

1 AN ACT creating the Southern Illinois Economic Development
2 Authority.

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

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

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

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

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

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

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

32 (5) that decent, affordable housing is a necessary

1 ingredient of life affording each citizen basic human dignity,
2 a sense of selfworth, confidence, and a firm foundation upon
3 which to build a family and educate children;

4 (6) that in order to foster civic and neighborhood pride,
5 citizens require access to educational institutions,
6 recreation, parks and open spaces, entertainment, sports, a
7 reliable transportation network, cultural facilities, and
8 theaters; and

9 (7) that the main purpose of this Act is to promote
10 industrial, commercial, residential, service, transportation,
11 and recreational activities and facilities, thereby reducing
12 the evils attendant upon unemployment and enhancing the public
13 health, safety, morals, happiness, and general welfare of the
14 State.

15 Section 15. Definitions. In this Act:

16 "Authority" means the Southeastern Illinois Economic
17 Development Authority.

18 "Governmental agency" means any federal, State, or local
19 governmental body and any agency or instrumentality thereof,
20 corporate or otherwise.

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

25 "Revenue bond" means any bond issued by the Authority, the
26 principal and interest of which is payable solely from revenues
27 or income derived from any project or activity of the
28 Authority.

29 "Board" means the Board of Directors of the Southeastern
30 Illinois Economic Development Authority.

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

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

34 "Industrial project" means the following:

35 (1) a capital project, including one or more buildings and

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

24 (2) any land, buildings, machinery or equipment comprising
25 an addition to or renovation, rehabilitation or improvement of
26 any existing capital project.

27 "Commercial project" means any project, including, but not
28 limited to, one or more buildings and other structures,
29 improvements, machinery, and equipment, whether or not on the
30 same site or sites now existing or hereafter acquired, suitable
31 for use by any retail or wholesale concern, distributorship, or
32 agency, or health facility or retirement facility.

33 "Project" means an industrial, housing, residential,
34 commercial, or service project, or any combination thereof,
35 provided that all uses fall within one of the categories
36 described above. Any project automatically includes all site

1 improvements and new construction involving sidewalks, sewers,
2 solid waste and wastewater treatment and disposal sites and
3 other pollution control facilities, resource or waste
4 reduction, recovery, treatment and disposal facilities, parks,
5 open spaces, wildlife sanctuaries, streets, highways, and
6 runways.

7 "Lease agreement" means an agreement in which a project
8 acquired by the Authority by purchase, gift, or lease is leased
9 to any person or corporation that will use, or cause the
10 project to be used, as a project, upon terms providing for
11 lease rental payments at least sufficient to pay, when due, all
12 principal of and interest and premium, if any, on any bonds,
13 notes, or other evidences of indebtedness of the Authority,
14 issued with respect to the project, providing for the
15 maintenance, insurance, and operation of the project on terms
16 satisfactory to the Authority and providing for disposition of
17 the project upon termination of the lease term, including
18 purchase options or abandonment of the premises, with other
19 terms as may be deemed desirable by the Authority.

20 "Loan agreement" means any agreement in which the Authority
21 agrees to loan the proceeds of its bonds, notes, or other
22 evidences of indebtedness, issued with respect to a project, to
23 any person or corporation which will use or cause the project
24 to be used as a project, upon terms providing for loan
25 repayment installments at least sufficient to pay, when due,
26 all principal of and interest and premium, if any, on any
27 bonds, notes, or other evidences of indebtedness of the
28 Authority issued with respect to the project, providing for
29 maintenance, insurance, and operation of the project on terms
30 satisfactory to the Authority and providing for other terms
31 deemed advisable by the Authority.

32 "Financial aid" means the expenditure of Authority funds or
33 funds provided by the Authority for the development,
34 construction, acquisition or improvement of a project, through
35 the issuance of revenue bonds, notes, or other evidences of
36 indebtedness.

1 "Costs incurred in connection with the development,
2 construction, acquisition or improvement of a project" means
3 the following:

4 (1) the cost of purchase and construction of all lands and
5 improvements in connection therewith and equipment and other
6 property, rights, easements, and franchises acquired which are
7 deemed necessary for the construction;

8 (2) financing charges;

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

12 (4) engineering and legal expenses; and

13 (5) the costs of plans, specifications, surveys, and
14 estimates of costs and other expenses necessary or incident to
15 determining the feasibility or practicability of any project,
16 together with such other expenses as may be necessary or
17 incident to the financing, insuring, acquisition, and
18 construction of a specific project and the placing of the same
19 in operation.

20 Section 20. Creation.

21 (a) There is created a political subdivision, body politic,
22 and municipal corporation named the Southeastern Illinois
23 Economic Development Authority. The territorial jurisdiction
24 of the Authority is that geographic area within the boundaries
25 of the following counties: Fayette, Cumberland, Clark,
26 Effingham, Jasper, Crawford, Marion, Clay, Richland, Lawrence,
27 Jefferson, Wayne, Edwards, Wabash, Hamilton, and White and any
28 navigable waters and air space located therein.

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

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

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

1 All public members shall reside within the territorial
2 jurisdiction of the Authority. The public members shall be
3 persons of recognized ability and experience in one or more of
4 the following areas: economic development, finance, banking,
5 industrial development, state or local government, commercial
6 agriculture, small business management, real estate
7 development, community development, venture finance, organized
8 labor, or civic or community organization.

9 (c) Six members shall constitute a quorum.

10 (d) The chairman of the Authority shall be elected annually
11 by the Board.

12 (e) The terms of all initial members of the Authority shall
13 begin 30 days after the effective date of this Act. Of the 10
14 original members appointed pursuant to subsection (b), one
15 shall serve until the third Monday in January, 2005; one shall
16 serve until the third Monday in January, 2006; 2 shall serve
17 until the third Monday in January, 2007; 2 shall serve until
18 the third Monday in January, 2008; 2 shall serve until the
19 third Monday in January, 2009; and 2 shall serve until the
20 third Monday in January, 2010. All successors to these original
21 public members shall be appointed by the Governor with the
22 advice and consent of the Senate, or by the Director of
23 Commerce and Economic Opportunity, as the case may be, pursuant
24 to subsection (b), and shall hold office for a term of 3 years
25 commencing the third Monday in January of the year in which
26 their term commences, except in the case of an appointment to
27 fill a vacancy. Vacancies occurring among the public members
28 shall be filled for the remainder of the term. In case of
29 vacancy in a Governor-appointed membership when the Senate is
30 not in session, the Governor may make a temporary appointment
31 until the next meeting of the Senate when a person shall be
32 nominated to fill the office and, upon confirmation by the
33 Senate, he or she shall hold office during the remainder of the
34 term and until a successor is appointed and qualified. Members
35 of the Authority are not entitled to compensation for their
36 services as members but are entitled to reimbursement for all

1 necessary expenses incurred in connection with the performance
2 of their duties as members. Members of the Board may
3 participate in Board meetings by teleconference or video
4 conference.

5 (f) The Governor may remove any public member of the
6 Authority appointed by the Governor, and the Director of
7 Commerce and Economic Opportunity may remove any public member
8 appointed by the Director, in case of incompetence, neglect of
9 duty, or malfeasance in office.

10 (g) The Board shall appoint an Executive Director who shall
11 have a background in finance, including familiarity with the
12 legal and procedural requirements of issuing bonds, real
13 estate, or economic development and administration. The
14 Executive Director shall hold office at the discretion of the
15 Board. The Executive Director shall be the chief administrative
16 and operational officer of the Authority, shall direct and
17 supervise its administrative affairs and general management,
18 perform such other duties as may be prescribed from time to
19 time by the members, and receive compensation fixed by the
20 Authority. The Executive Director shall attend all meetings of
21 the Authority. However, no action of the Authority shall be
22 invalid on account of the absence of the Executive Director
23 from a meeting. The Authority may engage the services of the
24 Illinois Finance Authority, attorneys, appraisers, engineers,
25 accountants, credit analysts, and other consultants, if the
26 Southeastern Illinois Economic Development Authority deems it
27 advisable.

28 Section 25. Duty. All official acts of the Authority shall
29 require the approval of at least 6 members. It shall be the
30 duty of the Authority to promote development within the
31 territorial jurisdiction of the Authority. The Authority shall
32 use the powers conferred upon it to assist in the development,
33 construction, and acquisition of industrial, commercial,
34 housing, or residential projects within those counties.

1 Section 30. Powers.

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

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

9 (2) to sue and be sued;

10 (3) to utilize services of the Illinois Finance
11 Authority;

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

14 (5) to adopt all needful ordinances, resolutions,
15 by-laws, rules, and regulations for the conduct of its
16 business and affairs and for the management and use of the
17 projects developed, constructed, acquired, and improved in
18 furtherance of its purposes;

19 (6) to own or finance communications projects such as
20 telecommunications, fiber optics, and data transfer
21 projects;

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

23 (8) to accept and expend appropriations;

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

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

31 (11) to acquire, own, construct, lease, operate, and
32 maintain bridges, terminals, terminal facilities, and port
33 facilities and to fix and collect just, reasonable, and
34 nondiscriminatory charges for the use of such facilities.
35 These charges shall be used to defray the reasonable
36 expenses of the Authority and to pay the principal and

1 interest of any revenue bonds issued by the Authority;

2 (12) subject to any applicable condition imposed by
3 this Act, to locate, establish and maintain a public
4 airport, public airports and public airport facilities
5 within its corporate limits or within or upon any body of
6 water adjacent thereto and to construct, develop, expand,
7 extend and improve any such airport or airport facility;
8 and

9 (13) to have and exercise all powers and be subject to
10 all duties usually incident to boards of directors of
11 corporations.

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

20 (c) If any of the powers set forth in this Act are
21 exercised within the jurisdictional limits of any
22 municipality, all ordinances of the municipality remain in full
23 force and effect and are controlling.

24 Section 35. Bonds.

25 (a) The Authority, with the written approval of the
26 Governor, shall have the continuing power to issue bonds,
27 notes, or other evidences of indebtedness in an aggregate
28 amount not to exceed \$250,000,000 for the following purposes:
29 (i) development, construction, acquisition, or improvement of
30 projects, including those established by business entities
31 locating or expanding property within the territorial
32 jurisdiction of the Authority; (ii) entering into venture
33 capital agreements with businesses locating or expanding
34 within the territorial jurisdiction of the Authority; (iii)
35 acquisition and improvement of any property necessary and

1 useful in connection therewith; and (iv) for the purposes of
2 the Employee Ownership Assistance Act. For the purpose of
3 evidencing the obligations of the Authority to repay any money
4 borrowed, the Authority may, pursuant to resolution, from time
5 to time, issue and dispose of its interest-bearing revenue
6 bonds, notes, or other evidences of indebtedness and may also
7 from time to time issue and dispose of such bonds, notes, or
8 other evidences of indebtedness to refund, at maturity, at a
9 redemption date or in advance of either, any bonds, notes, or
10 other evidences of indebtedness pursuant to redemption
11 provisions or at any time before maturity. All such bonds,
12 notes, or other evidences of indebtedness shall be payable
13 solely and only from the revenues or income to be derived from
14 loans made with respect to projects, from the leasing or sale
15 of the projects, or from any other funds available to the
16 Authority for such purposes. The bonds, notes, or other
17 evidences of indebtedness may bear such date or dates, may
18 mature at such time or times not exceeding 40 years from their
19 respective dates, may bear interest at such rate or rates not
20 exceeding the maximum rate permitted by the Bond Authorization
21 Act, may be in such form, may carry such registration
22 privileges, may be executed in such manner, may be payable at
23 such place or places, may be made subject to redemption in such
24 manner and upon such terms, with or without premium, as is
25 stated on the face thereof, may be authenticated in such manner
26 and may contain such terms and covenants as may be provided by
27 an applicable resolution.

28 (b) The holder or holders of any bonds, notes, or other
29 evidences of indebtedness issued by the Authority may bring
30 suits at law or proceedings in equity to compel the performance
31 and observance by any corporation or person or by the Authority
32 or any of its agents or employees of any contract or covenant
33 made with the holders of the bonds, notes, or other evidences
34 of indebtedness, to compel such corporation, person, the
35 Authority, and any of its agents or employees to perform any
36 duties required to be performed for the benefit of the holders

1 of the bonds, notes, or other evidences of indebtedness by the
2 provision of the resolution authorizing their issuance and to
3 enjoin the corporation, person, the Authority, and any of its
4 agents or employees from taking any action in conflict with any
5 contract or covenant.

6 (c) If the Authority fails to pay the principal of or
7 interest on any of the bonds or premium, if any, as the bond
8 becomes due, a civil action to compel payment may be instituted
9 in the appropriate circuit court by the holder or holders of
10 the bonds on which the default of payment exists or by an
11 indenture trustee acting on behalf of the holders. Delivery of
12 a summons and a copy of the complaint to the chairman of the
13 Board shall constitute sufficient service to give the circuit
14 court jurisdiction over the subject matter of the suit and
15 jurisdiction over the Authority and its officers named as
16 defendants for the purpose of compelling such payment. Any
17 case, controversy, or cause of action concerning the validity
18 of this Act relates to the revenue of the State of Illinois.

19 (d) Notwithstanding the form and tenor of any bond, note,
20 or other evidence of indebtedness and in the absence of any
21 express recital on its face that it is non-negotiable, all such
22 bonds, notes, and other evidences of indebtedness shall be
23 negotiable instruments. Pending the preparation and execution
24 of any bonds, notes, or other evidences of indebtedness,
25 temporary bonds, notes, or evidences of indebtedness may be
26 issued as provided by ordinance.

27 (e) To secure the payment of any or all of such bonds,
28 notes, or other evidences of indebtedness, the revenues to be
29 received by the Authority from a lease agreement or loan
30 agreement shall be pledged, and, for the purpose of setting
31 forth the covenants and undertakings of the Authority in
32 connection with the issuance of the bonds, notes, or other
33 evidences of indebtedness and the issuance of any additional
34 bonds, notes or other evidences of indebtedness payable from
35 such revenues, income, or other funds to be derived from
36 projects, the Authority may execute and deliver a mortgage or

1 trust agreement. A remedy for any breach or default of the
2 terms of any mortgage or trust agreement by the Authority may
3 be by mandamus proceeding in the appropriate circuit court to
4 compel performance and compliance under the terms of the
5 mortgage or trust agreement, but the trust agreement may
6 prescribe by whom or on whose behalf the action may be
7 instituted.

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

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

1 the reserve fund to the level required in the resolution or
2 indenture securing those bonds. The Governor shall submit the
3 certified amount to the General Assembly as soon as
4 practicable, but no later than the end of the current State
5 fiscal year.

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

25 Section 40. Bonds and notes; exemption from taxation. The
26 creation of the Authority is in all respects for the benefit of
27 the people of Illinois and for the improvement of their health,
28 safety, welfare, comfort, and security, and its purposes are
29 public purposes. In consideration thereof, the notes and bonds
30 of the Authority issued pursuant to this Act and the income
31 from these notes and bonds may be free from all taxation by the
32 State or its political subdivisions, exempt for estate,
33 transfer, and inheritance taxes. The exemption from taxation
34 provided by the preceding sentence shall apply to the income on
35 any notes or bonds of the Authority only if the Authority in

1 its sole judgment determines that the exemption enhances the
2 marketability of the bonds or notes or reduces the interest
3 rates that would otherwise be borne by the bonds or notes. For
4 purposes of Section 250 of the Illinois Income Tax Act, the
5 exemption of the Authority shall terminate after all of the
6 bonds have been paid. The amount of such income that shall be
7 added and then subtracted on the Illinois income tax return of
8 a taxpayer, subject to Section 203 of the Illinois Income Tax
9 Act, from federal adjusted gross income or federal taxable
10 income in computing Illinois base income shall be the interest
11 net of any bond premium amortization.

12 Section 45. Acquisition.

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

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

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

32 (d) The Authority shall have the power to enter into
33 intergovernmental agreements with the State of Illinois, the
34 counties of Fayette, Cumberland, Clark, Effingham, Jasper,
35 Crawford, Marion, Clay, Richland, Lawrence, Jefferson, Wayne,

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

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

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

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

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

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

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

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

22 Section 70. Reports and audit.

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

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

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

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

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

6 The Auditor General has jurisdiction over local government
7 agencies and private agencies only:

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

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

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

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

33 The audit shall determine whether they are operating in
34 accordance with all applicable laws and regulations. Subject to
35 the limitations of this Act, the Legislative Audit Commission
36 may by resolution specify additional determinations to be

1 included in the scope of the audit.

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

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

14 The Auditor General is authorized to conduct financial and
15 compliance audits of the Illinois Distance Learning Foundation
16 and the Illinois Conservation Foundation.

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

28 The Auditor General shall conduct a financial and
29 compliance and program audit of distributions from the
30 Municipal Economic Development Fund during the immediately
31 preceding calendar year pursuant to Section 8-403.1 of the
32 Public Utilities Act at no cost to the city, village, or
33 incorporated town that received the distributions.

34 The Auditor General must conduct an audit of the Health
35 Facilities Planning Board pursuant to Section 19.5 of the
36 Illinois Health Facilities Planning Act.

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

15 The Auditor General must conduct audits of the Rend Lake
16 Conservancy District as provided in Section 25.5 of the River
17 Conservancy Districts Act.

18 The Auditor General must conduct financial audits of the
19 Southeastern Illinois Economic Development Authority as
20 provided in Section 70 of the Southeastern Illinois Economic
21 Development Authority Act.

22 (Source: P.A. 93-226, eff. 7-22-03; 93-259, eff. 7-22-03;
23 93-275, eff. 7-22-03; revised 8-25-03.)

24 Section 999. Effective date. This Act takes effect upon
25 becoming law.