

AN ACT concerning State government.

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

Section 1. Short title. This Act may be cited as the Infrastructure Development Act.

Section 5. Definitions. As used in this Act:

"Development capital" means financing for investments in which the underlying assets involve direct ownership of non-financial assets for developing or expanding in Illinois.

"Illinois infrastructure development firm" means an entity that: (i) has more than 50% of its employees in Illinois or that has at least one general partner or principal domiciled in Illinois; (ii) provides financing for investments in which the underlying assets involve direct ownership of non-financial assets to develop or expand in Illinois; or (iii) has a track record of identifying, evaluating, and investing in Illinois infrastructure development projects and providing financing for investments in which the underlying assets involve direct ownership of non-financial assets to develop or expand in Illinois.

"Illinois infrastructure development project" means a project that has as its principal function investing in real assets to develop economic and social infrastructure

including, but not limited to, land, buildings, transportation, utilities, communication, renewable energy, schools, healthcare, and other real assets.

"Significant presence" means at least one physical office and one full-time employee within the geographic borders of this State.

"Track record" means having made, on average, at least one investment in an Illinois infrastructure development project in each of its funds if the Illinois infrastructure development firm has multiple funds or at least 2 investments in Illinois infrastructure development projects if the Illinois infrastructure development firm has only one fund.

#### Section 10. Infrastructure Development Account.

(a) The State Treasurer shall segregate a portion of the Treasurer's State investment portfolio, which at no time shall be greater than 5% of the portfolio, in the Infrastructure Development Account, an account that shall be maintained separately and apart from other moneys invested by the State Treasurer. Distributions from the investments in the Infrastructure Development Account may be reinvested into the Infrastructure Development Account without being counted against the 5% cap. The aggregate investment in the Infrastructure Development Account and the aggregate commitment of investment capital in an Infrastructure Development Account-Recipient Fund shall at no time be greater

than 5% of the State's investment portfolio, which shall be calculated as: (i) the balance at the inception of the State fiscal year; or (ii) the average balance in the immediately preceding 5 fiscal years, whichever number is greater. Distributions from an Infrastructure Development Account-Recipient Fund, in an amount not to exceed the commitment amount and the total distributions, may be reinvested into the Infrastructure Development Account without being counted against the 5% cap. The State Treasurer may make investments from the Infrastructure Development Account that help attract, assist, and support quality infrastructure development projects in Illinois. A portion of the investment earnings on the Infrastructure Development Account may be deposited into the Infrastructure Development Fund and reinvested by the State Treasurer.

(b) The State Treasurer may solicit proposals from entities to manage the Infrastructure Development Account consisting of investments from private sector investors that must invest, at the direction of the general partner, in tandem with the Infrastructure Development Account in a pro-rata portion. The State Treasurer may enter into an agreement with the entity managing the Infrastructure Development Account to advise on the investment strategy of the Infrastructure Development Account and fulfill other mutually agreeable terms. Funds in the Infrastructure Development Account shall be kept separate and apart from

moneys in the State treasury.

(c) All or a portion of the moneys in the Infrastructure Development Account shall be invested by the State Treasurer to provide development capital to infrastructure development projects, seeking to locate, expand, or remain in Illinois by placing money with Illinois infrastructure development firms. In no case shall more than 15% of the capital in the Infrastructure Development Account be invested in firms based outside of Illinois.

(d) Any Infrastructure Development Account-Recipient Fund created by an Illinois infrastructure development firm in which the State Treasurer places money pursuant to this Section shall be required by the State Treasurer to seek investments in Illinois infrastructure development projects seeking to locate, expand, or remain in Illinois. Any Infrastructure Development Account-Recipient Fund created by an Illinois infrastructure development firm in which the State Treasurer places money under this Section shall invest a minimum of twice the aggregate amount of investable capital that is received from the State Treasurer under this Section in Illinois infrastructure development projects during the life of the fund. Investable capital is calculated as committed capital, as defined in the firm's applicable fund's governing documents, less related estimated fees and expenses to be incurred during the life of the fund.

(e) All Infrastructure Development Account-Recipient Funds

shall also invest additional capital in Illinois infrastructure development projects during the life of the fund if, as determined by the fund's manager, the investment:

(1) is consistent with the firm's fiduciary responsibility to its limited partners;

(2) is consistent with the fund manager's investment strategy; and

(3) demonstrates the potential to create risk-adjusted financial returns consistent with the fund manager's investment goals.

(f) All Infrastructure Development Account-Recipient Funds shall report the following information to the State Treasurer on a quarterly or annual basis, as determined by the State Treasurer, for all investments, including but not limited to:

(1) the names of companies or infrastructure development projects invested in during the applicable investment period;

(2) the geographic location of infrastructure development projects;

(3) the date of the initial and any follow-on investments;

(4) the cost of the investment; and

(5) the current fair market value of the investment.

(g) If, as of the earlier to occur of (i) the fourth year of the investment period of any Infrastructure Development Account-Recipient Fund or (ii) when that Infrastructure

Development Account-Recipient Fund has drawn more than 60% of the investable capital of all limited partners, that Infrastructure Development Account-Recipient Fund has failed to invest the minimum amount required under this Section in Illinois infrastructure development projects, then the State Treasurer shall deliver written notice to the manager of that fund seeking compliance with the minimum amount requirement under this Section. If, after 180 days after delivery of notice, the Infrastructure Development Account-Recipient Fund has still failed to invest the minimum amount required under this Section in Illinois companies, then the State Treasurer may elect, in writing, to terminate any further commitment to make capital contributions to that fund which otherwise would have been made under this Section.

Section 15. Rules. The State Treasurer may adopt rules necessary to implement this Act.

Section 20. Infrastructure Development Fund. The Infrastructure Development Fund is created as a non-appropriated trust fund within the State treasury, which may receive a portion of earnings from the Infrastructure Development Account and may be used by the State Treasurer to pay expenses related to this Act.

Section 90. The State Finance Act is amended by adding

Public Act 102-0141

SB0117 Enrolled

LRB102 04337 RJF 14355 b

Section 5.935 as follows:

(30 ILCS 105/5.935 new)

Sec. 5.935. The Infrastructure Development Fund.

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