, resource or waste reduction, recovery, treatment
24 and disposal facilities, and including also the sites thereof
25 and other rights in land therefor whether improved or
26 unimproved, site preparation and landscaping and all

1 appurtenances and facilities incidental thereto such as
2 utilities, access roads, railroad sidings, truck docking and
3 similar facilities, parking facilities, dockage, wharfage,
4 railroad roadbed, track, trestle, depot, terminal, switching,
5 and signaling equipment or related equipment and other
6 improvements necessary or convenient thereto; or (2) any land,
7 buildings, machinery or equipment comprising an addition to or
8 renovation, rehabilitation or improvement of any existing
9 capital project.

10 "Lease agreement" means an agreement whereby a project
11 acquired by the Authority by purchase, gift, or lease is leased
12 to any person or corporation that will use or cause the project
13 to be used as a project as defined in this Act upon terms
14 providing for lease rental payments at least sufficient to pay
15 when due all principal of and interest and premium, if any, on
16 any bonds, notes or other evidences of indebtedness of the
17 Authority issued with respect to such project, providing for
18 the maintenance, insurance, and operation of the project on
19 terms satisfactory to the Authority, and providing for
20 disposition of the project upon termination of the lease term,
21 including purchase options or abandonment of the premises, with
22 such other terms as may be deemed desirable by the Authority.
23 The Authority may, directly or indirectly, lease or otherwise
24 transfer property the Authority owns to another and such leased
25 property shall remain tax exempt.

26 "Loan agreement" means any agreement pursuant to which the

1 Authority agrees to loan the proceeds of its bonds, notes, or
2 other evidences of indebtedness issued with respect to a
3 project to any person or corporation that will use or cause the
4 project to be used as a project as defined in this Act upon
5 terms providing for loan repayment installments at least
6 sufficient to pay when due all principal and interest and
7 premium, if any, on any bonds, notes, or other evidences of
8 indebtedness of the Authority issued with respect to the
9 project, providing for maintenance, insurance, and operation
10 of the project on terms satisfactory to the Authority and
11 providing for other matters as may be deemed advisable by the
12 Authority.

13 "Municipal poverty rate" is the percentage of total
14 population of the municipality having income levels below the
15 poverty level as determined by the Authority based upon the
16 most recent data released by the United States Census Bureau
17 before the beginning of such calendar year.

18 "Occupational license" means a license issued by the
19 Illinois Gaming Board to a person or entity to perform an
20 occupation which the Illinois Gaming Board has identified as
21 requiring a license to engage in riverboat, dockside, or
22 land-based gambling in Illinois.

23 "Person" means any natural person, firm, partnership,
24 corporation, both domestic and foreign, company, association,
25 or joint stock association and includes any trustee, receiver,
26 assignee, or personal representative thereof.

1 "Project" means an industrial, housing, residential,
2 commercial, or service project, or any combination thereof,
3 provided that all uses shall fall within one of those
4 categories. Any project, of any nature whatsoever, shall
5 automatically include all site improvements and new
6 construction involving sidewalks, sewers, solid waste and
7 wastewater treatment and disposal sites and other pollution
8 control facilities, resource or waste reduction, recovery,
9 treatment and disposal facilities, parks, open spaces,
10 wildlife sanctuaries, streets, highways, and runways.

11 "Revenue bond" means any bond issued by the Authority under
12 the supervision of the Illinois Finance Authority, the
13 principal and interest of which are payable solely from
14 revenues or income derived from any project or activity of the
15 Authority.

16 Section 4. Illinois Urban Development Authority. There is
17 hereby created a political subdivision, body politic and
18 corporate by the name of Illinois Urban Development Authority.
19 The exercise by the Authority of the powers conferred by law
20 shall be an essential public function. The governing powers of
21 the Authority shall be vested in a body consisting of 11
22 members appointed as follows: one member appointed by the Mayor
23 of the City of Chicago that has expertise, skill, and
24 experience in economic development; one member appointed by the
25 President of the Cook County Board that has expertise, skill,

1 and experience in economic development; 4 members appointed by
2 the Governor who are residents of a municipality, other than a
3 municipality with a population greater than 1,000,000, whose
4 municipal poverty rate is greater than 3% in excess of the
5 statewide average; 2 members appointed by the Governor that
6 have an expertise, skill, and experience in labor relations;
7 and 3 members appointed by the Governor that have an expertise,
8 skill, and experience operating a business that is certified by
9 the State of Illinois as a Disadvantaged Business Enterprise,
10 Minority Business Enterprise, or Women Business Enterprise.

11 Six members shall constitute a quorum. However, when a
12 quorum of members of the Authority is physically present at the
13 meeting site, other Authority members may participate in and
14 act at any meeting through the use of a conference telephone or
15 other communications equipment by means of which all persons
16 participating in the meeting can hear each other. Participation
17 in such meeting shall constitute attendance and presence in
18 person at the meeting of the person or persons so
19 participating. The Chairman of the Authority shall be elected
20 by the Authority. All board members shall be persons of
21 recognized ability and experience in one or more of the
22 following areas: economic development, finance, banking,
23 industrial development, small business management, real estate
24 development, community development, venture finance,
25 construction, and labor relations.

26 The terms of all members of the Authority shall begin 30

1 days after the effective date of this Act. Of the 11 members
2 first appointed pursuant to this Act, 4 shall serve until the
3 third Monday in January 2011, 4 shall serve until the third
4 Monday in January 2012, and 3 shall serve until the third
5 Monday in January 2013. All board members shall hold office for
6 a term of 4 years commencing the third Monday in January of the
7 year in which their term commences, except in case of an
8 appointment to fill a vacancy. In case of vacancy in the office
9 when the Senate is not in session, the Governor may make a
10 temporary appointment until the next meeting of the Senate when
11 he shall nominate such person to fill such office, and any
12 person so nominated who is confirmed by the Senate, shall hold
13 his office during the remainder of the term and until his
14 successor shall be appointed and qualified. If the Senate is
15 not in session, the Governor may make temporary appointments in
16 the case of vacancies.

17 Members of the Authority shall not be entitled to
18 compensation for their services as members but shall be
19 entitled to reimbursement for all necessary expenses incurred
20 in connection with the performance of their duties as members.
21 The Governor may remove any member of the Authority in case of
22 incompetency, neglect of duty, or malfeasance in office, after
23 service on the member of a copy of the written charges against
24 the member and an opportunity to be publicly heard in person or
25 by counsel in the his or her defense upon not less than 10
26 days' notice.

1 The members of the Authority shall appoint an Executive
2 Director, who must be a person knowledgeable in the areas of
3 financial markets and instruments and the financing of business
4 enterprises, to hold office at the pleasure of the members. The
5 Executive Director shall be the chief administrative and
6 operational officer of the Authority and shall direct and
7 supervise its administrative affairs and general management
8 and perform such other duties as may be prescribed from time to
9 time by the members and shall receive compensation fixed by the
10 Authority. The Executive Director or any committee of the
11 members may carry out any responsibilities of the members as
12 the members by resolution may delegate. The Executive Director
13 shall attend all meetings of the Authority; however, no action
14 of the Authority shall be invalid on account of the absence of
15 the Executive Director from a meeting. The Authority may engage
16 the services of such other agents and employees, including
17 attorneys, appraisers, engineers, accountants, credit
18 analysts, and other consultants, as it may deem advisable and
19 may prescribe their duties and fix their compensation.

20 The Authority shall determine the municipal poverty rate
21 and the statewide average municipal poverty rate annually by
22 using the most recent data released by the United States Census
23 Bureau before the beginning of each calendar year. The
24 Authority shall have the sole and exclusive authority to
25 determine the municipal poverty rate and the statewide average
26 municipal poverty rate and to determine whether a

1 municipality's poverty rate is greater than 3% in excess of the
2 statewide average so long as the determination is based on the
3 most recent data released by the United States Census Bureau.

4 Section 5. Conflicts of interest.

5 (a) No member of the Authority or officer, agent, or
6 employee thereof shall, in the member's own name or in the name
7 of a nominee, be an officer, director, or hold an ownership
8 interest in any person, association, trust, corporation,
9 partnership, or other entity which is, in its own name or in
10 the name of a nominee, a party to a contract or agreement upon
11 which the member or officer, agent or employee may be called
12 upon to act or vote.

13 (b) With respect to any direct or any indirect interest,
14 other than an interest prohibited in subsection (a), in a
15 contract or agreement upon which the member or officer, agent
16 or employee may be called upon to act or vote, a member of the
17 Authority or officer, agent, or employee thereof must disclose
18 the interest to the secretary of the Authority prior to the
19 taking of final action by the Authority concerning the contract
20 or agreement and shall disclose the nature and extent of the
21 interest and his or her acquisition thereof, which shall be
22 publicly acknowledged by the Authority and entered upon the
23 minutes of the Authority. If a member of the Authority or
24 officer, agent, or employee thereof holds such an interest then
25 the member shall refrain from any further official involvement

1 in regard to the contract or agreement, from voting on any
2 matter pertaining to the contract or agreement, and from
3 communicating with other members of the Authority or its
4 officers, agents, and employees concerning the contract or
5 agreement. Notwithstanding any other provision of law, any
6 contract or agreement entered into in conformity with this
7 subsection shall not be void or invalid by reason of the
8 interest described in this subsection, nor shall any person
9 disclosing an interest and refraining from further official
10 involvement as provided in this subsection be guilty of an
11 offense, be removed from office, or be subject to any other
12 penalty on account of the interest.

13 (c) Any contract or agreement made in violation of
14 subsections (a) or (b) shall be null and void, whether or not
15 the contract performance has been authorized, and shall give
16 rise to no action against the Authority. No real estate to
17 which a member or employee of the Authority holds legal title
18 or in which a member or employee of the Authority has any
19 beneficial interest, including any interest in a land trust,
20 shall be purchased by the Authority or by a nonprofit
21 corporation or limited-profit entity for a development to be
22 financed under this Act.

23 All members and employees of the Authority shall file
24 annually with the Authority a record of all real estate in this
25 State to which the member or employee holds legal title or in
26 which the member or employee has any beneficial interest,

1 including any interest in a land trust. In the event it is
2 later disclosed that the Authority has purchased real estate in
3 which a member or employee had an interest, that purchase shall
4 be voidable by the Authority and the member or employee
5 involved shall be disqualified from membership in or employment
6 by the Authority.

7 Section 6. Records and reports of the Authority. The
8 secretary shall keep a record of the proceedings of the
9 Authority. The treasurer of the Authority shall be custodian of
10 all Authority funds, and shall be bonded in such amount as the
11 other members of the Authority may designate. The accounts and
12 bonds of the Authority shall be set up and maintained in a
13 manner approved by the Auditor General, and the Authority shall
14 file with the Auditor General a certified annual report within
15 120 days after the close of its fiscal year. The Authority
16 shall also file with the Governor, the Secretary of the Senate,
17 the Clerk of the House of Representatives, and the Legislative
18 Research Unit, by March 1 of each year, a written report
19 covering its activities and any activities of any
20 instrumentality corporation established under this Act for the
21 previous fiscal year. In its report to be filed by March 1,
22 2010, the Authority shall present an economic development
23 strategy for all municipalities with a municipal poverty rate
24 greater than 3% in excess of the statewide average, the
25 Authority shall make modifications in the economic development

1 strategy for the 4 years beginning on the next ensuing July 1,
2 to reflect changes in economic conditions or other factors,
3 including the policies of the Authority and the State of
4 Illinois. It shall also present an economic development
5 strategy for the fifth year beginning after the next ensuing
6 July 1. The strategy shall recommend specific legislative and
7 administrative action by the State, the Authority, units of
8 local government, or other governmental agencies. These
9 recommendations may include, but are not limited to, new
10 programs, modifications to existing programs, credit
11 enhancements for bonds issued by the Authority, and amendments
12 to this Act. When filed, the report shall be a public record
13 and open for inspection at the offices of the Authority during
14 normal business hours.

15 Section 7. Approval of official acts. All official acts of
16 the Authority shall require the approval of at least 6 members.

17 Section 8. Powers of the Authority.

18 (a) The Authority possesses all the powers of a body
19 corporate necessary and convenient to accomplish the purposes
20 of this Act, including, without limitation, except as defined
21 in Section 9.1 of the Act, the following:

22 (1) To enter into loans, contracts, agreements, and
23 mortgages in any matter connected with any of its corporate
24 purposes and to invest its funds.

1 (2) To sue and be sued.

2 (3) To employ agents and employees necessary to carry
3 out its purposes.

4 (4) To have and use a common seal and to alter the same
5 at its discretion.

6 (5) To adopt all needful ordinances, resolutions,
7 by-laws, rules, and regulations for the conduct of its
8 business and affairs and for the management and use of the
9 projects developed, constructed, acquired, and improved in
10 furtherance of its purposes.

11 (6) To designate the fiscal year for the Authority.

12 (7) To accept and expend appropriations.

13 (8) To maintain an office or offices at such place as
14 the Authority may designate.

15 (9) To employ, either as regular employees or as
16 independent contractors, such consultants, engineers,
17 architects, accountants, attorneys, financial experts,
18 construction experts and personnel, superintendents,
19 managers, and other professional personnel as may be
20 necessary in the judgment of the Authority and to fix their
21 compensation.

22 (10) To acquire, hold, lease, use, encumber, transfer,
23 or dispose of real and personal property.

24 (11) To enter into contracts of any kind and execute
25 all instruments necessary or convenient with respect to its
26 carrying out the powers in this Act to accomplish the

1 purposes of the Authority.

2 (12) To fix and revise from time to time and to charge
3 and collect rates, rents, fees, or other charges for the
4 use of facilities or for services rendered in connection
5 with the facilities.

6 (13) To borrow money from any source for any corporate
7 purpose, including working capital for its operations,
8 reserve funds, or the payment of interest, to mortgage,
9 pledge, or otherwise encumber the property or funds of the
10 Authority, and to contract with or engage the services of
11 any person in connection with any financing, including
12 financial institutions, issuers of letters of credit, or
13 insurers.

14 (14) To borrow money and issue revenue bonds, notes, or
15 other evidences of indebtedness under the supervision of
16 the Illinois Finance Authority, as set forth under Section
17 825-13.5 of the Illinois Finance Authority Act.

18 (15) To receive and accept from any source, private or
19 public, contributions, gifts, or grants of money or
20 property.

21 (16) To make loans from proceeds or funds otherwise
22 available to the extent necessary or appropriate to
23 accomplish the purposes of the Authority.

24 (17) To exercise all the corporate powers granted to
25 Illinois corporations under the Business Corporation Act
26 of 1983, except to the extent that any of these powers are

1 inconsistent with those of a body politic and corporate of
2 the State.

3 (18) To have and exercise all powers and be subject to
4 all duties usually incident to boards of directors of
5 corporations.

6 (19) To enter into intergovernmental agreements with
7 the State of Illinois and the Illinois Finance Authority.

8 (20) To do all things necessary or convenient to carry
9 out the powers granted by this Act.

10 (b) The Authority shall not issue any bonds relating to the
11 financing of a project located within the planning and
12 subdivision control jurisdiction of any municipality or county
13 unless notice, including a description of the proposed project
14 and the financing therefor, is submitted to the corporate
15 authorities of the municipality or, in the case of a proposed
16 project in an unincorporated area, to the county board.

17 (c) If any of the powers set forth in this Act are
18 exercised within the jurisdictional limits of any
19 municipality, all ordinances of the municipality shall remain
20 in full force and effect and shall be controlling.

21 Section 9. Revenue bonds.

22 (a) The Authority shall have the continuing power to issue
23 revenue bonds, notes, or other evidences of indebtedness in an
24 aggregate amount not to exceed \$500,000,000 for the purpose of
25 developing, constructing, acquiring, or improving projects,

1 including those established by business entities locating or
2 expanding property within the territorial jurisdiction of the
3 Authority, for entering into venture capital agreements with
4 businesses locating or expanding within the territorial
5 jurisdiction of the Authority, for acquiring and improving any
6 property necessary and useful in connection therewith, and for
7 the purposes of the Employee Ownership Assistance Act. The
8 bonds must be issued under the supervision of the Illinois
9 Finance Authority, as set forth under Section 825-13.5 of the
10 Illinois Finance Authority Act. For the purpose of evidencing
11 the obligations of the Authority to repay any money borrowed,
12 the Authority may, pursuant to resolution, from time to time
13 issue and dispose of its interest bearing revenue bonds, notes,
14 or other evidences of indebtedness and may also from time to
15 time issue and dispose of such bonds, notes, or other evidences
16 of indebtedness to refund, at maturity, at a redemption date or
17 in advance of either, any revenue bonds, notes, or other
18 evidences of indebtedness pursuant to redemption provisions or
19 at any time before maturity. All such revenue bonds, notes, or
20 other evidences of indebtedness shall be payable solely from
21 the revenues or income to be derived from loans made with
22 respect to projects, from the leasing or sale of the projects,
23 or from any other funds available to the Authority for such
24 purposes, including, when so provided by ordinance of the
25 Authority authorizing the issuance of revenue bonds or notes.
26 The revenue bonds, notes, or other evidences of indebtedness

1 may bear such date or dates, may mature at such time or times
2 not exceeding 35 years from their respective dates, may bear
3 interest at such rate or rates not exceeding the maximum rate
4 permitted by the Bond Authorization Act, may be in such form,
5 may carry such registration privileges, may be executed in such
6 manner, may be payable at such place or places, may be made
7 subject to redemption in such manner and upon such terms, with
8 or without premium as is stated on the face thereof, may be
9 authenticated in such manner, and may contain such terms and
10 covenants as may be provided by an applicable resolution.

11 (b) The holder or holders of any revenue bonds, notes, or
12 other evidences of indebtedness issued by the Authority may
13 bring suits at law or proceedings in equity to compel the
14 performance and observance by any corporation or person or by
15 the Authority or any of its agents or employees of any contract
16 or covenant made with the holders of such revenue bonds, notes,
17 or other evidences of indebtedness, to compel such corporation,
18 person, the Authority, and any of its agents or employees to
19 perform any duties required to be performed for the benefit of
20 the holders of any such revenue bonds, notes, or other
21 evidences of indebtedness by the provision of the resolution
22 authorizing their issuance and to enjoin such corporation,
23 person, the Authority, and any of its agents or employees from
24 taking any action in conflict with any such contract or
25 covenant.

26 (c) If the Authority fails to pay the principal of or

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

14 (d) Notwithstanding the form and tenor of any such revenue
15 bonds, notes, or other evidences of indebtedness and in the
16 absence of any express recital on the face of any such revenue
17 bond, note, or other evidence of indebtedness that it is
18 nonnegotiable, all such revenue bonds, notes, and other
19 evidences of indebtedness shall be negotiable instruments.
20 Pending the preparation and execution of any such revenue
21 bonds, notes, or other evidences of indebtedness, temporary
22 revenue bonds, notes, or evidences of indebtedness may be
23 issued as provided by ordinance.

24 (e) To secure the payment of any or all of such revenue
25 bonds, notes, or other evidences of indebtedness, the revenues
26 to be received by the Authority from a lease agreement or loan

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

13 (f) The revenue bonds or notes shall be secured as provided
14 in the authorizing ordinance which may, notwithstanding any
15 other provision of this Act, include in addition to any other
16 security a specific pledge or assignment of and lien on or
17 security interest in any or all revenues or money of the
18 Authority from whatever source which may by law be used for
19 debt service purposes and a specific pledge or assignment of
20 and lien on or security interest in any funds or accounts
21 established or provided for by ordinance of the Authority
22 authorizing the issuance of such revenue bonds or notes.

23 (g) The State of Illinois pledges to and agrees with the
24 holders of the revenue bonds and notes of the Authority issued
25 pursuant to this Section that the State will not limit or alter
26 the rights and powers vested in the Authority by this Act so as

1 to impair the terms of any contract made by the Authority with
2 such holders or in any way impair the rights and remedies of
3 such holders until such revenue bonds and notes, together with
4 interest thereon, with interest on any unpaid installments of
5 interest, and all costs and expenses in connection with any
6 action or proceedings by or on behalf of such holders, are
7 fully met and discharged. The Authority is authorized to
8 include these pledges and agreements of the State in any
9 contract with the holders of revenue bonds or notes issued
10 pursuant to this Section.

11 (h) Under no circumstances shall any bonds issued by the
12 Authority or any other obligation of the Authority be or become
13 an indebtedness or obligation of the State of Illinois or of
14 any other political subdivision of or municipality within the
15 State, nor shall any such bond or obligation be or become an
16 indebtedness of the Authority within the purview of any
17 constitutional limitation or provision, and it shall be plainly
18 stated on the face of each bond that it does not constitute
19 such an indebtedness or obligation but is payable solely from
20 the revenues or income as aforesaid.

21 (i) For the purpose of financing a project pursuant to this
22 Act, the Authority shall be authorized to apply for an
23 allocation of tax-exempt bond financing authorization provided
24 by Section 11143 of the Safe, Accountable, Flexible, Efficient
25 Transportation Equity Act: A Legacy for Users (SAFETEA-LU),
26 Public Law 109-59, as well as financing available under any

1 other federal law or program.

2 Section 9.1. Limitation.

3 (a) The Authority may issue its bonds or notes (including
4 refunding bond or notes) only if the financed project is
5 situated within the territorial jurisdiction of a municipality
6 with a municipal poverty rate greater than 3% in excess of the
7 statewide average.

8 (b) If a project is situated in 2 or more municipalities
9 where one municipality has a municipal poverty rate greater
10 than 3% in excess of the statewide average and the other does
11 not, the project shall be deemed to be within the municipality
12 with a municipal poverty rate greater than 3% in excess of the
13 statewide average.

14 (c) Not less than 30 days prior to the commitment to issue
15 bonds, notes, or other evidences of indebtedness for the
16 purpose of developing, constructing, acquiring, or improving
17 housing or residential projects, as defined in this Act, the
18 Authority shall provide notice to the Executive Director of the
19 Illinois Housing Development Authority. Within 30 days after
20 the notice is provided, the Illinois Housing Development
21 Authority shall, in writing, either express interest in
22 financing the project or notify the Authority that it is not
23 interested in providing financing and that the Authority may
24 finance the project or seek alternative financing.

1 Section 10. Legality for investment. Any financial
2 institution, investment company, insurance company, or
3 association and any personal representative, guardian,
4 trustee, or other fiduciary, may legally invest any moneys
5 belonging to them or within their control in any bonds issued
6 by the Authority.

7 Section 11. Tax exemption. The Authority shall not be
8 required to pay any taxes or assessments of any kind whatsoever
9 and its bonds, their transfer, the interest payable on them,
10 and any income derived from them shall be exempt at the time of
11 issuance and at all times from every kind and nature of
12 taxation by this State or by any of its political subdivisions,
13 municipal corporations, or public agencies of any kind, except
14 for estate, transfer, and inheritance taxes as provided in
15 Section 12.

16 For purposes of Section 250 of the Illinois Income Tax Act,
17 the exemption of the income from bonds issued by the Authority
18 shall terminate after all of the bonds have been paid. The
19 amount of such income that shall be added and then subtracted
20 on the Illinois income tax return of a taxpayer, under Section
21 203 of the Illinois Income Tax Act, from federal adjusted gross
22 income or federal taxable income in computing Illinois base
23 income shall be the interest net of any bond premium
24 amortization.

1 Section 12. Additional powers and duties.

2 (a) The Authority may, but need not, acquire title to any
3 project with respect to which it exercises its authority.

4 (b) The Authority shall have the power to enter into
5 intergovernmental agreements with the State of Illinois, the
6 United States government and any agency or instrumentality of
7 the United States, any unit of local government, or any other
8 unit of government to the extent allowed by Article VII,
9 Section 10 of the Illinois Constitution and the
10 Intergovernmental Cooperation Act.

11 (c) The Authority shall have the power to share employees
12 with other units of government, including agencies of the
13 United States, agencies of the State of Illinois, and agencies
14 or personnel of any unit of local government.

15 (d) The Authority shall have the power to exercise powers
16 and issue bonds as if it were a municipality so authorized in
17 Divisions 12.1, 74, 74.1, 74.3, 74.4, and 74.5 of Article 11 of
18 the Illinois Municipal Code.

19 Section 13. Fees and charges. The Authority may collect
20 fees and charges in connection with its loans, commitments, and
21 servicing and may provide technical assistance in the
22 development of the region.

23 Section 14. Designation of depository. The Authority shall
24 biennially designate a national or State bank or banks as

1 depositories of its money. Those depositories shall be
2 designated only within the State and upon condition that bonds
3 approved as to form and surety by the Authority and at least
4 equal in amount to the maximum sum expected to be on deposit at
5 any one time shall be first given by the depositories to the
6 Authority, those bonds to be conditioned for the safekeeping
7 and prompt repayment of the deposits. When any of the funds of
8 the Authority shall be deposited by the treasurer in any such
9 depository, the treasurer and the sureties on his official bond
10 shall, to that extent, be exempt from liability for the loss of
11 any of the deposited funds by reason of the failure,
12 bankruptcy, or any other act or default of the depository.
13 However, the Authority may accept assignments of collateral by
14 any depository of its funds to secure the deposits to the same
15 extent and conditioned in the same manner as assignments of
16 collateral are permitted by law to secure deposits of the funds
17 of any city.

18 Section 90. The Illinois Finance Authority Act is amended
19 by adding Section 825-13.5 as follows:

20 (20 ILCS 3501/825-13.5 new)

21 Sec. 825-13.5. Supervision of the Illinois Urban
22 Development Authority bond issuances.

23 (a) All bond issuances of the Illinois Urban Development
24 Authority are subject to supervision, management, control, and

1 approval of the Authority.

2 (b) All bonds issued by the Illinois Urban Development
3 Authority under the supervision of the Authority are subject to
4 the terms and conditions that are set forth in the Illinois
5 Urban Development Authority Act.

6 (c) The bonds issued by the Illinois Urban Development
7 Authority under the supervision of the Authority are not debts
8 of the Authority or of the State.