Rep. Frank J. Mautino

Filed: 1/10/2011

AMENDMENT TO SENATE BILL 336

AMENDMENT NO. ______. Amend Senate Bill 336, AS AMENDED, by replacing everything after the enacting clause with the following:

"Section 5. The State Finance Act is amended by adding Sections 5.786, 5.787, 6z-85, 6z-86, and 6z-87 as follows:

(30 ILCS 105/5.786 new)

Sec. 5.786. General Obligation Restructuring Bond Fund.

(30 ILCS 105/5.787 new)

Sec. 5.787. General Obligation Restructuring Bond Debt Service Fund.

(30 ILCS 105/6z-85 new)

Sec. 6z-85. State General Obligation Restructuring Bonds. If and when the State issues any State General Obligation

Restructuring Bonds defined in Section 7.6 of the General Obligation Bond Act, the Comptroller shall transfer into the State General Obligation Restructuring Bond Debt Service Fund the amounts set forth in this Section 6z-85. The Governor's Office of Management and Budget shall certify to the Comptroller and the Treasurer, on the date of issuance of any State General Obligation Restructuring Bond and thereafter by the last business day of each fiscal year, the amount of funds sufficient to pay the aggregate of the principal of, interest on, and premium, if any, on State General Obligation Restructuring Bonds payable with respect to the prospective fiscal year (or, in the case of a partial fiscal year, for the remainder of that fiscal year). Interest payable on variable rate bonds shall be calculated at the maximum rate of interest that may be payable for the relevant period, after taking into account any credits permitted in the related indenture or other instrument against the amount of interest required to be appropriated for that period pursuant to subsection (c) of Section 14 of the General Obligation Bond Act. Commencing with the first business day of the fiscal year to which such certification relates (or, in the case of a partial fiscal year, the first business day of the month following the month in which State General Obligation Restructuring Bonds were issued) and continuing on a monthly basis for each successive month thereafter, the Treasurer and the Comptroller shall transfer $129,000,000 into the State General Obligation

Restructuring Bond Debt Service Fund. The Comptroller shall continue making monthly transfers into the State General Obligation Restructuring Bond Debt Service Fund until such time as the aggregate amount of funds transferred into the State General Obligation Restructuring Bond Debt Service Fund in a fiscal year (or partial period) equals the amount of funds necessary to service the debt for such fiscal year (or partial period) on the Bonds, as certified by the Governor's Office of Management and Budget. Such amounts shall be set aside and used for the purpose of paying and discharging the principal and interest on such bonds when due and payable and for no other purpose. Interest on Bonds for which moneys have already been deposited into the capitalized interest account within the General Obligation Bond Retirement and Interest Fund shall not be included in the calculation of the amounts to be transferred under this subsection.

(30 ILCS 105/6z-86 new)

Sec. 6z-86. General Obligation Restructuring Bond Fund. The General Obligation Restructuring Bond Fund is created as a special fund in the State treasury for the purpose of receiving and disbursing moneys in accordance with Section 7.6 of the General Obligation Bond Act. All money in the General Obligation Restructuring Bond Fund must be used to make the transfers and payments required under that Section.

(30 ILCS 105/6z-87 new)

Sec. 6z-87. General Obligation Restructuring Bond Debt Service Fund. The General Obligation Restructuring Bond Debt Service Fund is created as a special fund in the State treasury.

Section 10. The General Obligation Bond Act is amended by changing Sections 2, 2.5, 8, 9, 12, 13, 14, and 15 and by adding Section 7.6 as follows:

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

Sec. 2. Authorization for Bonds. The State of Illinois is authorized to issue, sell and provide for the retirement of General Obligation Bonds of the State of Illinois for the categories and specific purposes expressed in Sections 2 through 8 of this Act, in the total amount of $45,967,777,443 ~~$37,217,777,443 $36,967,777,443~~.

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

Of the total amount of Bonds authorized in this Act, up to $2,200,000,000 in aggregate original principal amount may be issued and sold in accordance with the Baccalaureate Savings Act in the form of General Obligation College Savings Bonds.

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

Of the total amount of Bonds authorized in this Act, the additional $10,000,000,000 authorized by Public Act 93-2 and the $3,466,000,000 authorized by Public Act 96-43 shall be used solely as provided in Section 7.2.

Of the total amount of Bonds authorized in this Act, $8,750,000,000 of the additional amount of Bonds authorized by this amendatory Act of the 96th General Assembly shall be used solely as provided in Section 7.6 and shall be issued by July 1, 2012.

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

(Source: P.A. 95-1026, eff. 1-12-09; 96-5, eff. 4-3-09; 96-36, eff. 7-13-09; 96-43, eff. 7-15-09; 96-885, eff. 3-11-10; 96-1000, eff. 7-2-10; revised 9-3-10.)

(30 ILCS 330/2.5)

Sec. 2.5. Limitation on issuance of Bonds.

(a) Except as provided in subsections ~~subsection~~ (b) and (c), no Bonds may be issued if, after the issuance, in the next

State fiscal year after the issuance of the Bonds, the amount of debt service (including principal, whether payable at maturity or pursuant to mandatory sinking fund installments, and interest) on all then-outstanding Bonds, other than Bonds authorized by this amendatory Act of the 96th General Assembly, would exceed 7% of the aggregate appropriations from the general funds (which consist of the General Revenue Fund, the Common School Fund, the General Revenue Common School Special Account Fund, and the Education Assistance Fund) and the Road Fund for the fiscal year immediately prior to the fiscal year of the issuance.

(b) If the Comptroller and Treasurer each consent in writing, Bonds may be issued even if the issuance does not comply with subsection (a).

(c) Subsection (a) shall not apply to bonds authorized in Section 7.6, and the debt service, including principal, whether payable at maturity or pursuant to mandatory sinking fund installments, and interest, on Bonds authorized in Section 7.6 shall be excluded from the calculation set forth in subsection (a).

(Source: P.A. 96-43, eff. 7-15-09.)

(30 ILCS 330/7.6 new)

Sec. 7.6. State General Obligation Restructuring Bonds.

(a) The amount of $8,750,000,000 of Bonds authorized by this amendatory Act of the 96th General Assembly is authorized to be used for the purposes of (i) paying, from time to time, vouchers that are at least 60 days past due; (ii) paying medical expenses and other obligations incurred by the State under its health plans and programs; (iii) paying corporate income tax refunds; and (iv) paying other unfunded liabilities of the State as incurred from time to time.

(b) As used in this Act, "State General Obligation Restructuring Bonds" means Bonds authorized by this amendatory Act of the 96th General Assembly and issued under this Act for the purposes authorized in this Section. References to Bonds authorized under this Section 7.6 mean Bonds, the proceeds of which are to be used as authorized in subsection (a).

(c) The proceeds of State General Obligation Restructuring Bonds, less the amounts authorized in the Bond Sale Order to be deposited directly into the capitalized interest account of the General Obligation Bond Retirement and Interest Fund or otherwise directly paid out for bond sale expenses under Section 8, shall be deposited into the General Obligation Restructuring Bond Fund, and the Comptroller and the Treasurer shall, as soon as practical, (i) make transfers from the General Obligation Restructuring Bond Fund to the General Revenue Fund for the purpose of making the payments contemplated by this Section and (ii) make such payments.

(30 ILCS 330/8) (from Ch. 127, par. 658)

Sec. 8. Bond sale expenses.

(a) An amount not to exceed 0.5 percent of the principal amount of the proceeds of sale of each bond sale is authorized to be used to pay the reasonable costs of issuance and sale, including, without limitation, underwriter's discounts and fees, but excluding bond insurance, of State of Illinois general obligation bonds authorized and sold pursuant to this Act, provided that no salaries of State employees or other State office operating expenses shall be paid out of non-appropriated proceeds, provided further that the percent shall be 1.0% for each sale of "Build America Bonds" or "Qualified School Construction Bonds" as defined in subsections (d) and (e) of Section 9, respectively, and for each sale of Bonds authorized by Section 7.6. The Governor's Office of Management and Budget shall compile a summary of all costs of issuance on each sale (including both costs paid out of proceeds and those paid out of appropriated funds) and post that summary on its web site within 20 business days after the issuance of the Bonds. The summary shall include, as applicable, the respective percentages of participation and compensation of each underwriter that is a member of the underwriting syndicate, legal counsel, financial advisors, and other professionals for the bond issue and an identification of all costs of issuance paid to minority owned businesses, female owned businesses, and businesses owned by persons with disabilities. The terms "minority owned businesses", "female owned businesses", and "business owned by a person with a disability" have the meanings given to those terms in the Business Enterprise for Minorities, Females, and Persons with Disabilities Act. That posting shall be maintained on the web site for a period of at least 30 days. In addition, the Governor's Office of Management and Budget shall provide a written copy of each summary of costs to the Speaker and Minority Leader of the House of Representatives, the President and Minority Leader of the Senate, and the Commission on Government Forecasting and Accountability within 20 business days after each issuance of the Bonds. In addition, the Governor's Office of Management and Budget shall provide copies of all contracts under which any costs of issuance are paid or to be paid to the Commission on Government Forecasting and Accountability within 20 business days after the issuance of Bonds for which those costs are paid or to be paid. Instead of filing a second or subsequent copy of the same contract, the Governor's Office of Management and Budget may file a statement that specified costs are paid under specified contracts filed earlier with the Commission.

(b) The Director of the Governor's Office of Management and Budget shall not, in connection with the issuance of Bonds, contract with any underwriter, financial advisor, or attorney unless that underwriter, financial advisor, or attorney certifies that the underwriter, financial advisor, or attorney has not and will not pay a contingent fee, whether directly or indirectly, to a third party for having promoted the selection of the underwriter, financial advisor, or attorney for that contract. In the event that the Governor's Office of Management and Budget determines that an underwriter, financial advisor, or attorney has filed a false certification with respect to the payment of contingent fees, the Governor's Office of Management and Budget shall not contract with that underwriter, financial advisor, or attorney, or with any firm employing any person who signed false certifications, for a period of 2 calendar years, beginning with the date the determination is made. The validity of Bonds issued under such circumstances of violation pursuant to this Section shall not be affected.

(Source: P.A. 96-828, eff. 12-2-09.)

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

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

(a) Except as otherwise provided in this subsection and as provided for in subsection (f), Bonds shall be issued and sold from time to time, in one or more series, in such amounts and at such prices as may be directed by the Governor, upon recommendation by the Director of the Governor's Office of Management and Budget. Bonds shall be in such form (either coupon, registered or book entry), in such denominations, payable within 25 years from their date, subject to such terms of redemption with or without premium, bear interest payable at such times and at such fixed or variable rate or rates, and be dated as shall be fixed and determined by the Director of the Governor's Office of Management and Budget in the order authorizing the issuance and sale of any series of Bonds, which order shall be approved by the Governor and is herein called a "Bond Sale Order"; provided however, that interest payable at fixed or variable rates shall not exceed that permitted in the Bond Authorization Act, as now or hereafter amended. Bonds shall be payable at such place or places, within or without the State of Illinois, and may be made registrable as to either principal or as to both principal and interest, as shall be specified in the Bond Sale Order. Bonds may be callable or subject to purchase and retirement or tender and remarketing as fixed and determined in the Bond Sale Order. Bonds, other than Bonds issued under Section 3 of this Act for the costs associated with the purchase and implementation of information technology, (i) except for refunding Bonds satisfying the requirements of Section 16 of this Act and sold during fiscal year 2009, 2010, or 2011, must be issued with principal or mandatory redemption amounts in equal amounts, with the first maturity issued occurring within the fiscal year in which the Bonds are issued or within the next succeeding fiscal year and (ii) must mature or be subject to mandatory redemption each fiscal year thereafter up to 25 years, except for refunding Bonds satisfying the requirements of Section 16 of this Act and sold during fiscal year 2009, 2010, or 2011 which must mature or be subject to mandatory redemption each fiscal year thereafter up to 16 years. Bonds issued under Section 3 of this Act for the costs associated with the purchase and implementation of information technology must be issued with principal or mandatory redemption amounts in equal amounts, with the first maturity issued occurring with the fiscal year in which the respective bonds are issued or with the next succeeding fiscal year, with the respective bonds issued maturing or subject to mandatory redemption each fiscal year thereafter up to 10 years. Notwithstanding any provision of this Act to the contrary, the Bonds authorized by Public Act 96-43 shall be payable within 5 years from their date and must be issued with principal or mandatory redemption amounts in equal amounts, with payment of principal or mandatory redemption beginning in the first fiscal year following the fiscal year in which the Bonds are issued.

In the case of any series of Bonds bearing interest at a variable interest rate ("Variable Rate Bonds"), in lieu of determining the rate or rates at which such series of Variable Rate Bonds shall bear interest and the price or prices at which such Variable Rate Bonds shall be initially sold or remarketed (in the event of purchase and subsequent resale), the Bond Sale Order may provide that such interest rates and prices may vary from time to time depending on criteria established in such Bond Sale Order, which criteria may include, without limitation, references to indices or variations in interest rates as may, in the judgment of a remarketing agent, be necessary to cause Variable Rate Bonds of such series to be remarketable from time to time at a price equal to their principal amount, and may provide for appointment of a bank, trust company, investment bank, or other financial institution to serve as remarketing agent in that connection. The Bond Sale Order may provide that alternative interest rates or provisions for establishing alternative interest rates, different security or claim priorities, or different call or amortization provisions will apply during such times as Variable Rate Bonds of any series are held by a person providing credit or liquidity enhancement arrangements for such Bonds as authorized in subsection (b) of this Section. The Bond Sale Order may also provide for such variable interest rates to be established pursuant to a process generally known as an auction rate process and may provide for appointment of one or more financial institutions to serve as auction agents and broker-dealers in connection with the establishment of such interest rates and the sale and remarketing of such Bonds.

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

The State may, with respect to Bonds issued or anticipated to be issued, participate in and enter into arrangements with respect to interest rate protection or exchange agreements, guarantees, or financial futures contracts for the purpose of limiting, reducing, or managing interest rate exposure. The authority granted under this paragraph, however, shall not increase the principal amount of Bonds authorized to be issued by law. The arrangements may be executed and delivered by the Director of the Governor's Office of Management and Budget on behalf of the State. Net payments for such arrangements shall constitute interest on the Bonds and shall be paid from the General Obligation Bond Retirement and Interest Fund. The Director of the Governor's Office of Management and Budget shall at least annually certify to the Governor and the State Comptroller his or her estimate of the amounts of such net payments to be included in the calculation of interest required to be paid by the State.

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

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

(e) Notwithstanding any other provision of this Section, Qualified School Construction Bonds shall be issued and sold from time to time, in one or more series, in such amounts and at such prices as may be directed by the Governor, upon recommendation by the Director of the Governor's Office of Management and Budget. Qualified School Construction Bonds shall be in such form (either coupon, registered or book entry), in such denominations, payable within 25 years from their date, subject to such terms of redemption with or without premium, and if the Qualified School Construction Bonds are issued with a supplemental coupon, bear interest payable at such times and at such fixed or variable rate or rates, and be dated as shall be fixed and determined by the Director of the Governor's Office of Management and Budget in the order authorizing the issuance and sale of any series of Qualified School Construction Bonds, which order shall be approved by the Governor and is herein called a "Bond Sale Order"; except that interest payable at fixed or variable rates, if any, shall not exceed that permitted in the Bond Authorization Act, as now or hereafter amended. Qualified School Construction Bonds shall be payable at such place or places, within or without the State of Illinois, and may be made registrable as to either principal or as to both principal and interest, as shall be specified in the Bond Sale Order. Qualified School Construction Bonds may be callable or subject to purchase and retirement or tender and remarketing as fixed and determined in the Bond Sale Order. Qualified School Construction Bonds must be issued with principal or mandatory redemption amounts or sinking fund payments into the General Obligation Bond Retirement and Interest Fund (or subaccount therefor) in equal amounts, with the first maturity issued, mandatory redemption payment or sinking fund payment occurring within the fiscal year in which the Qualified School Construction Bonds are issued or within the next succeeding fiscal year, with Qualified School Construction Bonds issued maturing or subject to mandatory redemption or with sinking fund payments thereof deposited each fiscal year thereafter up to 25 years. Sinking fund payments set forth in this subsection shall be permitted only to the extent authorized in Section 54F of the Internal Revenue Code or as otherwise determined by the Director of the Governor's Office of Management and Budget. "Qualified School Construction Bonds" in this subsection means Bonds authorized by Section 54F of the Internal Revenue Code and for bonds issued from time to time to refund or continue to refund such "Qualified School Construction Bonds".

(f) Notwithstanding any other provision of this Section, State General Obligation Restructuring Bonds shall be issued and sold from time to time, in one or more series, in such amounts and at such prices as may be directed by the Governor, upon recommendation by the Director of the Governor's Office of Management and Budget. State General Obligation Restructuring Bonds shall be in such form, either coupon, registered or book entry, in such denominations, payable within 15 years from their date, subject to the following terms of redemption with or without premium and in accordance with the following schedule, except the following amounts shall be prorated if less than the total additional amount of State General Obligation Restructuring Bonds authorized by this amendatory Act of the 96th General Assembly are issued:

For fiscal year 2012, $100,000,000;

For fiscal year 2013, $100,000,000;

For fiscal year 2014, $200,000,000;

For fiscal year 2015, $450,000,000;

For fiscal years 2016 through 2025, $765,000,000; and

For fiscal year 2026, $250,000,000.

The State General Obligation Restructuring Bonds shall bear interest payable at such times and at such fixed or variable rate or rates, and be dated as shall be fixed and determined by the Director of the Governor's Office of Management and Budget in the order authorizing the issuance and sale of any series of State General Obligation Restructuring Bonds, which order shall be approved by the Governor and is herein called a "Bond Sale Order"; provided however, that interest payable at fixed or variable rates shall not exceed that permitted in the Bond Authorization Act, as now or hereafter amended. State General Obligation Restructuring Bonds shall be payable at such place or places, within or without the State of Illinois, and may be made registrable as to either principal or as to both principal and interest, as shall be specified in the Bond Sale Order. State General Obligation Restructuring Bonds may be callable or subject to purchase and retirement or tender and remarketing as fixed and determined in the Bond Sale Order.

(Source: P.A. 96-18, eff. 6-26-09; 96-37, eff. 7-13-09; 96-43, eff. 7-15-09; 96-828, eff. 12-2-09.)

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

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

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

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

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

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

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

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

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

(f-2) Proceeds from the sale of Bonds, authorized by Section 7.2 of this Act, shall be deposited as set forth in Section 7.2.

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

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

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

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

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

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

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

(a) At all times, the proceeds from the sale of Bonds issued pursuant to this Act are subject to appropriation by the General Assembly and, except as provided in Sections ~~Section~~

7.2 and 7.6, may be obligated or expended only with the written approval of the Governor, in such amounts, at such times, and for such purposes as the respective State agencies, as defined in Section 1-7 of the Illinois State Auditing Act, as amended, deem necessary or desirable for the specific purposes contemplated in Sections 2 through 8 of this Act.

(b) Proceeds from the sale of Bonds for the purpose of development of coal and alternative forms of energy shall be expended in such amounts and at such times as the Department of Commerce and Economic Opportunity, with the advice and recommendation of the Illinois Coal Development Board for coal development projects, may deem necessary and desirable for the specific purpose contemplated by Section 7 of this Act. In considering the approval of projects to be funded, the Department of Commerce and Economic Opportunity shall give special consideration to projects designed to remove sulfur and other pollutants in the preparation and utilization of coal, and in the use and operation of electric utility generating plants and industrial facilities which utilize Illinois coal as their primary source of fuel.

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

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

(c-2) Any money received by the Department of Transportation as reimbursement for expenditures for transit capital purposes pursuant to appropriations from the Transportation Bond, Series B Fund for projects authorized by the federal government under the provisions of the American Recovery and Reinvestment Act of 2009 or the Safe Accountable Flexible Efficient Transportation Equity Act—A Legacy for Users (SAFETEA-LU), or any successor federal transportation authorization Act, shall be deposited into the Federal Mass Transit Trust Fund.

(Source: P.A. 96-1488, eff. 12-30-10.)

(30 ILCS 330/14) (from Ch. 127, par. 664)

Sec. 14. Repayment.

(a) To provide for the manner of repayment of Bonds, the Governor shall include an appropriation in each annual State Budget of monies in such amount as shall be necessary and sufficient, for the period covered by such budget, to pay the interest, as it shall accrue, on all Bonds issued under this Act, to pay and discharge the principal of such Bonds as shall, by their terms, fall due during such period, to pay a premium, if any, on Bonds to be redeemed prior to the maturity date, and to pay sinking fund payments in connection with Qualified School Construction Bonds authorized by subsection (e) of Section 9. Amounts included in such appropriations for the payment of interest on variable rate bonds shall be the maximum amounts of interest that may be payable for the period covered by the budget, after taking into account any credits permitted in the related indenture or other instrument against the amount of such interest required to be appropriated for such period. Amounts included in such appropriations for the payment of interest shall include the amounts certified by the Director of the Governor's Office of Management and Budget under subsection (b) of Section 9 of this Act.

(b) A separate fund in the State Treasury called the "General Obligation Bond Retirement and Interest Fund" is hereby created.

(c) The General Assembly shall annually make appropriations to pay the principal of, interest on, and premium, if any, on Bonds sold under this Act from the General

Obligation Bond Retirement and Interest Fund. Amounts included in such appropriations for the payment of interest on variable rate bonds shall be the maximum amounts of interest that may be payable during the fiscal year, after taking into account any credits permitted in the related indenture or other instrument against the amount of such interest required to be appropriated for such period. Amounts included in such appropriations for the payment of interest shall include the amounts certified by the Director of the Governor's Office of Management and Budget under subsection (b) of Section 9 of this Act.

If for any reason there are insufficient funds in ~~either~~ the General Revenue Fund, ~~or~~ the Road Fund, or the State General Obligation Restructuring Bond Debt Service Fund to make transfers to the General Obligation Bond Retirement and Interest Fund as required by Section 15 of this Act, or if for any reason the General Assembly fails to make appropriations sufficient to pay the principal of, interest on, and premium, if any, on the Bonds, as the same by their terms shall become due, this Act shall constitute an irrevocable and continuing appropriation of all amounts necessary for that purpose, and the irrevocable and continuing authority for and direction to the State Treasurer and the Comptroller to make the necessary transfers, as directed by the Governor, out of and disbursements from the revenues and funds of the State.

(d) If, because of insufficient funds in ~~either~~ the General Revenue Fund, ~~or~~ the Road Fund, or the State General Obligation

<u>Restructuring Bond Debt Service Fund,</u> monies have been transferred to the General Obligation Bond Retirement and Interest Fund, as required by subsection (c) of this Section, this Act shall constitute the irrevocable and continuing authority for and direction to the State Treasurer and Comptroller to reimburse these funds of the State from the General Revenue Fund<u>,</u> ~~or~~ the Road Fund, <u>or the State General Obligation Restructuring Bond Debt Service Fund,</u> as appropriate, by transferring, at such times and in such amounts, as directed by the Governor, an amount to these funds equal to that transferred from them.

(Source: P.A. 96-828, eff. 12-2-09.)

(30 ILCS 330/15) (from Ch. 127, par. 665)

Sec. 15. Computation of Principal and Interest; transfers.

(a) Upon each delivery of Bonds authorized to be issued under this Act, the Comptroller shall compute and certify to the Treasurer the total amount of principal of, interest on, and premium, if any, on Bonds issued that will be payable in order to retire such Bonds, the amount of principal of, interest on and premium, if any, on such Bonds that will be payable on each payment date according to the tenor of such Bonds during the then current and each succeeding fiscal year, and the amount of sinking fund payments needed to be deposited in connection with Qualified School Construction Bonds authorized by subsection (e) of Section 9. With respect to the interest payable on variable rate bonds, such certifications shall be calculated at the maximum rate of interest that may be payable during the fiscal year, after taking into account any credits permitted in the related indenture or other instrument against the amount of such interest required to be appropriated for such period pursuant to subsection (c) of Section 14 of this Act. With respect to the interest payable, such certifications shall include the amounts certified by the Director of the Governor's Office of Management and Budget under subsection (b) of Section 9 of this Act.

On or before the last day of each month the State Treasurer and Comptroller shall transfer from (1) the Road Fund with respect to Bonds issued under paragraph (a) of Section 4 of this Act or Bonds issued for the purpose of refunding such bonds, (2) the State General Obligation Restructuring Bond Debt Service Fund with respect to Bonds issued under Section 7.6 of this Act or Bonds issued for the purpose of refunding such bonds, and (3) ~~from (2)~~ the General Revenue Fund, with respect to all other Bonds issued under this Act, to the General Obligation Bond Retirement and Interest Fund an amount sufficient to pay the aggregate of the principal of, interest on, and premium, if any, on Bonds payable, by their terms on the next payment date divided by the number of full calendar months between the date of such Bonds and the first such payment date, and thereafter, divided by the number of months between each succeeding payment date after the first. Such computations and transfers shall be made for each series of Bonds issued and delivered. Interest payable on variable rate bonds shall be calculated at the maximum rate of interest that may be payable for the relevant period, after taking into account any credits permitted in the related indenture or other instrument against the amount of such interest required to be appropriated for such period pursuant to subsection (c) of Section 14 of this Act. Computations of interest shall include the amounts certified by the Director of the Governor's Office of Management and Budget under subsection (b) of Section 9 of this Act. Interest for which moneys have already been deposited into the capitalized interest account within the General Obligation Bond Retirement and Interest Fund shall not be included in the calculation of the amounts to be transferred under this subsection. Notwithstanding any other provision in this Section, the transfer provisions provided in this paragraph shall not apply to transfers made in fiscal year 2010 with respect to Bonds issued in fiscal year 2010 pursuant to Section 7.2 of this Act. In the case of transfers made in fiscal year 2010 with respect to the Bonds issued in fiscal year 2010 pursuant to Section 7.2 of this Act, on or before the 15th day of the month prior to the required debt service payment, the State Treasurer and Comptroller shall transfer from the General Revenue Fund to the General Obligation Bond Retirement and Interest Fund an amount sufficient to pay the aggregate of the principal of, interest on, and premium, if any, on the Bonds payable in that next month.

The transfer of monies herein and above directed is not required if monies in the General Obligation Bond Retirement and Interest Fund are more than the amount otherwise to be transferred as herein above provided, and if the Governor or his authorized representative notifies the State Treasurer and Comptroller of such fact in writing.

(b) After the effective date of this Act, the balance of, and monies directed to be included in the Capital Development Bond Retirement and Interest Fund, Anti-Pollution Bond Retirement and Interest Fund, Transportation Bond, Series A Retirement and Interest Fund, Transportation Bond, Series B Retirement and Interest Fund, and Coal Development Bond Retirement and Interest Fund shall be transferred to and deposited in the General Obligation Bond Retirement and Interest Fund. This Fund shall be used to make debt service payments on the State's general obligation Bonds heretofore issued which are now outstanding and payable from the Funds herein listed as well as on Bonds issued under this Act.

(c) The unused portion of federal funds received for a capital facilities project, as authorized by Section 3 of this Act, for which monies from the Capital Development Fund have been expended shall be deposited upon completion of the project in the General Obligation Bond Retirement and Interest Fund. Any federal funds received as reimbursement for the completed construction of a capital facilities project, as authorized by

Section 3 of this Act, for which monies from the Capital Development Fund have been expended shall be deposited in the General Obligation Bond Retirement and Interest Fund.
(Source: P.A. 96-43, eff. 7-15-09; 96-828, eff. 12-2-09.)

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