

# HB1089



## 96TH GENERAL ASSEMBLY

### State of Illinois

2009 and 2010

HB1089

Introduced 2/11/2009, by Rep. Patrick J Verschoore

#### SYNOPSIS AS INTRODUCED:

70 ILCS 510/9

from Ch. 85, par. 6209

70 ILCS 515/9

from Ch. 85, par. 6509

Amends the Quad Cities Regional Economic Development Authority Acts. Provides that the total outstanding bonds and notes of the Quad Cities Regional Economic Development Authority shall not exceed \$250 million (now, \$100 million).

LRB096 07999 RLJ 18103 b

FISCAL NOTE ACT  
MAY APPLY

A BILL FOR

1 AN ACT concerning local government.

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

4 Section 5. The Quad Cities Regional Economic Development  
5 Authority Act, approved September 22, 1987 is amended by  
6 changing Section 9 as follows:

7 (70 ILCS 510/9) (from Ch. 85, par. 6209)

8 Sec. 9. Bonds and notes. (a) (1) The Authority may, with the  
9 written approval of the Governor, at any time and from time to  
10 time, issue bonds and notes for any corporate purpose,  
11 including the establishment of reserves and the payment of  
12 interest. In this Act the term "bonds" includes notes of any  
13 kind, interim certificates, refunding bonds or any other  
14 evidence of obligation.

15 (2) The bonds of any issue shall be payable solely from the  
16 property or receipts of the Authority, including, without  
17 limitation:

18 (I) fees, charges or other revenues payable to the  
19 Authority;

20 (II) payments by financial institutions, insurance  
21 companies, or others pursuant to letters or lines of credit,  
22 policies of insurance, or purchase agreements;

23 (III) investment earnings from funds or accounts

1 maintained pursuant to a bond resolution or trust agreement;  
2 and

3 (IV) proceeds of refunding bonds.

4 (3) Bonds shall be authorized by a resolution of the  
5 Authority and may be secured by a trust agreement by and  
6 between the Authority and a corporate trustee or trustees,  
7 which may be any trust company or bank having the powers of a  
8 trust company within or without the State. Bonds shall:

9 (I) be issued at, above or below par value, for cash or  
10 other valuable consideration, and mature at time or times,  
11 whether as serial bonds or as term bonds or both, not exceeding  
12 40 years from their respective date of issue; however, the  
13 length of the term of the bond should bear a reasonable  
14 relationship to the value life of the item financed;

15 (II) bear interest at the fixed or variable rate or rates  
16 determined by the method provided in the resolution or trust  
17 agreement;

18 (III) be payable at a time or times, in the denominations  
19 and form, either coupon or registered or both, and carry the  
20 registration and privileges as to conversion and for the  
21 replacement of mutilated, lost or destroyed bonds as the  
22 resolution or trust agreement may provide;

23 (IV) be payable in lawful money of the United States at a  
24 designated place;

25 (V) be subject to the terms of purchase, payment,  
26 redemption, refunding or refinancing that the resolution or

1 trust agreement provides;

2 (VI) be executed by the manual or facsimile signatures of  
3 the officers of the Authority designated by the Authority,  
4 which signatures shall be valid at delivery even for one who  
5 has ceased to hold office; and

6 (VII) be sold in the manner and upon the terms determined  
7 by the Authority.

8 (b) Any resolution or trust agreement may contain  
9 provisions which shall be a part of the contract with the  
10 holders of the bonds as to:

11 (1) pledging, assigning or directing the use, investment or  
12 disposition of receipts of the Authority or proceeds or  
13 benefits of any contract and conveying or otherwise securing  
14 any property or property rights;

15 (2) the setting aside of loan funding deposits, debt  
16 service reserves, capitalized interest accounts, cost of  
17 issuance accounts and sinking funds, and the regulations,  
18 investment and disposition thereof;

19 (3) limitations on the purpose to which or the investments  
20 in which the proceeds of sale of any issue of bonds may be  
21 applied and restrictions to investment of revenues or bond  
22 proceeds in government obligations for which principal and  
23 interest are unconditionally guaranteed by the United States of  
24 America;

25 (4) limitations on the issue of additional bonds, the terms  
26 upon which additional bonds may be issued and secured, the

1 terms upon which additional bonds may rank on a parity with, or  
2 be subordinate or superior to, other bonds;

3 (5) the refunding or refinancing of outstanding bonds;

4 (6) the procedure, if any, by which the terms of any  
5 contract with bondholders may be altered or amended and the  
6 amount of bonds and holders of which must consent thereto, and  
7 the manner in which consent shall be given;

8 (7) defining the acts or omissions which shall constitute a  
9 default in the duties of the Authority to holders of bonds and  
10 providing the rights or remedies of such holders in the event  
11 of a default which may include provisions restricting  
12 individual right of action by bondholders;

13 (8) providing for guarantees, pledges of property, letters  
14 of credit, or other security, or insurance for the benefit of  
15 bondholders; and

16 (9) any other matter relating to the bonds which the  
17 Authority determines appropriate.

18 (c) No member of the Authority nor any person executing the  
19 bonds shall be liable personally on the bonds or subject to any  
20 personal liability by reason of the issuance of the bonds.

21 (d) The Authority may enter into agreements with agents,  
22 banks, insurers or others for the purpose of enhancing the  
23 marketability of or as security for its bonds.

24 (e) (1) A pledge by the Authority of revenues as security  
25 for an issue of bonds shall be valid and binding from the time  
26 when the pledge is made.

1           (2) The revenues pledged shall immediately be subject to  
2 the lien of the pledge without any physical delivery or further  
3 act, and the lien of any pledge shall be valid and binding  
4 against any person having any claim of any kind in tort,  
5 contract or otherwise against the Authority, irrespective of  
6 whether the person has notice.

7           (3) No resolution, trust agreement or financing statement,  
8 continuation statement, or other instrument adopted or entered  
9 into by the Authority need be filed or recorded in any public  
10 record other than the records of the authority in order to  
11 perfect the lien against third persons, regardless of any  
12 contrary provision of law.

13           (f) The Authority may issue bonds to refund any of its  
14 bonds then outstanding, including the payment of any redemption  
15 premium and any interest accrued or to accrue to the earliest  
16 or any subsequent date of redemption, purchase or maturity of  
17 the bonds. Refunding bonds may be issued for the public  
18 purposes of realizing savings in the effective costs of debt  
19 service, directly or through a debt restructuring, for  
20 alleviating impending or actual default and may be issued in  
21 one or more series in an amount in excess of that of the bonds  
22 to be refunded.

23           (g) Bonds or notes of the Authority may be sold by the  
24 Authority through the process of competitive bid or negotiated  
25 sale.

26           (h) At no time shall the total outstanding bonds and notes

1 of the Authority exceed \$250 ~~\$100~~ million.

2 (i) The bonds and notes of the Authority shall not be debts  
3 of the State.

4 (j) In no event may proceeds of bonds or notes issued by  
5 the Authority be used to finance any structure which is not  
6 constructed pursuant to an agreement between the Authority and  
7 a party, which provides for the delivery by the party of a  
8 completed structure constructed pursuant to a fixed price  
9 contract, and which provides for the delivery of such structure  
10 at such fixed price to be insured or guaranteed by a third  
11 party determined by the Authority to be capable of completing  
12 construction of such a structure.

13 (Source: P.A. 85-713.)

14 Section 10. The Quad Cities Regional Economic Development  
15 Authority Act, certified December 30, 1987 is amended by  
16 changing Section 9 as follows:

17 (70 ILCS 515/9) (from Ch. 85, par. 6509)

18 Sec. 9. Bonds and notes. (a) (1) The Authority may, with the  
19 written approval of the Governor, at any time and from time to  
20 time, issue bonds and notes for any corporate purpose,  
21 including the establishment of reserves and the payment of  
22 interest. In this Act the term "bonds" includes notes of any  
23 kind, interim certificates, refunding bonds or any other  
24 evidence of obligation.

1           (2) The bonds of any issue shall be payable solely from the  
2 property or receipts of the Authority, including, without  
3 limitation:

4           (I) fees, charges or other revenues payable to the  
5 Authority;

6           (II) payments by financial institutions, insurance  
7 companies, or others pursuant to letters or lines of credit,  
8 policies of insurance, or purchase agreements;

9           (III) investment earnings from funds or accounts  
10 maintained pursuant to a bond resolution or trust agreement;  
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14 Authority and may be secured by a trust agreement by and  
15 between the Authority and a corporate trustee or trustees,  
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17 trust company within or without the State. Bonds shall:

18           (I) be issued at, above or below par value, for cash or  
19 other valuable consideration, and mature at time or times,  
20 whether as serial bonds or as term bonds or both, not exceeding  
21 40 years from their respective date of issue; however, the  
22 length of the term of the bond should bear a reasonable  
23 relationship to the value life of the item financed;

24           (II) bear interest at the fixed or variable rate or rates  
25 determined by the method provided in the resolution or trust  
26 agreement;



1 (III) be payable at a time or times, in the denominations  
2 and form, either coupon or registered or both, and carry the  
3 registration and privileges as to conversion and for the  
4 replacement of mutilated, lost or destroyed bonds as the  
5 resolution or trust agreement may provide;

6 (IV) be payable in lawful money of the United States at a  
7 designated place;

8 (V) be subject to the terms of purchase, payment,  
9 redemption, refunding or refinancing that the resolution or  
10 trust agreement provides;

11 (VI) be executed by the manual or facsimile signatures of  
12 the officers of the Authority designated by the Authority,  
13 which signatures shall be valid at delivery even for one who  
14 has ceased to hold office; and

15 (VII) be sold in the manner and upon the terms determined  
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20 (1) pledging, assigning or directing the use, investment or  
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23 any property or property rights;

24 (2) the setting aside of loan funding deposits, debt  
25 service reserves, capitalized interest accounts, cost of  
26 issuance accounts and sinking funds, and the regulations,

1 investment and disposition thereof;

2 (3) limitations on the purpose to which or the investments  
3 in which the proceeds of sale of any issue of bonds may be  
4 applied and restrictions to investment of revenues or bond  
5 proceeds in government obligations for which principal and  
6 interest are unconditionally guaranteed by the United States of  
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9 upon which additional bonds may be issued and secured, the  
10 terms upon which additional bonds may rank on a parity with, or  
11 be subordinate or superior to, other bonds;

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15 amount of bonds and holders of which must consent thereto, and  
16 the manner in which consent shall be given;

17 (7) defining the acts or omissions which shall constitute a  
18 default in the duties of the Authority to holders of bonds and  
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20 of a default which may include provisions restricting  
21 individual right of action by bondholders;

22 (8) providing for guarantees, pledges of property, letters  
23 of credit, or other security, or insurance for the benefit of  
24 bondholders; and

25 (9) any other matter relating to the bonds which the  
26 Authority determines appropriate.

1 (c) No member of the Authority nor any person executing the  
2 bonds shall be liable personally on the bonds or subject to any  
3 personal liability by reason of the issuance of the bonds.

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10 (2) The revenues pledged shall immediately be subject to  
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17 completed structure constructed pursuant to a fixed price  
18 contract, and which provides for the delivery of such structure  
19 at such fixed price to be insured or guaranteed by a third  
20 party determined by the Authority to be capable of completing  
21 construction of such a structure.

22 (Source: P.A. 85-988.)