



Rep. William J. Grunloh

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1 AMENDMENT TO HOUSE BILL 4532

2 AMENDMENT NO. _____. Amend House Bill 4532 by replacing
3 everything after the enacting clause with the following:

4 "Section 5. Short title. This Act may be cited as the
5 Southeastern Illinois Economic Development Authority Act.

6 Section 10. Findings. The General Assembly determines and
7 declares the following:

8 (1) that labor surplus areas currently exist in
9 southeastern Illinois;

10 (2) that the economic burdens resulting from involuntary
11 unemployment fall, in part, upon the State in the form of
12 increased need for public assistance and reduced tax revenues
13 and, in the event that the unemployed worker and his or her
14 family migrate elsewhere to find work, the burden may also fall
15 upon the municipalities and other taxing districts within the
16 areas of unemployment in the form of reduced tax revenues,
17 thereby endangering their financial ability to support
18 necessary governmental services for their remaining
19 inhabitants;

20 (3) that the State has a responsibility to help create a
21 favorable climate for new and improved job opportunities for
22 its citizens by encouraging the development of tourism,
23 commercial, and service businesses and industrial and
24 manufacturing plants within the southeastern region of

1 Illinois;

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

7 (5) that decent, affordable housing is a necessary
8 ingredient of life affording each citizen basic human dignity,
9 a sense of self worth, confidence, and a firm foundation upon
10 which to build a family and educate children;

11 (6) that in order to foster civic and neighborhood pride,
12 citizens require access to educational institutions,
13 recreation, parks and open, spaces, entertainment, sports, a
14 reliable transportation network, cultural facilities, and
15 theaters; and

16 (7) that the main purpose of this Act is to promote
17 industrial, commercial, residential, service, transportation,
18 and recreational activities and facilities, thereby reducing
19 the evils attendant upon unemployment and enhancing the public
20 health, safety, morals, happiness, and general welfare of the
21 State.

22 Section 15. Definitions. In this Act:

23 "Authority" means the Southeastern Illinois Economic
24 Development Authority.

25 "Governmental agency" means any federal, State, or local
26 governmental body and any agency or instrumentality thereof,
27 corporate or otherwise.

28 "Person" means any natural person, firm, partnership,
29 corporation, both domestic and foreign, company, association
30 or joint stock association and includes any trustee, receiver,
31 assignee or personal representative thereof.

32 "Revenue bond" means any bond issued by the Authority, the
33 principal and interest of which is payable solely from revenues

1 or income derived from any project or activity of the
2 Authority.

3 "Board" means the Board of Directors of the Southeastern
4 Illinois Economic Development Authority.

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

6 "City" means any city, village, incorporated town, or
7 township within the geographical territory of the Authority.

8 "Industrial project" means the following:

9 (1) a capital project, including one or more buildings and
10 other structures, improvements, machinery and equipment
11 whether or not on the same site or sites now existing or
12 hereafter acquired, suitable for use by any manufacturing,
13 industrial, research, transportation or commercial enterprise
14 including but not limited to use as a factory, mill, processing
15 plant, assembly plant, packaging plant, fabricating plant,
16 ethanol plant, office building, industrial distribution
17 center, warehouse, repair, overhaul or service facility,
18 freight terminal, research facility, test facility, power
19 generation facility, mining operation, railroad facility,
20 solid waste and wastewater treatment and disposal sites and
21 other pollution control facilities, resource or waste
22 reduction, recovery, treatment and disposal facilities,
23 tourism-related facilities, including hotels, theaters, water
24 parks, and amusement parks, and including also the sites
25 thereof and other rights in land therefore whether improved or
26 unimproved, site preparation and landscaping and all
27 appurtenances and facilities incidental thereto such as
28 utilities, access roads, railroad sidings, truck docking and
29 similar facilities, parking facilities, dockage, wharfage,
30 railroad roadbed, track, trestle, depot, terminal, switching
31 and signaling equipment or related equipment and other
32 improvements necessary or convenient thereto; or

33 (2) any land, buildings, machinery or equipment comprising
34 an addition to or renovation, rehabilitation or improvement of

1 any existing capital project.

2 "Commercial project" means any project, including, but not
3 limited to, one or more buildings and other structures,
4 improvements, machinery, and equipment, whether or not on the
5 same site or sites now existing or hereafter acquired, suitable
6 for use by any retail or wholesale concern, distributorship, or
7 agency, or health facility or retirement facility.

8 "Project" means an industrial, housing, residential,
9 commercial, or service project, or any combination thereof,
10 provided that all uses fall within one of the categories
11 described above. Any project automatically includes all site
12 improvements and new construction involving sidewalks, sewers,
13 solid waste and wastewater treatment and disposal sites and
14 other pollution control facilities, resource or waste
15 reduction, recovery, treatment and disposal facilities, parks,
16 open spaces, wildlife sanctuaries, streets, highways, and
17 runways.

18 "Lease agreement" means an agreement in which a project
19 acquired by the Authority by purchase, gift, or lease is leased
20 to any person or corporation that will use, or cause the
21 project to be used, as a project, upon terms providing for
22 lease rental payments at least sufficient to pay, when due, all
23 principal of and interest and premium, if any, on any bonds,
24 notes, or other evidences of indebtedness of the Authority,
25 issued with respect to the project, providing for the
26 maintenance, insurance, and operation of the project on terms
27 satisfactory to the Authority and providing for disposition of
28 the project upon termination of the lease term, including
29 purchase options or abandonment of the premises, with other
30 terms as may be deemed desirable by the Authority.

31 "Loan agreement" means any agreement in which the Authority
32 agrees to loan the proceeds of its bonds, notes, or other
33 evidences of indebtedness, issued with respect to a project, to
34 any person or corporation which will use or cause the project

1 to be used as a project, upon terms providing for loan
2 repayment installments at least sufficient to pay, when due,
3 all principal of and interest and premium, if any, on any
4 bonds, notes, or other evidences of indebtedness of the
5 Authority issued with respect to the project, providing for
6 maintenance, insurance, and operation of the project on terms
7 satisfactory to the Authority and providing for other terms
8 deemed advisable by the Authority.

9 "Financial aid" means the expenditure of Authority funds or
10 funds provided by the Authority for the development,
11 construction, acquisition or improvement of a project, through
12 the issuance of revenue bonds, notes, or other evidences of
13 indebtedness.

14 "Costs incurred in connection with the development,
15 construction, acquisition or improvement of a project" means
16 the following:

17 (1) the cost of purchase and construction of all lands and
18 improvements in connection therewith and equipment and other
19 property, rights, easements, and franchises acquired which are
20 deemed necessary for the construction;

21 (2) financing charges;

22 (3) interest costs with respect to bonds, notes, and other
23 evidences of indebtedness of the Authority prior to and during
24 construction and for a period of 6 months thereafter;

25 (4) engineering and legal expenses; and

26 (5) the costs of plans, specifications, surveys, and
27 estimates of costs and other expenses necessary or incident to
28 determining the feasibility or practicability of any project,
29 together with such other expenses as may be necessary or
30 incident to the financing, insuring, acquisition, and
31 construction of a specific project and the placing of the same
32 in operation.

33 Section 20. Creation.

1 (a) There is created a political subdivision, body politic,
2 and municipal corporation named the Southeastern Illinois
3 Economic Development Authority. The territorial jurisdiction
4 of the Authority is that geographic area within the boundaries
5 of the following counties: Fayette, Cumberland, Clark,
6 Effingham, Jasper, Crawford, Marion, Clay, Richland, Lawrence,
7 Jefferson, Wayne, Edwards, Wabash, Hamilton, and White and any
8 navigable waters and air space located therein.

9 (b) The governing and administrative powers of the
10 Authority shall be vested in a body consisting of 10 members as
11 follows:

12 (1) Nine members shall be appointed by the Governor
13 with the advice and consent of the Senate.

14 (2) One member shall be appointed by the Director of
15 Commerce and Economic Opportunity.

16 All public members shall reside within the territorial
17 jurisdiction of the Authority. The public members shall be
18 persons of recognized ability and experience in one or more of
19 the following areas: economic development, finance, banking,
20 industrial development, state or local government, commercial
21 agriculture, small business management, real estate
22 development, community development, venture finance, organized
23 labor, or civic or community organization.

24 (c) Six members shall constitute a quorum.

25 (d) The chairman of the Authority shall be elected annually
26 by the Board.

27 (e) The terms of all initial members of the Authority shall
28 begin 30 days after the effective date of this Act. Of the 10
29 original members appointed pursuant to subsection (b), one
30 shall serve until the third Monday in January, 2005; one shall
31 serve until the third Monday in January, 2006; 2 shall serve
32 until the third Monday in January, 2007; 2 shall serve until
33 the third Monday in January, 2008; 2 shall serve until the
34 third Monday in January, 2009; and 2 shall serve until the

1 third Monday in January, 2010. All successors to these original
2 public members shall be appointed by the Governor with the
3 advice and consent of the Senate, or by the Director of
4 Commerce and Economic Opportunity, as the case may be, pursuant
5 to subsection (b), and shall hold office for a term of 3 years
6 commencing the third Monday in January of the year in which
7 their term commences, except in the case of an appointment to
8 fill a vacancy. Vacancies occurring among the public members
9 shall be filled for the remainder of the term. In case of
10 vacancy in a Governor-appointed membership when the Senate is
11 not in session, the Governor may make a temporary appointment
12 until the next meeting of the Senate when a person shall be
13 nominated to fill the office and, upon confirmation by the
14 Senate, he or she shall hold office during the remainder of the
15 term and until a successor is appointed and qualified. Members
16 of the Authority are not entitled to compensation for their
17 services as members but are be entitled to reimbursement for
18 all necessary expenses incurred in connection with the
19 performance of their duties as members. Members of the Board
20 may participate in Board meetings by teleconference or video
21 conference.

22 (f) The Governor may remove any public member of the
23 Authority appointed by the Governor, and the Director of
24 Commerce and Economic Opportunity may remove any public member
25 appointed by the Director, in case of incompetence, neglect of
26 duty, or malfeasance in office.

27 (g) The Board shall appoint an Executive Director who shall
28 have a background in finance, including familiarity with the
29 legal and procedural requirements of issuing bonds, real
30 estate, or economic development and administration. The
31 Executive Director shall hold office at the discretion of the
32 Board. The Executive Director shall be the chief administrative
33 and operational officer of the Authority, shall direct and
34 supervise its administrative affairs and general management,

1 perform such other duties as may be prescribed from time to
2 time by the members, and receive compensation fixed by the
3 Authority. The Executive Director shall attend all meetings of
4 the Authority. However, no action of the Authority shall be
5 invalid on account of the absence of the Executive Director
6 from a meeting. The Authority may engage the services of the
7 Illinois Finance Authority, attorneys, appraisers, engineers,
8 accountants, credit analysts, and other consultants, if the
9 Southeastern Illinois Economic Development Authority deems it
10 advisable.

11 Section 25. Duty. All official acts of the Authority shall
12 require the approval of at least 6 members. It shall be the
13 duty of the Authority to promote development within the
14 territorial jurisdiction of the Authority. The Authority shall
15 use the powers conferred upon it to assist in the development,
16 construction, and acquisition of industrial, commercial,
17 housing, or residential projects within those counties.

18 Section 30. Powers.

19 (a) The Authority possesses all the powers of a body
20 corporate necessary and convenient to accomplish the purposes
21 of this Act, including, without any intended limitation upon
22 the general powers hereby conferred, the following powers:

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

26 (2) to sue and be sued;

27 (3) to utilize services of the Illinois Finance
28 Authority;

29 (4) to have and use a common seal and to alter the seal
30 at its discretion;

31 (5) to adopt all needful ordinances, resolutions,
32 by-laws, rules, and regulations for the conduct of its

1 business and affairs and for the management and use of the
2 projects developed, constructed, acquired, and improved in
3 furtherance of its purposes;

4 (6) to own or finance communications projects such as
5 telecommunications, fiber optics, and data transfer
6 projects;

7 (7) to designate the fiscal year for the Authority;

8 (8) to accept and expend appropriations;

9 (9) to acquire, own, lease, sell, or otherwise dispose
10 of interests in and to real property and improvements
11 situated on that real property and in personal property
12 necessary to fulfill the purposes of the Authority;

13 (10) to engage in any activity or operation which is
14 incidental to and in furtherance of efficient operation to
15 accomplish the Authority's primary purpose;

16 (11) to acquire, own, construct, lease, operate, and
17 maintain bridges, terminals, terminal facilities, and port
18 facilities and to fix and collect just, reasonable, and
19 nondiscriminatory charges for the use of such facilities.
20 These charges shall be used to defray the reasonable
21 expenses of the Authority and to pay the principal and
22 interest of any revenue bonds issued by the Authority;

23 (12) subject to any applicable condition imposed by
24 this Act, to locate, establish and maintain a public
25 airport, public airports and public airport facilities
26 within its corporate limits or within or upon any body of
27 water adjacent thereto and to construct, develop, expand,
28 extend and improve any such airport or airport facility;
29 and

30 (13) to have and exercise all powers and be subject to
31 all duties usually incident to boards of directors of
32 corporations.

33 (b) The Authority shall not issue any bonds relating to the
34 financing of a project located within the planning and

1 subdivision control jurisdiction of any municipality or county
2 unless notice, including a description of the proposed project
3 and the financing for that project, is submitted to the
4 corporate authorities of the municipality or, in the case of a
5 proposed project in an unincorporated area, to the county
6 board.

7 (c) If any of the powers set forth in this Act are
8 exercised within the jurisdictional limits of any
9 municipality, all ordinances of the municipality remain in full
10 force and effect and are controlling.

11 Section 35. Bonds.

12 (a) The Authority, with the written approval of the
13 Governor, shall have the continuing power to issue bonds,
14 notes, or other evidences of indebtedness in an aggregate
15 amount not to exceed \$250,000,000 for the following purposes:
16 (i) development, construction, acquisition, or improvement of
17 projects, including those established by business entities
18 locating or expanding property within the territorial
19 jurisdiction of the Authority; (ii) entering into venture
20 capital agreements with businesses locating or expanding
21 within the territorial jurisdiction of the Authority; (iii)
22 acquisition and improvement of any property necessary and
23 useful in connection therewith; and (iv) for the purposes of
24 the Employee Ownership Assistance Act. For the purpose of
25 evidencing the obligations of the Authority to repay any money
26 borrowed, the Authority may, pursuant to resolution, from time
27 to time, issue and dispose of its interest-bearing revenue
28 bonds, notes, or other evidences of indebtedness and may also
29 from time to time issue and dispose of such bonds, notes, or
30 other evidences of indebtedness to refund, at maturity, at a
31 redemption date or in advance of either, any bonds, notes, or
32 other evidences of indebtedness pursuant to redemption
33 provisions or at any time before maturity. All such bonds,

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

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

31 (c) If the Authority fails to pay the principal of or
32 interest on any of the bonds or premium, if any, as the bond
33 becomes due, a civil action to compel payment may be instituted
34 in the appropriate circuit court by the holder or holders of

1 the bonds on which the default of payment exists or by an
2 indenture trustee acting on behalf of the holders. Delivery of
3 a summons and a copy of the complaint to the chairman of the
4 Board shall constitute sufficient service to give the circuit
5 court jurisdiction over the subject matter of the suit and
6 jurisdiction over the Authority and its officers named as
7 defendants for the purpose of compelling such payment. Any
8 case, controversy, or cause of action concerning the validity
9 of this Act relates to the revenue of the State of Illinois.

10 (d) Notwithstanding the form and tenor of any bond, note,
11 or other evidence of indebtedness and in the absence of any
12 express recital on its face that it is non-negotiable, all such
13 bonds, notes, and other evidences of indebtedness shall be
14 negotiable instruments. Pending the preparation and execution
15 of any bonds, notes, or other evidences of indebtedness,
16 temporary bonds, notes, or evidences of indebtedness may be
17 issued as provided by ordinance.

18 (e) To secure the payment of any or all of such bonds,
19 notes, or other evidences of indebtedness, the revenues to be
20 received by the Authority from a lease agreement or loan
21 agreement shall be pledged, and, for the purpose of setting
22 forth the covenants and undertakings of the Authority in
23 connection with the issuance of the bonds, notes, or other
24 evidences of indebtedness and the issuance of any additional
25 bonds, notes or other evidences of indebtedness payable from
26 such revenues, income, or other funds to be derived from
27 projects, the Authority may execute and deliver a mortgage or
28 trust agreement. A remedy for any breach or default of the
29 terms of any mortgage or trust agreement by the Authority may
30 be by mandamus proceeding in the appropriate circuit court to
31 compel performance and compliance under the terms of the
32 mortgage or trust agreement, but the trust agreement may
33 prescribe by whom or on whose behalf the action may be
34 instituted.

1 (f) Bonds or notes shall be secured as provided in the
2 authorizing ordinance which may include, notwithstanding any
3 other provision of this Act, in addition to any other security,
4 a specific pledge, assignment of and lien on, or security
5 interest in any or all revenues or money of the Authority, from
6 whatever source, which may, by law, be used for debt service
7 purposes and a specific pledge, or assignment of and lien on,
8 or security interest in any funds or accounts established or
9 provided for by ordinance of the Authority authorizing the
10 issuance of the bonds or notes.

11 (g) In the event that the Authority determines that moneys
12 of the Authority will not be sufficient for the payment of the
13 principal of and interest on its bonds during the next State
14 fiscal year, the chairman, as soon as practicable, shall
15 certify to the Governor the amount required by the Authority to
16 enable it to pay the principal of and interest on the bonds.
17 The Governor shall submit the certified amount to the General
18 Assembly as soon as practicable, but no later than the end of
19 the current State fiscal year. This Section shall not apply to
20 any bonds or notes to which the Authority determines, in the
21 resolution authorizing the issuance of the bonds or notes, that
22 this Section shall not apply. Whenever the Authority makes this
23 determination, it shall be plainly stated on the face of the
24 bonds or notes and the determination shall also be reported to
25 the Governor. In the event of a withdrawal of moneys from a
26 reserve fund established with respect to any issue or issues of
27 bonds of the Authority to pay principal or interest on those
28 bonds, the chairman of the Authority, as soon as practicable,
29 shall certify to the Governor the amount required to restore
30 the reserve fund to the level required in the resolution or
31 indenture securing those bonds. The Governor shall submit the
32 certified amount to the General Assembly as soon as
33 practicable, but no later than the end of the current State
34 fiscal year.

1 (h) The State of Illinois pledges to and agrees with the
2 holders of the bonds and notes of the Authority issued pursuant
3 to this Section that the State will not limit or alter the
4 rights and powers vested in the Authority by this Act so as to
5 impair the terms of any contract made by the Authority with the
6 holders of bonds or notes or in any way impair the rights and
7 remedies of those holders until the bonds and notes, together
8 with interest thereon, with interest on any unpaid installments
9 of interest, and all costs and expenses in connection with any
10 action or proceedings by or on behalf of the holders, are fully
11 met and discharged. In addition, the State pledges to and
12 agrees with the holders of the bonds and notes of the Authority
13 issued pursuant to this Section that the State will not limit
14 or alter the basis on which State funds are to be paid to the
15 Authority as provided in this Act, or the use of such funds, so
16 as to impair the terms of any such contract. The Authority is
17 authorized to include these pledges and agreements of the State
18 in any contract with the holders of bonds or notes issued
19 pursuant to this Section.

20 Section 40. Bonds and notes; exemption from taxation. The
21 creation of the Authority is in all respects for the benefit of
22 the people of Illinois and for the improvement of their health,
23 safety, welfare, comfort, and security, and its purposes are
24 public purposes. In consideration thereof, the notes and bonds
25 of the Authority issued pursuant to this Act and the income
26 from these notes and bonds may be free from all taxation by the
27 State or its political subdivisions, exempt for estate,
28 transfer, and inheritance taxes. The exemption from taxation
29 provided by the preceding sentence shall apply to the income on
30 any notes or bonds of the Authority only if the Authority in
31 its sole judgment determines that the exemption enhances the
32 marketability of the bonds or notes or reduces the interest
33 rates that would otherwise be borne by the bonds or notes. For

1 purposes of Section 250 of the Illinois Income Tax Act, the
2 exemption of the Authority shall terminate after all of the
3 bonds have been paid. The amount of such income that shall be
4 added and then subtracted on the Illinois income tax return of
5 a taxpayer, subject to Section 203 of the Illinois Income Tax
6 Act, from federal adjusted gross income or federal taxable
7 income in computing Illinois base income shall be the interest
8 net of any bond premium amortization.

9 Section 45. Acquisition.

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

12 (b) The Authority shall have power to acquire by purchase,
13 lease, gift, or otherwise any property or rights therein from
14 any person or persons, the State of Illinois, any municipal
15 corporation, any local unit of government, the government of
16 the United States and any agency or instrumentality of the
17 United States, any body politic, or any county useful for its
18 purposes, whether improved for the purposes of any prospective
19 project or unimproved. The Authority may also accept any
20 donation of funds for its purposes from any of these sources.

21 (c) The Authority shall have power to develop, construct,
22 and improve, either under its own direction or through
23 collaboration with any approved applicant, or to acquire,
24 through purchase or otherwise, any project, using for this
25 purpose the proceeds derived from its sale of revenue bonds,
26 notes, or other evidences of indebtedness or governmental loans
27 or grants and shall have the power to hold title to those
28 projects in the name of the Authority.

29 (d) The Authority shall have the power to enter into
30 intergovernmental agreements with the State of Illinois, the
31 counties of Fayette, Cumberland, Clark, Effingham, Jasper,
32 Crawford, Marion, Clay, Richland, Lawrence, Jefferson, Wayne,
33 Edwards, Wabash, Hamilton, and White, the Illinois Development

1 Finance Authority, the Illinois Housing Development Authority,
2 the Illinois Education Facilities Authority, the Illinois Farm
3 Development Authority, the Rural Bond Bank, the United States
4 government and any agency or instrumentality of the United
5 States, any unit of local government located within the
6 territory of the Authority, or any other unit of government to
7 the extent allowed by Article VII, Section 10 of the Illinois
8 Constitution and the Intergovernmental Cooperation Act.

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

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

17 Section 50. Enterprise zones. The Authority may by
18 ordinance designate a portion of the territorial jurisdiction
19 of the Authority for certification as an Enterprise Zone under
20 the Illinois Enterprise Zone Act in addition to any other
21 enterprise zones which may be created under that Act, which
22 area shall have all the privileges and rights of an Enterprise
23 Zone pursuant to the Illinois Enterprise Zone Act, but which
24 shall not be counted in determining the number of Enterprise
25 Zones to be created in any year pursuant to that Act.

26 Section 55. Designation of depository. The Authority shall
27 biennially designate a national or State bank or banks as
28 depositories of its money. Such depositories shall be
29 designated only within the State and upon condition that bonds
30 approved as to form and surety by the Authority and at least
31 equal in amount to the maximum sum expected to be on deposit at
32 any one time shall be first given by such depositories to the

1 Authority, such bonds to be conditioned for the safe keeping
2 and prompt repayment of such deposits. When any of the funds of
3 the Authority shall be deposited by the treasurer in any such
4 depository, the treasurer and the sureties on his official bond
5 shall, to such extent, be exempt from liability for the loss of
6 any such deposited funds by reason of the failure, bankruptcy,
7 or any other act or default of such depository; provided that
8 the Authority may accept assignments of collateral by any
9 depository of its funds to secure such deposits to the same
10 extent and conditioned in the same manner as assignments of
11 collateral are permitted by law to secure deposits of the funds
12 of any city.

13 Section 60. Taxation prohibited. The Authority shall have
14 no right or authority to levy any tax or special assessment, to
15 pledge the credit of the State or any other subdivision or
16 municipal corporation thereof, or to incur any obligation
17 enforceable upon any property, either within or without the
18 territory of the Authority.

19 Section 65. Fees. The Authority may collect fees and
20 charges in connection with its loans, commitments, and
21 servicing and may provide technical assistance in the
22 development of the region.

23 Section 70. Reports and audit.

24 (a) The Authority shall annually submit a report of its
25 finances to the Auditor General. The Authority shall annually
26 submit a report of its activities to the Governor and to the
27 General Assembly.

28 (b) Beginning 5 years after the effective date of this Act
29 and every 5 years thereafter, the Auditor General shall conduct
30 a financial audit of the Authority.

1 Section 99. The Illinois State Auditing Act is amended by
2 changing Section 3-1 as follows:

3 (30 ILCS 5/3-1) (from Ch. 15, par. 303-1)

4 Sec. 3-1. Jurisdiction of Auditor General. The Auditor
5 General has jurisdiction over all State agencies to make post
6 audits and investigations authorized by or under this Act or
7 the Constitution.

8 The Auditor General has jurisdiction over local government
9 agencies and private agencies only:

10 (a) to make such post audits authorized by or under
11 this Act as are necessary and incidental to a post audit of
12 a State agency or of a program administered by a State
13 agency involving public funds of the State, but this
14 jurisdiction does not include any authority to review local
15 governmental agencies in the obligation, receipt,
16 expenditure or use of public funds of the State that are
17 granted without limitation or condition imposed by law,
18 other than the general limitation that such funds be used
19 for public purposes;

20 (b) to make investigations authorized by or under this
21 Act or the Constitution; and

22 (c) to make audits of the records of local government
23 agencies to verify actual costs of state-mandated programs
24 when directed to do so by the Legislative Audit Commission
25 at the request of the State Board of Appeals under the
26 State Mandates Act.

27 In addition to the foregoing, the Auditor General may
28 conduct an audit of the Metropolitan Pier and Exposition
29 Authority, the Regional Transportation Authority, the Suburban
30 Bus Division, the Commuter Rail Division and the Chicago
31 Transit Authority and any other subsidized carrier when
32 authorized by the Legislative Audit Commission. Such audit may
33 be a financial, management or program audit, or any combination

1 thereof.

2 The audit shall determine whether they are operating in
3 accordance with all applicable laws and regulations. Subject to
4 the limitations of this Act, the Legislative Audit Commission
5 may by resolution specify additional determinations to be
6 included in the scope of the audit.

7 In addition to the foregoing, the Auditor General must also
8 conduct a financial audit of the Illinois Sports Facilities
9 Authority's expenditures of public funds in connection with the
10 reconstruction, renovation, remodeling, extension, or
11 improvement of all or substantially all of any existing
12 "facility", as that term is defined in the Illinois Sports
13 Facilities Authority Act.

14 The Auditor General may also conduct an audit, when
15 authorized by the Legislative Audit Commission, of any hospital
16 which receives 10% or more of its gross revenues from payments
17 from the State of Illinois, Department of Public Aid, Medical
18 Assistance Program.

19 The Auditor General is authorized to conduct financial and
20 compliance audits of the Illinois Distance Learning Foundation
21 and the Illinois Conservation Foundation.

22 As soon as practical after the effective date of this
23 amendatory Act of 1995, the Auditor General shall conduct a
24 compliance and management audit of the City of Chicago and any
25 other entity with regard to the operation of Chicago O'Hare
26 International Airport, Chicago Midway Airport and Merrill C.
27 Meigs Field. The audit shall include, but not be limited to, an
28 examination of revenues, expenses, and transfers of funds;
29 purchasing and contracting policies and practices; staffing
30 levels; and hiring practices and procedures. When completed,
31 the audit required by this paragraph shall be distributed in
32 accordance with Section 3-14.

33 The Auditor General shall conduct a financial and
34 compliance and program audit of distributions from the

1 Municipal Economic Development Fund during the immediately
2 preceding calendar year pursuant to Section 8-403.1 of the
3 Public Utilities Act at no cost to the city, village, or
4 incorporated town that received the distributions.

5 The Auditor General must conduct an audit of the Health
6 Facilities Planning Board pursuant to Section 19.5 of the
7 Illinois Health Facilities Planning Act.

8 The Auditor General of the State of Illinois shall annually
9 conduct or cause to be conducted a financial and compliance
10 audit of the books and records of any county water commission
11 organized pursuant to the Water Commission Act of 1985 and
12 shall file a copy of the report of that audit with the Governor
13 and the Legislative Audit Commission. The filed audit shall be
14 open to the public for inspection. The cost of the audit shall
15 be charged to the county water commission in accordance with
16 Section 6z-27 of the State Finance Act. The county water
17 commission shall make available to the Auditor General its
18 books and records and any other documentation, whether in the
19 possession of its trustees or other parties, necessary to
20 conduct the audit required. These audit requirements apply only
21 through July 1, 2007.

22 The Auditor General must conduct audits of the Rend Lake
23 Conservancy District as provided in Section 25.5 of the River
24 Conservancy Districts Act.

25 The Auditor General must conduct financial audits of the
26 Southeastern Illinois Economic Development Authority as
27 provided in Section 70 of the Southeastern Illinois Economic
28 Development Authority Act.

29 (Source: P.A. 93-226, eff. 7-22-03; 93-259, eff. 7-22-03;
30 93-275, eff. 7-22-03; revised 8-25-03.)

31 Section 999. Effective date. This Act takes effect upon
32 becoming law. "