



## 97TH GENERAL ASSEMBLY

### State of Illinois

2011 and 2012

HB2872

Introduced 2/22/2011, by Rep. Jim Watson

#### SYNOPSIS AS INTRODUCED:

New Act  
735 ILCS 30/15-5-46 new

Creates the Illinois Rural Water Authority Act. Provides that the Board of the Illinois Rural Water Authority shall consist of 9 members appointed by the Governor. Sets forth the terms of the Board members. Sets forth the powers and duties of the Authority. Provides that the Authority may issue revenue bonds to develop, construct, acquire, or improve facilities for the development, transportation, and distribution of water and sewage. Provides that the Authority has the power of eminent domain and the power to acquire property. Amends the Eminent Domain Act to make conforming changes.

LRB097 02751 RLJ 42773 b

FISCAL NOTE ACT  
MAY APPLY

STATE DEBT  
IMPACT NOTE ACT  
MAY APPLY

1 AN ACT concerning local government.

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

4 Section 1. Short title. This Act may be cited as the  
5 Illinois Rural Water Authority Act.

6 Section 5. Findings and purpose. The General Assembly finds  
7 that many units of local government, non-profit corporations,  
8 public trusts, cooperative associations, and other similar  
9 organizations have a common interest in the economic  
10 development of the State and in the protection of the health  
11 and welfare of the citizens of the State through the  
12 development, transportation, and distribution of water in  
13 rural areas of the State and through the provision of adequate  
14 sewage treatment and disposal facilities in rural areas of the  
15 State.

16 The purpose of this Act is to promote the economic  
17 development of the State and to provide for the protection of  
18 the health and welfare of citizens of the State through the  
19 development, transportation, and distribution of water in  
20 rural areas of the State and through the provision of adequate  
21 sewage treatment and disposal facilities in rural areas of the  
22 State.

1 Section 10. Definitions. As used in this Act, the following  
2 terms shall have the following meanings, unless a different  
3 meaning clearly appears from the context:

4 "Authority" means the Illinois Rural Water Authority  
5 created by this Act.

6 "Board" means the Illinois Rural Water Authority Board of  
7 Directors.

8 "Costs incurred in connection with the development,  
9 construction, acquisition, or improvement of a project" means  
10 the following: the cost of purchase and construction of all  
11 lands and improvements in connection therewith and equipment  
12 and other property, rights, easements, and franchises which are  
13 deemed necessary for such construction; financing charges;  
14 interest costs with respect to bonds, notes, and other  
15 evidences of indebtedness of the Authority before and during  
16 construction and for a period of 6 months thereafter;  
17 engineering and legal expenses; the costs of plans,  
18 specifications, surveys, and estimates of costs and other  
19 expenses necessary or incident to determining the feasibility  
20 or practicability of any project; and any other expenses as may  
21 be necessary or incident to the financing, insuring,  
22 acquisition, and construction of a specific project and the  
23 placing of the same in operation.

24 "Lease agreement" shall mean an agreement whereby a project  
25 acquired by the Authority by purchase, gift, or lease is leased  
26 to any member upon terms providing for lease rental payments at

1 least sufficient to pay when due all principal of and interest  
2 and premium, if any, on any bonds, notes, or other evidences of  
3 indebtedness of the Authority issued with respect to such  
4 project, providing for the maintenance, insurance, and  
5 operation of the project on terms satisfactory to the Authority  
6 and providing for disposition of the project upon termination  
7 of the lease term, including purchase options or abandonment of  
8 the premises, with any other terms as may be deemed desirable  
9 by the Authority. For the purposes of this definition, "member"  
10 means any unit of local government, non-profit corporation,  
11 public trust, cooperative association, or similar  
12 organization.

13 "Loan agreement" means any agreement pursuant to which the  
14 Authority agrees to loan the proceeds of its bonds, notes, or  
15 other evidences of indebtedness issued with respect to a  
16 project to any member upon terms providing for loan repayment  
17 installments at least sufficient to pay when due all principal  
18 of and interest and premium, if any, on any bonds, notes, or  
19 other evidences of indebtedness of the Authority issued with  
20 respect to the project, providing for maintenance, insurance,  
21 and operation of the project on terms satisfactory to the  
22 Authority and providing for other matters as may be deemed  
23 advisable by the Authority. For the purposes of this  
24 definition, "member" means any unit of local government,  
25 non-profit corporation, public trust, cooperative association,  
26 or similar organization.

1 "Local government project" means a project or other  
2 undertaking that is authorized or required by law to be  
3 acquired, constructed, reconstructed, equipped, improved,  
4 rehabilitated, replaced, maintained, or otherwise undertaken  
5 in any manner by a unit of local government.

6 "Local government security" means a bond, note, or other  
7 evidence of indebtedness that a unit of local government is  
8 legally authorized to issue for the purpose of financing a  
9 project or to issue for any other lawful public purpose under  
10 any provision of the Constitution or laws of the State, whether  
11 the obligation is payable from taxes or revenues, rates,  
12 charges, assessments, appropriations, grants, or any other  
13 lawful source or combination thereof, and specifically  
14 includes, without limitation, obligations under any lease or  
15 lease purchase agreement lawfully entered into by the unit of  
16 local government for the acquisition or use of facilities or  
17 equipment.

18 "Person" means any unit of local government, natural  
19 person, firm, partnership, corporation, both domestic and  
20 foreign, company, association, or joint stock association and  
21 includes any trustee, receiver, assignee, or personal  
22 representative thereof.

23 "Project" means facilities for the development,  
24 transportation, and distribution of water and for the  
25 transportation, treatment, and disposal of sewage, including  
26 improvements or extensions thereof. Any project may include

1 land acquisition, site improvements, sewage treatment and  
2 disposal facilities, water lines, pipes, pumps, meter  
3 stations, water towers, storage tanks, or any other  
4 appurtenances, as applicable.

5 "Revenue bond" means any bond issued by the Authority the  
6 principal and interest of which is payable solely from revenues  
7 or income derived from any project or activity of the  
8 Authority.

9 "Rural community or system" means any unit of local  
10 government with a population of less than 10,000 or any  
11 non-profit corporation, public trust, cooperative association,  
12 or similar organization that represents or serves one or more  
13 areas each with a population of less than 10,000.

14 "State" means the State of Illinois.

15 "Unit of local government" means (i) a unit of local  
16 government, as defined in Section 1 of Article VII of the  
17 Illinois Constitution and (ii) a local public entity, as that  
18 term is defined in Section 1-206 of the Local Governmental and  
19 Governmental Employees Tort Immunity Act.

20 Section 15. Illinois Rural Water Authority.

21 (a) There is hereby created a political subdivision, body  
22 politic, and municipal corporation named the Illinois Rural  
23 Water Authority. The territory of the Authority is coterminous  
24 with the boundaries of the State. The territory of the  
25 Authority shall be divided into 8 districts. Each district is

1 composed of certain counties, and any navigable waters and air  
2 space located therein, described as follows:

3           District 1 consists of the counties of Bureau, Carroll,  
4 Henry, JoDaviess, Lee, Ogle, Rock Island, Stephenson,  
5 Whiteside, and Winnebago.

6           District 2 consists of the counties of Boone, Cook,  
7 DeKalb, DuPage, Grundy, Kane, Kendall, Lake, McHenry, and  
8 Will.

9           District 3 consists of the counties of Adams, Fulton,  
10 Hancock, Henderson, Knox, Mason, McDonough, Mercer,  
11 Peoria, Schuyler, Stark, Tazewell, and Warren.

12           District 4 consists of the counties of Iroquois,  
13 Kankakee, LaSalle, Livingston, Marshall, McLean, Putnam,  
14 and Woodford.

15           District 5 consists of the counties of Brown, Cass,  
16 Calhoun, Christian, DeWitt, Greene, Jersey, Logan, Macon,  
17 Macoupin, Menard, Montgomery, Morgan, Pike, Sangamon, and  
18 Scott.

19           District 6 consists of the counties of Champaign,  
20 Clark, Coles, Crawford, Cumberland, Douglas, Edgar, Ford,  
21 Jasper, Moultrie, Platt, Shelby, and Vermillion.

22           District 7 consists of the counties of Bond, Clay,  
23 Clinton, Edwards, Effingham, Fayette, Jefferson, Lawrence,  
24 Madison, Marion, Monroe, Perry, Randolph, Richland, St.  
25 Clair, Wabash, Washington, and Wayne.

26           District 8 consists of the counties of Alexander,

1 Franklin, Gallatin, Hamilton, Hardin, Jackson, Johnson,  
2 Massac, Pope, Pulaski, Saline, Union, White, and  
3 Williamson.

4 (b) The governing and administrative powers of the  
5 Authority shall be vested in a board of directors consisting of  
6 9 members. The Governor shall appoint one director from each of  
7 the districts described in subsection (a) and one additional  
8 director from the State at-large. The directors must be from a  
9 rural community or system. Of the initial directors, 5  
10 directors shall serve for a term of 3 years, and 4 directors  
11 shall serve for a term of 6 years, as determined by lot.  
12 Thereafter, all terms shall be for 6 years. Vacancies shall be  
13 filled for the remainder of the term in accordance with the  
14 initial appointment.

15 (c) The Governor may remove any director in case of  
16 incompetency, neglect of duty, or malfeasance in office.

17 (d) Directors shall not be entitled to compensation for  
18 their services as Board members but may be reimbursed for all  
19 necessary expenses incurred in connection with the performance  
20 of their duties as directors.

21 (e) The Board shall appoint from its members a chairperson,  
22 secretary, and treasurer.

23 (f) The Board shall appoint an executive director who shall  
24 have a background in the development of sewage treatment and  
25 disposal facilities and water facilities. The executive  
26 director shall hold office at the discretion of the Board. The



1 executive director shall be the chief administrative and  
2 operational officer of the Authority, shall direct and  
3 supervise the Authority's administrative affairs and general  
4 management, shall perform any other duties as may be prescribed  
5 from time to time by the Board, and shall receive compensation  
6 as fixed by the Board. The executive director shall attend all  
7 meetings of the Authority. However, no action of the Authority  
8 shall be invalid on account of the absence of the executive  
9 director from a meeting. The Board may engage the services of  
10 any other agents and employees, including attorneys,  
11 appraisers, engineers, accountants, credit analysts, and other  
12 consultants, as the Board may deem advisable and may prescribe  
13 their duties and fix their compensation.

14 Section 20. Quorum. All official acts of the Authority  
15 require the approval of at least a majority of a quorum of the  
16 Board. A majority of the Board shall constitute a quorum for  
17 the transaction of business at any meeting of the Board. It is  
18 the duty of the Authority to promote the economic development  
19 of the State and to protect the health and welfare of the  
20 citizens of the State through the development, transportation,  
21 and distribution of water in rural areas of the State and  
22 through the provision of adequate sewage treatment and disposal  
23 facilities in rural areas of the State. The Authority shall use  
24 the powers conferred upon it under this Act to assist in the  
25 development, construction, and acquisition of those water and

1 sewage projects.

2 Section 25. Powers.

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

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

10 (2) to sue and be sued;

11 (3) to employ agents and employees necessary to carry  
12 out its purposes;

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

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

20 (6) to designate the fiscal year for the Authority;

21 (7) to accept and expend appropriations;

22 (8) to have and exercise all powers and be subject to  
23 all duties usually incident to boards of directors of  
24 corporations;

25 (9) to acquire, own, lease, sell, or otherwise dispose

1 of interests in and to real property and improvements  
2 situated thereon and in personal property necessary to  
3 fulfill the purposes of the Authority; and

4 (10) to engage in any activity or operation which is  
5 incidental to and in furtherance of efficient operation to  
6 accomplish the Authority's purposes.

7 (b) 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 shall remain  
10 in full force and effect and shall control.

11 Section 30. Revenue bonds. The Authority shall have the  
12 continuing power to issue bonds, notes, or other evidences of  
13 indebtedness for the purpose of developing, constructing,  
14 acquiring, or improving projects. With respect to any local  
15 government project, the Authority is authorized to purchase  
16 from time to time pursuant to negotiated sale or to otherwise  
17 acquire from time to time any local government security upon  
18 terms and conditions as the Authority may prescribe in  
19 connection therewith. For the purpose of evidencing the  
20 obligations of the Authority to repay any money borrowed for  
21 any project, the Authority may, pursuant to resolution, from  
22 time to time issue and dispose of its interest bearing revenue  
23 bonds, notes, or other evidences of indebtedness and may also  
24 from time to time issue and dispose of those bonds, notes, or  
25 other evidences of indebtedness to refund, at maturity, at a

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

19 The holder or holders of any bonds, notes, or other  
20 evidences of indebtedness issued by the Authority may bring  
21 suits at law or proceedings in equity to: (i) compel the  
22 performance and observance by any person or by the Authority or  
23 any of its agents or employees of any contract or covenant made  
24 with the holders of the bonds, notes, or other evidences of  
25 indebtedness; (ii) compel the person or the Authority and any  
26 of its agents or employees to perform any duties required to be

1 performed for the benefit of the holders of the bonds, notes,  
2 or other evidences of indebtedness by the provision of the  
3 resolution authorizing their issuance; and (iii) enjoin the  
4 person or the Authority and any of its agents or employees from  
5 taking any action in conflict with the contract or covenant.

6 If the Authority fails to pay the principal of, premium, if  
7 any, or interest on any of its bonds as the same become due, a  
8 civil action to compel payment may be instituted in the  
9 appropriate circuit court by the holder or holders of the bonds  
10 on which the default of payment exists or by an indenture  
11 trustee acting on behalf of the holders. Delivery of a summons  
12 and a copy of the complaint to the chairperson of the Board  
13 shall constitute sufficient service to give the circuit court  
14 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 payment.

17 Notwithstanding the form and tenor of any bonds, notes, or  
18 other evidences of indebtedness and in the absence of any  
19 express recital on the face thereof that it is nonnegotiable,  
20 all bonds, notes, and other evidences of indebtedness shall be  
21 negotiable instruments. Pending the preparation and execution  
22 of any bonds, notes, or other evidences of indebtedness,  
23 temporary bonds, notes, or evidences of indebtedness may be  
24 issued as provided by resolution of the Board.

25 To secure the payment of any or all of such bonds, notes,  
26 or other evidences of indebtedness, the revenues to be received

1 by the Authority from a lease agreement or loan agreement shall  
2 be pledged, and, for the purpose of setting forth the covenants  
3 and undertakings of the Authority in connection with the  
4 issuance thereof and the issuance of any additional bonds,  
5 notes, or other evidences of indebtedness payable from the  
6 revenues, income, or other funds to be derived from projects,  
7 the Authority may execute and deliver a mortgage or trust  
8 agreement. A remedy for any breach or default of the terms of  
9 any such mortgage or trust agreement by the Authority may be by  
10 mandamus proceedings in the appropriate circuit court to compel  
11 the performance and compliance therewith, but the trust  
12 agreement may prescribe by whom or on whose behalf an action  
13 may be instituted.

14 Bonds or notes shall be secured as provided in the  
15 authorizing resolution of the Board which may, notwithstanding  
16 any other provision of this Act, include in addition to any  
17 other security a specific pledge or assignment of and lien on  
18 or security interest in any or all revenues or money of the  
19 Authority from whatever source which may by law be used for  
20 debt service purposes and a specific pledge or assignment of  
21 and lien on or security interest in any funds or accounts  
22 established or provided for by resolution of the Board  
23 authorizing the issuance of the bonds or notes and, with  
24 respect to any local government project, may include without  
25 limitation a pledge of any local government securities,  
26 including any payments thereon.

1           The State pledges to and agrees with the holders of the  
2 bonds and notes of the Authority issued pursuant to this  
3 Section that the State will not limit or alter the rights and  
4 powers vested in the Authority by this Act so as to impair the  
5 terms of any contract made by the Authority with the holders or  
6 in any way impair the rights and remedies of those holders  
7 until the bonds and notes, together with interest thereon, with  
8 interest on any unpaid installments of interest, and all costs  
9 and expenses in connection with any action or proceedings by or  
10 on behalf of the holders, are fully met and discharged. The  
11 Authority is authorized to include this pledge and agreement of  
12 the State in any contract with the holders of bonds or notes  
13 issued under this Section.

14           Section 35. Issuance and sale of local government  
15 securities. Any unit of local government which is authorized to  
16 issue, sell, and deliver its local government securities under  
17 any provision of the Constitution or laws of the State may  
18 issue, sell, and deliver local government securities to the  
19 Authority as provided by this Act, provided that and  
20 notwithstanding any other provision of law to the contrary, any  
21 unit of local government may issue and sell any local  
22 government security at any interest rate, which rate or rates  
23 may be established by an index or formula which may be  
24 implemented by persons appointed or retained therefor, payable  
25 at any time or times and at any price or prices to which the

1 unit of local government and the Authority may agree. Any unit  
2 of local government may pay any amount charged by the  
3 Authority. Any unit of local government may pay out of the  
4 proceeds of its local government securities or out of any other  
5 moneys or funds available to it for such purposes any costs,  
6 fees, interest deemed necessary, premiums, or revenues  
7 incurred or required for any financing or refinancing,  
8 including without limitation any fees charged by the Authority  
9 and its share, as determined by the Authority, of any costs,  
10 fees, interest deemed necessary, premiums, or revenues  
11 incurred or required pursuant to this Act. All local government  
12 securities purchased by the Authority pursuant to this Act  
13 shall upon delivery to the Authority be accompanied by an  
14 approving opinion of bond counsel as to the validity of those  
15 securities. The Authority shall have discretion to purchase or  
16 otherwise acquire those local government securities as it shall  
17 deem to be in the best interest of its financing program for  
18 all units of local government taken as a whole.

19 Section 40. Pledge of local government securities.

20 (a) Any unit of local government that receives funds which  
21 are at any time in the custody of the State Treasurer, the  
22 State Comptroller, or the Department of Revenue may, by  
23 appropriate proceedings, pledge to the Authority or any entity  
24 acting on behalf of the Authority (including, without  
25 limitation, any trustee), any or all of those receipts to the



1 extent that the receipts are necessary to provide revenues to  
2 pay the principal of, premium, if any, and interest on, and  
3 other fees related to, or to secure, any of the local  
4 government securities of the unit of local government which  
5 have been sold or delivered to the Authority or its designee or  
6 to pay lease rental payments to be made by the unit of local  
7 government to the extent that such lease rental payments secure  
8 the payment of the principal of, premium, if any, and interest  
9 on, and other fees related to, any local government securities  
10 which have been sold or delivered to the Authority or its  
11 designee. Any pledge of such receipts (or any portion thereof)  
12 shall constitute a first and prior lien thereon and shall be  
13 binding from the time the pledge is made.

14 (b) Any unit of local government may, by such proceedings,  
15 direct that all or any of the pledged receipts payable to the  
16 unit of local government be paid directly to the Authority or  
17 any other entity (including, without limitation, any trustee)  
18 for the purpose of paying the principal of, premium, if any,  
19 and interest on, and fees relating to, such local government  
20 securities or for the purpose of paying such lease rental  
21 payments to the extent necessary to pay the principal of,  
22 premium, if any, and interest on, and other fees related to,  
23 such local government securities secured by such lease rental  
24 payments. Upon receipt of a certified copy of the proceedings  
25 by the State Treasurer, the State Comptroller, and the  
26 Department of Revenue, the State Comptroller and State

1 Treasurer shall pay to, or on behalf of, the Authority or any  
2 other entity (including, without limitation, any trustee) all  
3 or a portion of the pledged receipts from the Department of  
4 Revenue sufficient to pay the principal of and premium, if any,  
5 and interest on, and other fees related to, the local  
6 governmental securities for which the pledge was made or to pay  
7 such lease rental payments securing such local government  
8 securities for which the pledge was made. The proceedings shall  
9 constitute authorization for such a directive to the State  
10 Comptroller to cause orders to be drawn and to the State  
11 Treasurer to pay in accordance with such directive. To the  
12 extent that the Authority or its designee notifies the  
13 Department of Revenue that the unit of local government has  
14 previously paid to the Authority or its designee the amount of  
15 any principal, premium, interest, and fees payable from such  
16 pledged receipts, the State Comptroller shall cause orders to  
17 be drawn and the State Treasurer shall pay such pledged  
18 receipts to the unit of local government as if they were not  
19 pledged receipts. To the extent that such receipts are pledged  
20 and paid to the Authority or any other entity, any taxes which  
21 have been levied or fees or charges assessed pursuant to law on  
22 account of the issuance of such local government securities  
23 shall be paid to the unit of local government and may be used  
24 for the purposes which the pledged receipts would have been  
25 used.

26 (c) Any unit of local government may, by such proceedings,

1 direct that the pledged receipts payable to the unit of local  
2 government be paid to the Authority or any other entity  
3 (including, without limitation, any trustee) upon a default in  
4 the payment of any principal of, premium, if any, or interest  
5 on, or fees relating to, any of the local government securities  
6 of the unit of local government which have been sold or  
7 delivered to the Authority or its designee or any of the local  
8 government securities which have been sold or delivered to the  
9 Authority or its designee and which are secured by such lease  
10 rental payments. If such local governmental security is in  
11 default as to the payment of principal thereof, premium, if  
12 any, or interest thereon, or fees relating thereto, to the  
13 extent that the State Treasurer, the State Comptroller, or the  
14 Department of Revenue shall be the custodian at any time of any  
15 other available funds or moneys pledged to the payment of such  
16 local government securities or such lease rental payments  
17 securing such local government securities pursuant to this  
18 Section and due or payable to such a unit of local government  
19 at any time subsequent to written notice to the State  
20 Comptroller and State Treasurer from the Authority or any  
21 entity acting on behalf of the Authority (including, without  
22 limitation, any trustee) to the effect that the unit of local  
23 government has not paid or is in default as to payment of the  
24 principal of, premium, if any, or interest on, or fees relating  
25 to, any local government security sold or delivered to the  
26 Authority or any other entity (including, without limitation,

1 any trustee) or has not paid or is in default as to the payment  
2 of such lease rental payments securing the payment of the  
3 principal of, premiums, if any, or interest on, or other fees  
4 relating to, any local government security sold or delivered to  
5 the Authority or any other entity (including, without  
6 limitation, any trustee), the following shall apply:

7 (1) The State Comptroller and the State Treasurer shall  
8 withhold the payment of such funds or moneys from the unit  
9 of local government until the amount of the principal,  
10 premium, if any, interest, or fees then due and unpaid has  
11 been paid to the Authority or any other entity (including,  
12 without limitation, any trustee), or the State Comptroller  
13 and the State Treasurer have been advised that  
14 arrangements, satisfactory to the Authority or such  
15 entity, have been made for the payment of the principal,  
16 premium, if any, interest, and fees.

17 (2) Within 10 days after a demand for payment by the  
18 Authority or any other entity given to the unit of local  
19 government, the State Treasurer, and the State  
20 Comptroller, the State Treasurer shall pay such funds or  
21 moneys as are legally available therefor to the Authority  
22 or such entity for the payment of principal of, premium, if  
23 any, or interest on, or fees relating to, such local  
24 government securities. The Authority or any other entity  
25 may carry out this Section and exercise all the rights,  
26 remedies, and provisions provided or referred to in this

1 Section.

2 (d) Upon the sale or delivery of any local government  
3 securities of the Authority or its designee, the local  
4 government which issued such local government securities shall  
5 be deemed to have agreed that upon its failure to pay interest  
6 or premium, if any, on, or principal of, or fees relating to,  
7 the local government securities sold or delivered to the  
8 Authority or any entity acting on behalf of the Authority  
9 (including, without limitation, any trustee) when payable, all  
10 statutory defenses to nonpayment are thereby waived. Upon a  
11 default in the payment of principal of or interest on any local  
12 government securities issued by a unit of local government and  
13 sold or delivered to the Authority or its designee, and upon  
14 demand on the unit of local government for payment, if the  
15 local government securities are payable from property taxes and  
16 funds are not legally available in the treasury of the unit of  
17 local government to make payment, an action in mandamus for the  
18 levy of a tax by the unit of local government to pay the  
19 principal of or interest on the local government securities  
20 shall lie, and the Authority or such entity shall be  
21 constituted a holder or owner of the local government  
22 securities as being in default. Upon the occurrence of any  
23 failure or default with respect to any local government  
24 securities issued by a unit of local government, the Authority  
25 or such entity may thereupon avail itself of all remedies,  
26 rights, and provisions of law applicable in the circumstances,

1 and the failure to exercise or exert any rights or remedies  
2 within a time or period provided by law may not be raised as a  
3 defense by the unit of local government.

4 Section 45. Bond issues for multiple projects. The  
5 Authority may issue a single bond issue pursuant to this Act  
6 for a group of projects. A bond issue for multiple projects as  
7 provided in this Section shall be subject to all requirements  
8 for a bond issue as established by this Act.

9 Section 50. Acquisition of property.

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 has the power to acquire by purchase,  
13 lease, gift, or otherwise any property or rights therein from  
14 any person or persons, the State, any unit of local government,  
15 the government of the United States, any agency or  
16 instrumentality of the United States, or any other body politic  
17 useful for its purposes, whether improved for the purposes of  
18 any prospective project or unimproved. The Authority may also  
19 accept any donation of funds for its purposes from any of those  
20 sources. The Authority may acquire any real property, or rights  
21 therein, upon condemnation. The acquisition by eminent domain  
22 of such real property or any interest therein by the Authority  
23 shall be in the manner provided by the Eminent Domain Act,  
24 including Article 20.

1           The Authority shall not exercise any quick-take eminent  
2 domain powers granted by State law within the corporate limits  
3 of a municipality unless the governing authority of the  
4 municipality authorizes the Authority to do so. The Authority  
5 shall not exercise any quick-take eminent domain powers granted  
6 by State law within the unincorporated areas of a county unless  
7 the county board authorizes the Authority to do so.

8           (c) The Authority has the power to develop, construct, and  
9 improve, either under its own direction or through  
10 collaboration with any approved applicant, or to acquire  
11 through purchase or otherwise any project, using for that  
12 purpose the proceeds derived from its sale of revenue bonds,  
13 notes, or other evidences of indebtedness or governmental loans  
14 or grants and to hold title in the name of the Authority to  
15 those projects.

16           (d) The Authority has the power to enter into  
17 intergovernmental agreements with the State, the Illinois  
18 Finance Authority, the United States government, any agency or  
19 instrumentality of the United States, any unit of local  
20 government, or any other unit of government to the extent  
21 allowed by Section 10 of Article VII of the Illinois  
22 Constitution and the Intergovernmental Cooperation Act.

23           (e) The Authority has the power to share employees with  
24 other units of government, including agencies of the United  
25 States, agencies of the State, and agencies or personnel of any  
26 unit of local government.

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

5           Section 55. Eminent domain. Notwithstanding any other  
6 provision of this Act, any power granted under this Act to  
7 acquire property by condemnation or eminent domain is subject  
8 to, and shall be exercised in accordance with, the Eminent  
9 Domain Act.

10          Section 60. Depositories. The Authority shall biennially  
11 designate a national or State bank or banks as depositories of  
12 its money. The depositories shall be designated only within the  
13 State and upon condition that bonds approved as to form and  
14 surety by the Authority and at least equal in amount to the  
15 maximum sum expected to be on deposit at any one time shall be  
16 first given by the depositories to the Authority, those bonds  
17 to be conditioned for the safe keeping and prompt repayment of  
18 the deposits. If any of the funds of the Authority shall be  
19 deposited by the treasurer in any such depository, then the  
20 treasurer and the sureties on his or her official bond shall,  
21 to that extent, be exempt from liability for the loss of any of  
22 the deposited funds by reason of the failure, bankruptcy, or  
23 any other act or default of the depository. However, the  
24 Authority may accept assignments of collateral by any



1 depository of its funds to secure the deposits to the same  
2 extent and conditioned in the same manner as assignments of  
3 collateral are permitted by law to secure deposits of the funds  
4 of any unit of local government.

5 Section 65. Conflicts of interest.

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

14 (b) With respect to any direct or any indirect interest,  
15 other than an interest prohibited in subsection (a), in a  
16 contract or agreement upon which the member, officer, agent, or  
17 employee may be called upon to act or vote, the member,  
18 officer, agent, or employee shall disclose that interest to the  
19 secretary of the Authority before the taking of final action by  
20 the Authority concerning that contract or agreement and shall  
21 also disclose the nature and extent of that interest and his or  
22 her acquisition of that interest, which disclosures shall be  
23 publicly acknowledged by the Authority and entered upon the  
24 minutes of the Authority. If a member of the Authority or an  
25 officer, agent, or employee of the Authority holds such an

1 interest, then he or she shall refrain from any further  
2 official involvement in regard to the contract or agreement,  
3 from voting on any matter pertaining to the contract or  
4 agreement, and from communicating with other members of the  
5 Authority or its officers, agents, and employees concerning the  
6 contract or agreement. Notwithstanding any other provision of  
7 law, any contract or agreement entered into in conformity with  
8 this subsection shall not be void or invalid by reason of an  
9 interest described in this subsection, nor shall any person so  
10 disclosing the interest and refraining from further official  
11 involvement as provided in this subsection be guilty of an  
12 offense, be removed from office, or be subject to any other  
13 penalty on account of that interest.

14 (c) Any contract or agreement made in violation of  
15 subsection (a) or (b) is void and gives rise to no action  
16 against the Authority.

17 Section 70. Prohibition of taxing authority. The Authority  
18 shall have no right or authority to levy any tax or special  
19 assessment, to pledge the credit of the State or any other  
20 subdivision or municipal corporation thereof, or to incur any  
21 obligation enforceable upon any property, either within or  
22 without the territory of the Authority.

23 Section 75. Fees and charges. The Authority may collect  
24 fees and charges in connection with its loans, commitments, and

1 servicing and provide technical assistance in connection with  
2 the development, transportation, and distribution of water and  
3 the provision of adequate sewage treatment and disposal  
4 facilities in rural areas of the State.

5 Section 85. The Eminent Domain Act is amended by adding  
6 Section 15-5-46 as follows:

7 (735 ILCS 30/15-5-46 new)

8 Sec. 15-5-46. Eminent domain powers in new Acts. The  
9 following provisions of law may include express grants of the  
10 power to acquire property by condemnation or eminent domain:

11 Illinois Rural Water Authority Act; Illinois Rural Water  
12 Authority; for general purposes.