

AN ACT concerning sports facilities.

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

Section 1. Short title. This Act may be cited as the  
Downstate Illinois Sports Facilities Authority Act.

Section 5. Definitions. In this Act:

"Assistance Agreement" means one or more legally binding  
contracts, with respect to a facility for which the Authority  
is to provide financial assistance as provided in this Act,  
to which the Authority and a governmental owner of a facility  
or its tenant, or both, and any other appropriate persons are  
parties, which may be in the form of an intergovernmental  
agreement.

"Authority" means the Downstate Illinois Sports  
Facilities Authority.

"Facility" means any of the following:

(1) Stadiums, arenas, or other structures for the  
holding of athletic contests or events, including  
baseball, football, hockey, and automobile racing;  
musical, dramatic, and other artistic or social events,  
or public meetings and other public events.

(2) Practice fields, or other areas where  
professional, amateur, or semi-professional sports teams  
may practice or perform.

"Facility" also means the following types of property if  
that property is directly related to an item listed in  
paragraphs (1) or (2) of this definition:

(i) Offices, parking lots and garages,  
landscaping and open spaces, access roads,  
transportation facilities, restaurants, and stores.

(ii) Other recreation areas.

(iii) Other property or structures, including all fixtures, furnishings, and appurtenances normally associated with such facilities.

"Financial Assistance" means the use by the Authority, pursuant to an assistance agreement, of its powers under the Act, including, without limitation, the power to borrow money, to issue bonds and notes, to assist a governmental owner or its tenants, or both, with one or more of the following: designing, developing, establishing, constructing, erecting, acquiring, repairing, reconstructing, renovating, remodeling, adding to, extending, improving, equipping, operating, and maintaining a facility owned or be owned by the governmental owner.

"Governmental Owner" means a body politic, public corporation, political subdivision, unit of local government, or municipality formed under the laws of the State of Illinois that owns or is to own a facility located within the corporate limits of the Authority described in Section 50 of this Act and to which the Authority provides financial assistance.

"Loan agreement" means a legally binding contract between the Authority and an owner of a facility, pursuant to which the Authority agrees to make loans to the owner for the purpose of (i) constructing, acquiring, operating, repairing, rehabilitating, or managing a facility and the site on which a facility is or is to be located, which facility or site must be located in the State of Illinois, excluding the City of Chicago, and (ii) infrastructure improvements related to the facility.

"Management Agreement" means a legally binding contract between the Authority and a tenant of a facility owned by the Authority, which contains at least the following provisions:

(A) a provision requiring the tenant to conduct its complete regular home season schedule and any home

playoff events in the facility;

(B) a provision requiring the tenant to provide routine maintenance of and to operate the facility with its personnel or contractors;

(C) a provision requiring the tenant to advertise and promote events it conducts at the facility;

(D) a provision requiring the tenant to operate or contract for concessions for the patrons of the facility; and

(E) a provision permitting the Authority or its designee to hold other events in any such facility owned by the Authority at such times as shall not unreasonably interfere with the use of that facility by the tenant.

"Tenant" means any person with which a governmental owner or the Authority has entered into an agreement for the use by a sports team of any facility. Such an agreement may be a management agreement or an assistance agreement or may be a lease of or a license, permit or similar agreement with respect to the use of a facility by such team for such period as shall be agreed upon by the person and the governmental owner or the Authority, as the case may be.

Section 10. Legislative finding and declaration. The General Assembly finds that as a result of deteriorating infrastructure and sports facilities there is a shortage of sports facilities suitable for use by professional, amateur, or semi-professional sports teams and other musical, theatrical, and other social organizations.

It is further found that as a result of the costs to repair or replace the infrastructure and facilities, and as a result of current financing costs, the private sector, without the assistance contemplated in this Act, is unable to construct feasibly adequate sports facilities.

It is further found that the creation of modern sports

facilities and the other results contemplated by this Act would stimulate economic activity in the State of Illinois, including the creation and maintenance of jobs, the creation of new and lasting infrastructure and other improvements, and the retention of sports and entertainment events that generate economic activity.

It is further found that sports facilities can be magnets for substantial interstate tourism resulting in increased retail sales, hotel and restaurant sales, and entertainment industry sales, all of which increase jobs and economic growth.

Section 15. Authority and Board created.

(a) The Downstate Illinois Sports Facilities Authority is created as a political subdivision, unit of local government, body politic, and municipal corporation.

(b) The governing and administrative powers of the Authority shall be vested in a body known as the Downstate Illinois Sports Facilities Authority Board. The Board shall consist of 8 members: a Chair and 7 additional members, all of whom are appointed by the Governor.

All gubernatorial appointments, including the Chair, shall be subject to the advice and consent of the Senate, except in the case of temporary appointments as provided in Section 20. No member shall be employed by the State or any political subdivision of the State or by any department or agency of the State or any political subdivision of the State.

Section 20. Terms of appointments.

(a) On the effective date of this Act:

(1) The Governor shall appoint the Chair and 3 other members of the Board for initial terms expiring June 30 of 2007.

(2) The Governor shall appoint 2 members of the Board for initial terms expiring June 30 of 2006.

(3) The Governor shall appoint 2 members of the Board for initial terms expiring June 30 of 2005.

(b) At the expiration of the term of any member appointed by the Governor, the Governor shall appoint the member's successor in the same manner as appointments for the initial terms. All successors shall hold office for a term of 3 years from the first day of July of the year in which they are appointed, except in the case of an appointment to fill a vacancy. Each member, including the Chair, shall hold office until the expiration of the member's term and until the member's successor is appointed and qualified. Nothing shall preclude a member or a Chair from serving consecutive terms.

(c) Vacancies for members and for the Chair shall be filled in the same manner as original appointments for the balance of the unexpired term.

Section 25. Actions of the Authority.

(a) Six members of the Authority constitute a quorum for the purpose of conducting business. Actions of the Authority must receive the affirmative vote of at least 6 members. The Authority shall determine the times and places of its meetings. The members of the Authority shall serve without compensation for service as a member but are entitled to reimbursement of reasonable expenses incurred in the performance of their official duties.

(b) The Authority shall annually elect a secretary and a treasurer.

(c) An executive committee appointed by the Governor made up of 4 members, including the Chair, have the authority to operate the Authority on a day-to-day basis, with the powers and duties determined by the bylaws of the Authority.

Section 30. Executive Director. The Authority shall appoint an Executive Director, who is the chief executive officer of the Authority. In addition to any other duties set forth in this Act, the Executive Director shall do the following:

(1) Direct and supervise the administrative affairs and activities of the Authority, in accordance with its rules, regulations, and policies.

(2) Attend meetings of the Authority.

(3) Keep minutes of all proceedings of the Authority.

(4) Approve all accounts for salaries, per diem payments, and allowable expenses of the Authority and its employees and consultants and approve all expenses incidental to the operation of the Authority.

(5) Report and make recommendations to the Authority on the merits and status of any proposed facility.

(6) Perform any other duty that the Authority requires for carrying out the provisions of this Act.

Section 35. Powers.

(a) In addition to the powers set forth elsewhere in this Act, the Authority may do the following:

(1) Adopt and alter an official seal.

(2) Sue and be sued, plead and be impleaded, all in its own name, and agree to binding arbitration of any dispute to which it is a party.

(3) Adopt bylaws, rules, and regulations to carry out the provisions of this Act.

(4) Maintain an office or offices at the place the Authority may designate.

(5) Employ, either as regular employees or independent contractors, consultants, engineers,

architects, accountants, attorneys, financial experts, construction experts and personnel, superintendents, managers and other professional personnel, and such other personnel as may be necessary in the judgment of the Authority, and fix their compensation.

(6) Acquire, hold, lease as lessor or as lessee, use, encumber, transfer, or dispose of real and personal property, including the alteration of or demolition of improvements to real estate.

(7) Enter into contracts of any kind.

(8) Enter into one or more loan agreements with an owner of a facility that conform to the requirements of this Act and that may contain provisions as the Authority shall determine, including, without limit: (i) provisions granting the owner the right and option to extend the term of the loan agreement; (ii) provisions creating an assignment and pledge by the Authority of certain of the Authority's revenues and receipts to be received under this Act for the benefit of the owner of the facility as further security for performance by the Authority of its obligations under the loan agreement; and (iii) provisions requiring the establishment of reserves by the Authority or by the owner, or both, as further security for the performance of their respective obligations under the loan agreement.

(9) Borrow money from any source for any lawful purpose, including working capital for its operations, reserve funds, or interest, and to mortgage, pledge or otherwise encumber the property or funds of the Authority and to contract with or engage the services of any person in connection with any financing, including financial institutions, issuers of letters of credit, or insurers and enter into reimbursement agreements with this person which may be secured as if money were borrowed from the

person.

(10) Receive and accept from any private or public source, contributions, gifts, or grants of money or property.

(11) Make loans from proceeds or funds otherwise available to the extent necessary or appropriate to accomplish the purposes of the Authority.

(12) Provide for the insurance of any property, operations, officers, agents, or employees of the Authority against any risk or hazard and provide for the indemnification of its members, employees, contractors, or agents against any and all risks.

(13) Provide relocation assistance and compensation for landowners and their lessees displaced by any land acquisition of the Authority, including the acquisition of land and construction of replacement housing thereon as the Authority shall determine.

(14) Exercise all the corporate powers granted Illinois corporations under the Business Corporation Act of 1983, except to the extent that powers are inconsistent with those of a body politic and corporate of the State.

(15) Determine the locations of, develop, design, establish, construct, erect, acquire, own, repair, reconstruct, renovate, remodel, add to, extend, improve, equip, operate, regulate and maintain facilities and provide financial assistance to governmental owners or their tenants or both, pursuant to an assistance agreement to do the foregoing, in each case to the extent necessary to accomplish the purposes of the Authority.

(16) Regulate the use and operation of facilities that are developed under the provisions of this Act.

(17) Enter into one or more management agreements which conform to the requirements of this Act and which

may contain such provisions as the Authority shall determine, including, without limitation (i) provisions allocating receipts from rents, rates, fees, and charges for use of the facility or for services rendered in connection with the facility between the Authority and the tenant of the facility; (ii) provisions providing for or limiting payments to the Authority for use of the facility based on levels of attendance or receipts, or both attendance and receipts, of the tenant from admission charges, parking concessions, advertising, radio and television, and other sources; (iii) provisions obligating the Authority to make payments to the tenant with respect to expenses of routine maintenance and operation of any facility and operating expenses of the tenant with respect to use of the facility; (iv) provisions requiring the Authority to pay liquidated damages to the tenant for failure of timely completion of construction of any new facility; (v) provisions permitting the Authority to grant rent-free occupancy of an existing facility pending completion of construction of any new facility and requiring the Authority to pay certain incremental costs of maintenance, repair, replacement, and operation of an existing facility in the event of failure of timely completion of construction of any new facility; (vi) provisions requiring the Authority to reimburse the tenant for certain State and local taxes and provisions permitting reductions of payments due the Authority by the tenant or reimbursement of the tenant by the Authority in the event of imposition of certain new State and local taxes, or the increase above specified levels of certain existing State and local taxes, or both; (vii) provisions obligating the Authority to purchase tickets to events conducted by the tenant based upon specified attendance levels; (viii) provisions

granting the tenant the right and option to extend the term of the management agreement; and (ix) provisions requiring the establishment of reserves by the Authority or by the tenant, or both, as further security for the performance of their respective obligations under the management agreement.

(18) Enter into one or more assistance agreements that conform to the requirements of this Act and that may contain such provisions as the Authority shall determine establishing the rights and obligations of the Authority and the governmental owner or a tenant, or both, with respect to the facility for which the Authority is to provide financial assistance.

(19) Issue bonds or notes under Section 100 of this Act.

(20) Sell, convey, lease, or grant a permit or license with respect to, or by agreement authorize another person on its behalf to sell, convey, lease or grant a permit or license with respect to (i) the right to use or the right to purchase tickets to use, or any other interest in, any seat or area within a facility; (ii) the right to name or place advertising in all or any part of a facility; or (iii) any intangible personal property rights, including intellectual property rights, appurtenant to any facility, the proceeds of which are used for the purpose of carrying out the powers granted by the Act.

(21) Do all things necessary or convenient to carry out the powers granted by this Act.

(b) The Authority may not construct or enter into a contract to construct more than one new stadium facility and may not enter into assistance agreements providing for the reconstruction, renovation, remodeling, extension, or improvement of all or substantially all of more than one existing facility unless authorized by law.

(c) The Authority may adopt such rules as are necessary to carry out those powers conferred and perform those duties required by this Act.

Section 40. Duties.

(a) In addition to the powers set forth elsewhere in this Act, subject to the terms of any agreements with the holders of the Authority's evidences of indebtedness, the Authority shall do the following:

(1) Comply with all zoning, building, and land use controls of the municipality within which is located any stadium facility owned by the Authority or for which the Authority provides financial assistance.

(2) Enter into a loan agreement with an owner of a facility to finance the acquisition, construction, maintenance, or rehabilitation of the facility. The agreement shall contain appropriate and reasonable provisions with respect to termination, default, and legal remedies. The loan may be at below-market interest rates.

(3) Create and maintain a financial reserve for repair and replacement of capital assets.

(b) In a loan agreement for the construction of a new facility, in connection with prequalification of general contractors for construction of the facility, the Authority shall require that the owner of the facility require submission of a commitment detailing how the general contractor will expend 25% or more of the dollar value of the general contract with one or more minority business enterprises and 5% or more of the dollar value with one or more female business enterprises. This commitment may be met by contractor's status as a minority business enterprise or female business enterprise, by a joint venture, or by subcontracting a portion of the work with or by purchasing

materials for the work from one or more such enterprises, or by any combination thereof. Any contract with the general contractor for construction of the new facility shall require the general contractor to meet the foregoing obligations and shall require monthly reporting to the Authority with respect to the status of the implementation of the contractor's affirmative action plan and compliance with that plan. This report shall be filed with the General Assembly. The Authority shall require that the facility owner establish and maintain an affirmative action program designed to promote equal employment opportunity and that specifies the goals and methods for increasing participation by minorities and women in a representative mix of job classifications required to perform the respective contracts. The Authority shall file a report before March 1 of each year with the General Assembly detailing its implementation of this subsection. The terms "minority business enterprise" and "female business enterprise" have the meanings provided in the Business Enterprise for Minorities, Females, and Persons with Disabilities Act.

(c) With respect to a facility owned or to be owned by the Authority, enter or have entered into a management agreement with a tenant of the Authority to operate the facility that requires the tenant to operate the facility for a period at least as long as the term of any bonds issued to finance the development, establishment, construction, erection, acquisition, repair, reconstruction, remodeling, adding to, extension, improvement, equipping, operation, and maintenance of the facility. Such agreement shall contain appropriate and reasonable provisions with respect to termination, default, and legal remedies.

Section 45. Reporting. Promptly following entering into a management agreement, an assistance agreement, or a loan

agreement involving a new facility or facility site, the Authority shall submit a detailed written report and findings of the Authority with respect to the proposed management agreement, assistance agreement, or loan agreement to the General Assembly.

The report and findings of the Authority shall include the following:

(A) A detailed plan of the method of funding the management agreement, assistance agreement, or loan agreement;

(B) An evaluation of the economic consequences of the proposed management agreement, assistance agreement, or loan agreement; and

(C) If applicable, an analysis of the reasons for acquiring a site for constructing a new facility.

Section 50. Territory. The territory of the Authority is coterminous with the boundaries of the State of Illinois, excluding the City of Chicago.

Section 55. Acquisition of property. The Authority may acquire in its own name, by gift or purchase, any real or personal property, or interests in real or personal property, necessary or convenient to carry out its corporate purposes. The Authority may not acquire property by eminent domain.

Section 60. Tax exemption.

(a) Neither the Authority nor any governmental owner of a facility or that governmental owner's tenant shall be required to pay property taxes on any facility, nor shall the interest of a tenant in any facility either owned by the Authority or owned by any governmental owner to which the Authority has provided financial assistance be subject to property taxes.

(b) Bonds issued by the Authority, their transfer, the interest payable on them, and any income derived from them shall be exempt from income taxes or from taxation by any political subdivisions, municipal corporations, or public agencies of any kind of this State. For purposes of Section 250 of the Illinois Income Tax Act, the exemption of the income from bonds issued by the Authority shall terminate after all of the bonds have been paid. The amount of such income that shall be added and then subtracted on the Illinois income tax return of a taxpayer, pursuant to Section 203 of the Illinois Income Tax Act, from federal adjusted gross income or federal taxable income in computing Illinois base income shall be the interest net of any bond premium amortization.

Section 65. Conflicts of interest; generally.

(a) No members or employees of the Authority shall be employed by, be an officer or director of, or have any ownership interest in any corporation or entity that is a party to a loan agreement with the Authority under this Act.

(b) No moneys of the Authority shall be deposited in any financial institution in which any officer, director, or holder of a substantial proprietary interest is also a member or employee of the Authority.

(c) No real estate to which a member or employee of the Authority holds legal title or in which such a person has any beneficial interest, including any interest in a land trust, shall be purchased by the Authority, nor shall any such property be purchased by a corporation or entity for a facility to be financed under this Act. Every member and employee of the Authority shall file annually with the Authority a record of all real estate in this State to which the person holds legal title or in which the person has any beneficial interest, including any interest in a land trust.

In the event it is later disclosed that the Authority or other entity has purchased real estate in which a member or employee had an interest, the purchase shall be voidable by the Authority and the member or employee involved shall be disqualified from membership in or employment by the Authority.

Section 70. Conflicts of interest; contracts.

(a) No member of the Authority or officer, agent, or employee of the Authority shall, in his or her own name or in the name of a nominee, be an officer or director of or hold an ownership interest of more than 7.5% in any person, association, trust, corporation, partnership, or other entity that is, in its own name or in the name of a nominee, a party to a contract or agreement upon which the member or officer, agent, or employee may be called upon to act or vote.

(b) With respect to any direct or any indirect interest, other than an interest prohibited in subsection (a), in a contract or agreement upon which the member or officer, agent, or employee may be called upon to act or vote, a member of the Authority or officer, agent, or employee of the Authority shall disclose the same to the secretary of the Authority before the taking of final action by the Authority concerning the contract or agreement and shall so disclose the nature and extent of such interest and his or her acquisition thereof, which disclosures shall be publicly acknowledged by the Authority and entered upon the minutes of the Authority. If a member of the Authority or officer, agent, or employee of the Authority holds such an interest, then he or she shall refrain from any further official involvement in regard to the contract or agreement, from voting on any matter pertaining to the contract or agreement, and from communicating with other members of the Authority or its officers, agents, and employees concerning the contract

or agreement. Notwithstanding any other provision of law, any contract or agreement entered into in conformity with this subsection (b) shall not be void or invalid by reason of the interest described in this subsection, nor shall any person so disclosing the interest and refraining from further official involvement as provided in this subsection be guilty of an offense, be removed from office, or be subject to any other penalty on account of such interest.

(c) Any contract or agreement made in violation of subsection (a) or (b) of this Section shall be null and void and give rise to no action against the Authority.

Section 75. Records and reports of the Authority. The secretary shall keep a record of the proceedings of the Authority. The treasurer of the Authority shall be custodian of all Authority funds and shall be bonded in the amount the other members of the Authority may designate. The accounts and books of the Authority shall be set up and maintained in a manner approved by the Auditor General, and the Authority shall file with the Auditor General a certified annual report within 120 days after the close of its fiscal year. The Authority shall also file with the Governor, the Secretary of the Senate, the Clerk of the House of Representatives, and the Illinois Economic and Fiscal Commission, by March 1 of each year, a written report covering its activities for the previous fiscal year. So filed, the report shall be a public record and open for inspection at the offices of the Authority during normal business hours.

Section 85. No impairment of loan agreement. The State of Illinois pledges to and agrees with any facility owner under any loan agreement entered into by the Authority with respect to a facility that the State will not limit or alter the rights and powers vested in the Authority by this Act so

as to impair the terms of the loan agreement or in any way impair the rights and remedies of the owner so long as the owner is not in default under the loan agreement. In addition, the State pledges to and agrees with the owner that the State will not limit the basis on which State funds are to be allocated, deposited, and paid to the Authority, or the use of those funds, so as to impair the terms of any such loan agreement. The Authority is authorized to include this pledge and agreement of the State in the loan agreement.

Section 90. Volume cap. Notwithstanding any other provision of law, the Governor may allocate any volume cap available to the State or any of its agencies under the Internal Revenue Code of 1986, including any amounts carried forward by the State or any of its agencies with respect to stadiums, to the Downstate Illinois Sports Facilities Authority, and the Authority may carry forward any amount allocated to it by the Governor or by any home rule unit.

Section 100. Bonds and notes.

(a) (1) The Authority may at any time and from time to time issue bonds and notes for any corporate purpose, including the establishment of reserves and the payment of interest and costs of issuance. In this Act the term "bonds" includes notes of any kind, interim certificates, refunding bonds or any other evidence of obligation for borrowed money issued under this Section 100. Bonds may be issued in one or more series and may be payable and secured either on a parity with or separately from other bonds.

(2) The bonds of any issue shall be payable solely from all or any part of the property or revenues of the Authority, including, without limitation:

(i) Rents, rates, fees, charges, or other revenues payable to or any receipts of the

Authority, including amounts which are deposited pursuant to the Act with a trustee for bondholders;

(ii) Payments by financial institutions, insurance companies, or others pursuant to letters or lines of credit, policies of insurance, or purchase agreements;

(iii) Investment earnings from funds or accounts maintained pursuant to a bond resolution or trust agreement; and

(iv) Proceeds of refunding bonds.

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

(i) Mature at a time or times, whether as serial bonds, as term bonds, or as both, not exceeding 40 years from their respective dates of issue;

(ii) Notwithstanding the provision of "An Act to authorize public corporations to issue bonds, other evidences of indebtedness and tax anticipation warrants subject to interest rate limitations set forth therein", approved May 26, 1970, as now or hereafter amended, or any other provision of law, bear interest at any fixed or variable rate or rates determined by the method provided in the resolution or trust agreement;

(iii) Be payable at a time or times, in the denominations and form, either coupon, or registered, or both, and carry the registration and privileges as to exchange, transfer or conversion and for the replacement of mutilated, lost or

destroyed bonds as the resolution or trust agreement may provide;

(iv) Be payable in lawful money of the United States at a designated place;

(v) Be subject to the terms of purchase, payment, redemption, refunding, or refinancing that the resolution or trust agreement provides;

(vi) Be executed by the manual or facsimile signatures of the officers of the Authority designated by the Authority which signatures shall be valid at delivery even for one who has ceased to hold office; and

(vii) Be sold in the manner and upon the terms determined by the Authority.

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

(1) Pledging, assigning, or directing the use, investment, or disposition of all or any part of the revenues of the Authority or proceeds or benefits of any contract including, without limit, any management agreement or assistance agreement and conveying or otherwise securing any property or property rights;

(2) The setting aside of loan funding deposits, debt service reserves, capitalized interest accounts, replacement or operating reserves, cost of issuance accounts and sinking funds, and the regulation, investment, and disposition thereof;

(3) Limitations on the purposes to which or the investments in which the proceeds of sale of any issue of bonds or the Authority's revenues and receipts may be applied or made;

(4) Limitations on the issue of additional bonds, the terms upon which additional bonds may be issued and

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

(5) The refinancing, advance refunding, or refinancing of outstanding bonds;

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

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

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

(9) Any other matter relating to the bonds which the Authority determines appropriate.

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

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

(e) (1) A pledge by the Authority of revenues and receipts as security for an issue of bonds or for the performance of its obligations under any management agreement or assistance agreement shall be valid and binding from the time when the pledge is made.

(2) The revenues and receipts pledged shall immediately be subject to the lien of the pledge without

any physical delivery or further act, and the lien of any pledge shall be valid and binding against any person having any claim of any kind in tort, contract or otherwise against the Authority, irrespective of whether the person has notice.

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

(f) The Authority may issue bonds to refund, advance refund, or refinance any of its bonds then outstanding, including the payment of any redemption premium and any interest accrued or to accrue to the earliest or any subsequent date of redemption, purchase or maturity of the bonds. Refunding or advance refunding bonds may be issued for the public purposes of realizing savings in the effective costs of debt service, directly or through a debt restructuring, for alleviating impending or actual default, or for paying principal of, redemption premium, if any, and interest on bonds as they mature or are subject to redemption, and may be issued in one or more series in an amount in excess of that of the bonds to be refunded.

(g) At no time shall the total outstanding bonds and notes of the Authority issued under this Section 100 exceed (i) \$40,000,000 in connection with facilities owned by the Authority; and (ii) \$40,000,000 in connection with facilities owned by a governmental owner other than the Authority. Bonds which are being paid or retired by issuance, sale or delivery of bonds or notes, and bonds or notes for which sufficient funds have been deposited with the paying agent or trustee to provide for payment of principal and interest thereon, and

any redemption premium, as provided in the authorizing resolution, shall not be considered outstanding for the purposes of this paragraph.

(h) The bonds and notes of the Authority shall not be indebtedness of the State, or of any political subdivision of the State other than the Authority. The bonds and notes of the Authority are not general obligations of the State of Illinois, or of any other political subdivision of the State other than the Authority, and are not secured by a pledge of the full faith and credit of the State of Illinois, or of any other political subdivision of the State other than the Authority, and the holders of bonds and notes of the Authority may not require the levy or imposition by the State, or any other political subdivision of the State other than the Authority, of any taxes or, except as provided in this Act, the application of revenues or funds of the State of Illinois, or any other political subdivision of the State other than the Authority, to the payment of bonds and notes of the Authority.

(i) In order to provide for the payment of debt service requirements (including amounts for reserve funds and to pay the costs of credit enhancements) on bonds issued pursuant to this Act, the Authority may provide in any trust agreement securing such bonds for a pledge and assignment of its right to all amounts to be received from the Illinois Sports Facilities Fund and for a pledge and assignment (subject to the terms of any management agreement or assistance agreement) of all taxes and other amounts to be received under Section 100 of this Act and may further provide written notice to the State Treasurer and State Comptroller (which notice shall constitute a direction to those officers) for a direct payment of these amounts to the trustee for its bondholders.

(j) The State of Illinois pledges to and agrees with the

holders of the bonds and notes of the Authority issued pursuant to this Act that the State will not limit or alter the rights and powers vested in the Authority by this Act so as to impair the terms of any contract made by the Authority with such holders or in any way impair the rights and remedies of such holders until such bonds and notes, together with interest thereon, with interest on any unpaid installments of interest, and all costs and expenses in connection with any action or proceedings by or on behalf of such holders, are fully met and discharged. In addition, the State pledges to and agrees with the holders of the bonds and notes of the Authority issued pursuant to this Act that the State will not limit or alter the basis on which State funds are to be allocated, deposited and paid to the Authority as provided in this Act, or the use of such funds, so as to impair the terms of any such contract. The Authority is authorized to include these pledges and agreements of the State in any contract with the holders of bonds or notes issued pursuant to this Section.

Section 105. Tax. The Authority may impose an occupation tax upon all persons engaged in the business of renting, leasing, or letting rooms in a hotel, as defined in the Hotel Operators' Occupation Tax Act, at a rate not to exceed 2% of the gross rental receipts from the renting, leasing or letting of hotel rooms. The taxing may be imposed, however, only if approved by ordinance of the municipality within which the tax is to be imposed.

The tax imposed by the Authority pursuant to this Section and all civil penalties that may be assessed as an incident thereof shall be collected and enforced by the State Department of Revenue. The certificate of registration which is issued by the Department to a lessor under the Hotel Operators' Occupation Tax Act shall permit such registrant to

engage in a business which is taxable under any ordinance or resolution enacted pursuant to this Section without registering separately with the Department under such ordinance or resolution or under this Section. The Department shall have full power to administer and enforce this Section; to collect all taxes and penalties due hereunder; to dispose of taxes and penalties so collected in the manner provided in this Section, and to determine all rights to credit memoranda, arising on account of the erroneous payment of tax or penalty hereunder. In the administration of, and compliance with, this Section, the Department and persons who are subject to this Section shall have the same rights, remedies, privileges, immunities, powers and duties, and be subject to the same conditions, restrictions, limitations, penalties and definitions of terms, and employ the same modes of procedure, as are prescribed in the Hotel Operators' Occupation Tax Act (except where that Act is inconsistent herewith), as the same is now or may hereafter be amended, as fully as if the provisions contained in the Hotel Operators' Occupation Tax Act were set forth herein.

Whenever the Department determines that a refund should be made under this Section to a claimant instead of issuing a credit memorandum, the Department shall notify the State Comptroller, who shall cause the warrant to be drawn for the amount specified, and to the person named, in such notification from the Department. Such refund shall be paid by the State Treasurer out of the amounts held by the State Treasurer as trustee for the Authority.

Persons subject to any tax imposed pursuant to authority granted by this Section may reimburse themselves for their tax liability for such tax by separately stating such tax as an additional charge, which charge may be stated in combination, in a single amount, with State tax imposed under

the Hotel Operators' Occupation Tax Act.

The Department shall forthwith pay over to the State Treasurer, ex-officio, as trustee for the Authority, all taxes and penalties collected hereunder for deposit in a trust fund outside the State Treasury. On or before the 25th day of each calendar month, the Department shall certify to the Comptroller the amount to be paid to or on behalf of the Authority from amounts collected hereunder by the Department, and deposited into such trust fund during the second preceding calendar month. The amount to be paid to or on behalf of the Authority shall be the amount (not including credit memoranda) collected hereunder during such second preceding calendar month by the Department, less an amount equal to the amount of refunds authorized during such second preceding calendar month by the Department on behalf of the Authority, and less 4% of such balance, which sum shall be retained by the State Treasurer to cover the costs incurred by the Department in administering and enforcing the provisions of this Section, as provided herein. Each such monthly certification by the Department shall also certify to the Comptroller the amount to be so retained by the State Treasurer for payment into the General Revenue Fund of the State Treasury.

Amounts collected by the Department and paid to the Authority pursuant to this Section shall be used for the corporate purposes of the Authority.

Nothing in this Section shall be construed to authorize the Authority to impose a tax upon the privilege of engaging in any business which under the constitution of the United States may not be made the subject of taxation by this State.

An ordinance or resolution imposing or discontinuing a tax hereunder or effecting a change in the rate thereof shall be effective on the first day of the second calendar month next following the month in which the ordinance or resolution

is passed.

If the Authority levies a tax authorized by this Section it shall transmit to the Department of Revenue not later than 5 days after the adoption of the ordinance or resolution a certified copy of the ordinance or resolution imposing such tax whereupon the Department of Revenue shall proceed to administer and enforce this Section on behalf of the Authority. Upon a change in rate of a tax levied hereunder, or upon the discontinuance of the tax, the Authority shall not later than 5 days after the effective date of the ordinance or resolution discontinuing the tax or effecting a change in rate transmit to the Department of Revenue a certified copy of the ordinance or resolution effecting such change or discontinuance.