

1 AN ACT concerning State government.

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

4 Section 5. The Illinois Finance Authority Act is amended by  
5 changing Sections 810-20 and 840-20 as follows:

6 (20 ILCS 3501/810-20)

7 Sec. 810-20. Powers and Duties; Illinois Venture  
8 Investment Fund Limits. The Authority shall invest and reinvest  
9 the Fund and the income, thereof, in the following ways:

10 (a) To make a direct investment in qualified securities  
11 issued by enterprises and to dispose of those securities within  
12 10 years after the date of the direct investment as determined  
13 by the Authority for the purpose of providing venture capital  
14 or seed capital, provided that the investment shall not exceed  
15 49% of the estimated cost of development, testing, and initial  
16 production and marketing and associated working capital for the  
17 technology, product, process, or invention, or \$750,000,  
18 whichever is less;

19 (b) To enter into written agreements or contracts  
20 (including limited partnership agreements) with one or more  
21 professional investors or one or more seed capital investors,  
22 if any, for the purpose of establishing a pool of funds to be  
23 used exclusively as venture capital or seed capital

1 investments. The Authority shall not invest more than  
2 \$2,000,000 in a single pool of funds or affiliated pools of  
3 funds. The agreement or contract shall provide for the pool of  
4 funds to be managed by a professional investor. The manager may  
5 be the general partner of a limited partnership of which the  
6 Authority is a limited partner. The agreement or contract may  
7 provide for reimbursement of expenses of, and payment of a fee  
8 to, the manager. The agreement or contract may also provide for  
9 payment to the manager of a percentage, not to exceed 40%  
10 (computed on an annual basis), of cash and other property  
11 payable to the Authority as its pro-rata share of distributions  
12 to investors in the pool of funds, provided that (i) no amount  
13 shall be received by the manager upon sale or other disposition  
14 of qualified investments in enterprises until recovery by the  
15 Authority of its investment and upon liquidation or withdrawal  
16 of the Authority from the pool of funds, the manager shall be  
17 obligated to refund any amount received by it from such  
18 percentage if necessary to allow the Authority to recover its  
19 investment or (ii) the terms of payment of cash and other  
20 property to the Authority are no less favorable to the  
21 Authority than payments to other seed capital investors (other  
22 than the manager) who are parties to the agreement or contract.

23 (c) To make co-venture investments by entering into  
24 agreements with one or more professional investors or one or  
25 more seed capital investors, if any, who have formally agreed  
26 to invest at least 50% as much as the Authority invests in the

1 enterprise, for the purpose of providing venture capital or  
2 seed capital; but no more than \$1,000,000 shall be invested by  
3 the Authority in the qualified securities of a single  
4 enterprise. A total of not more than \$1,500,000 may be invested  
5 in the securities of a single enterprise, if the Authority  
6 shall find, after the initial investment by the Authority, that  
7 additional investments in the enterprise are necessary to  
8 protect or enhance the initial investment of the Authority.  
9 Each co-venture investment agreement shall provide that the  
10 Authority will recover its investment before or simultaneously  
11 with any distribution to participating professional investors  
12 or seed capital investors. The Authority and participating  
13 professional investors and seed capital investors shall share  
14 ratably in the profits earned in any form on the co-venture  
15 investment, but the Authority may, at its discretion, agree to  
16 pay to a participating professional investor a percentage, not  
17 to exceed 40% (computed on an annual basis), of cash and other  
18 property payable to the Authority as its pro-rata share of  
19 distributions to investors in the pool of funds, provided that  
20 (i) no amount shall be received by the participating  
21 professional investor upon sale or other disposition of  
22 qualified investments in the enterprises until recovery by the  
23 Authority of its investment and upon liquidation or withdrawal  
24 of the Authority from the pool of funds, the participating  
25 professional investor shall be obligated to refund any amount  
26 received by it from such percentage if necessary to allow the

1 Authority to recover its investment or (ii) the terms of  
2 payment of cash and other property to the Authority are no less  
3 favorable to the Authority than payments to other seed capital  
4 investors or professional investors (other than the  
5 professional investor) who are parties to the agreement or  
6 contract;

7 (d) To purchase qualified securities of certified  
8 development corporations created under Section 503 of the  
9 federal Small Business Administration Act, including the  
10 Illinois Small Business Growth Corporation, for the purpose of  
11 making loans to enterprises that have the potential to create  
12 substantial employment within the State per dollar invested by  
13 the Authority, provided that the investment does not exceed 25%  
14 of the total investment in each corporation at the time the  
15 investment is approved by the Authority. Investment by the  
16 Authority in the Illinois Small Business Growth Corporation is  
17 not limited by the foregoing provision;

18 (e) To purchase qualified securities of small business  
19 investment companies and minority enterprise small business  
20 investment corporations certified by the federal Small  
21 Business Administration which are committed to making 60% of  
22 their investments in the State, provided that investments from  
23 the Fund do not exceed 25% of the total investment in these  
24 entities at the time the investment is approved by the  
25 Authority;

26 (f) To make the investments of any funds held in reserves

1 or sinking funds, or any funds not required for immediate  
2 disbursement, as may be lawful investments for fiduciaries in  
3 the State;

4 (g) To facilitate and promote the acquisition and  
5 revitalization of existing manufacturing enterprises by, at  
6 the Authority's discretion, developing and maintaining a list  
7 of firms, or divisions thereof, located within the State that  
8 are available for purchase, merger, or acquisition. The list  
9 may ~~shall~~ be made available at such charges as the Authority  
10 may determine to all interested persons and institutions upon  
11 request. No firm shall appear on the list without its prior  
12 written permission. The list may contain such additional  
13 financial, technical, market and other information as may be  
14 supplied by the listed firm. The Authority shall bear no  
15 responsibility for the accuracy of the information contained on  
16 the list, and each listed firm shall hold the Authority  
17 harmless against any claim of inaccuracy. Enterprises  
18 supported by investments from the Fund may ~~shall~~ receive  
19 consideration by the Authority in the allocation of loans to be  
20 insured or loans to be made from the proceeds of bonds to be  
21 insured by the Industrial Revenue Bond Insurance Fund  
22 established under this Article, and the Authority may ~~shall~~  
23 coordinate its activities under the 2 programs.

24 (Source: P.A. 93-205, eff. 1-1-04.)

25 (20 ILCS 3501/840-20)

1           Sec. 840-20. It is the intent and purpose of this Act that  
2 the exercise by the Authority of the powers granted to it shall  
3 be in all respects for the benefit of the people of this State  
4 to assist them to provide needed health facilities of the  
5 number, size, type, distribution, and operation that will  
6 assure admission and care of high quality to all who need it.  
7 To this end, the Authority is charged with the responsibility  
8 to identify and study all projects which are determined by  
9 health planning agencies to be needed but which could not  
10 sustain a loan were such to be made to it under this Act. The  
11 Authority shall, following such study, formulate and recommend  
12 to the General Assembly, such amendments to this and other  
13 Acts, and such other specific measures as grants, loan  
14 guarantees, interest subsidies or other actions as may be  
15 provided for by the State which actions would render the  
16 construction and operation of such needed health facility  
17 feasible and in the public interest. Further, the Authority may  
18 ~~is charged with responsibility to~~ identify and study any laws  
19 or regulations which it finds handicaps or bars a needed health  
20 facility from participating in the benefits of this Act and may  
21 ~~to~~ recommend to the General Assembly such actions as will  
22 remedy such situation.

23           (Source: P.A. 93-205, eff. 1-1-04.)

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