

AN ACT concerning urban development.

**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 Illinois Urban Development Authority Act.

Section 2. Findings. The General Assembly hereby determines and declares that:

(1) the economic burdens resulting from involuntary unemployment fall in part upon the State in the form of increased need for public assistance, reduced tax revenues, and increased resources devoted to crime prevention and incarceration and that the unemployed worker and his or her family may migrate outside the State to find work and such migration will reduce the tax revenues of local governments and the State of Illinois, thereby endangering their financial ability to support necessary governmental services for their remaining inhabitants;

(2) the State has a responsibility to help create a favorable climate for new and improved job opportunities for all of its citizens, especially in areas with high economic distress, by encouraging the development of commercial and service businesses and industrial and

manufacturing plants and creating job opportunities;

(3) the State has a responsibility to increase and improve post-release employment opportunities for ex-offenders and reduce recidivism rates through the combined resources and expertise of providers of workforce development, supportive services, and private enterprises;

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

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

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

It is hereby declared to be the policy of the State of Illinois, in the interest of promoting industrial, commercial, residential, jobs, service, transportation, and facilities, thereby reducing the evils attendant upon unemployment, crime, and recidivism and enhancing the public health, safety, morals,

happiness, and general welfare of this State specifically by making available through the Illinois Urban Development Authority, funds for industrial projects, commercial projects, and housing projects to a municipality with a municipal poverty rate greater than 3% in excess of the statewide average.

Section 3. Definitions. The following terms, whenever used or referred to in this Act, shall have the following meanings, except in such instances where the context may clearly indicate otherwise:

"Authority" means the Illinois Urban Development Authority created by this Act.

"Board" means the Illinois Urban Development Authority Board of Directors.

"Bonds" shall include bonds, notes, or other evidence of indebtedness.

"Commercial project" means any project, including but not limited to one or more buildings and other structures, improvements, machinery, and equipment whether or not on the same site or sites now existing or hereafter acquired, suitable for use by any retail or wholesale concern, distributorship, or agency, any cultural facilities of a for-profit or not-for-profit type including but not limited to educational, theatrical, recreational and entertainment, sports facilities, racetracks, stadiums, convention centers, exhibition halls, arenas, opera houses and theaters, waterfront improvements,

swimming pools, boat storage, moorage, docking facilities, restaurants, coliseums, sports training facilities, parking facilities, terminals, hotels and motels, gymnasiums, medical facilities, and port facilities.

"Costs incurred in connection with the development, construction, acquisition, or improvement of a project" means the cost of purchase and construction of all lands and improvements in connection with a project and equipment and other property, rights, easements, and franchises acquired that are deemed necessary for such construction; financing charges; interest costs with respect to bonds, notes, and other evidences of indebtedness of the Authority prior to and during construction and for a period of 6 months thereafter; engineering and legal expenses; the costs of plans, specifications, surveys, and estimates of costs and other expenses necessary or incident to determining the feasibility or practicability of any project, together with such other expenses as may be necessary or incident to the financing, insuring, acquisition, and construction of a specific project and the placing of the same in operation.

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

"Governmental agency" means any federal, State or local

governmental body, and any agency or instrumentality thereof, corporate or otherwise.

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

"Housing project" or "residential project" includes a specific work or improvement undertaken to provide dwelling accommodations, including the acquisition, construction, leasing, or rehabilitation of lands, buildings, and community facilities and in connection therewith to provide nonhousing facilities which are an integral part of a planned large-scale project or new community.

"Industrial project" means (1) a capital project, including one or more buildings and other structures, improvements, machinery, and equipment whether or not on the same site or sites now existing or hereafter acquired, suitable for use by any manufacturing, industrial, research, transportation, or commercial enterprise including but not limited to use as a factory, mill, processing plant, assembly plant, packaging plant, fabricating plant, office building, industrial distribution center, warehouse, repair, overhaul or service facility, freight terminal, research facility, test facility, railroad facility, solid waste and wastewater treatment and disposal sites and other pollution control facilities, resource or waste reduction, recovery, treatment and disposal facilities, and including also the sites thereof and other rights in land therefor whether improved or unimproved, site preparation and landscaping and all

appurtenances and facilities incidental thereto such as utilities, access roads, railroad sidings, truck docking and similar facilities, parking facilities, dockage, wharfage, railroad roadbed, track, trestle, depot, terminal, switching, and signaling equipment or related equipment and other improvements necessary or convenient thereto; or (2) any land, buildings, machinery or equipment comprising an addition to or renovation, rehabilitation or improvement of any existing capital project.

"Lease agreement" means an agreement whereby a project acquired by the Authority by purchase, gift, or lease is leased to any person or corporation that will use or cause the project to be used as a project as defined in this Act upon terms providing for lease rental payments at least sufficient to pay when due all principal of and interest and premium, if any, on any bonds, notes or other evidences of indebtedness of the Authority issued with respect to such project, providing for the maintenance, insurance, and operation of the project on terms satisfactory to the Authority, and providing for disposition of the project upon termination of the lease term, including purchase options or abandonment of the premises, with such other terms as may be deemed desirable by the Authority. The Authority may, directly or indirectly, lease or otherwise transfer property the Authority owns to another and such leased property shall remain tax exempt.

"Loan agreement" means any agreement pursuant to which the

Authority agrees to loan the proceeds of its bonds, notes, or other evidences of indebtedness issued with respect to a project to any person or corporation that will use or cause the project to be used as a project as defined in this Act upon terms providing for loan repayment installments at least sufficient to pay when due all principal and interest and premium, if any, on any bonds, notes, or other evidences of indebtedness of the Authority issued with respect to the project, providing for maintenance, insurance, and operation of the project on terms satisfactory to the Authority and providing for other matters as may be deemed advisable by the Authority.

"Municipal poverty rate" is the percentage of total population of the municipality having income levels below the poverty level as determined by the Authority based upon the most recent data released by the United States Census Bureau before the beginning of such calendar year.

"Occupational license" means a license issued by the Illinois Gaming Board to a person or entity to perform an occupation which the Illinois Gaming Board has identified as requiring a license to engage in riverboat, dockside, or land-based gambling in Illinois.

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

"Project" means an industrial, housing, residential, commercial, or service project, or any combination thereof, provided that all uses shall fall within one of those categories. Any project, of any nature whatsoever, shall automatically include all site improvements and new construction involving sidewalks, sewers, solid waste and wastewater treatment and disposal sites and other pollution control facilities, resource or waste reduction, recovery, treatment and disposal facilities, parks, open spaces, wildlife sanctuaries, streets, highways, and runways.

"Revenue bond" means any bond issued by the Authority under the supervision of the Illinois Finance Authority, the principal and interest of which are payable solely from revenues or income derived from any project or activity of the Authority.

Section 4. Illinois Urban Development Authority. There is hereby created a political subdivision, body politic and corporate by the name of Illinois Urban Development Authority. The exercise by the Authority of the powers conferred by law shall be an essential public function. The governing powers of the Authority shall be vested in a body consisting of 11 members appointed as follows: one member appointed by the Mayor of the City of Chicago that has expertise, skill, and experience in economic development; one member appointed by the President of the Cook County Board that has expertise, skill,

and experience in economic development; 4 members appointed by the Governor who are residents of a municipality, other than a municipality with a population greater than 1,000,000, whose municipal poverty rate is greater than 3% in excess of the statewide average; 2 members appointed by the Governor that have an expertise, skill, and experience in labor relations; and 3 members appointed by the Governor that have an expertise, skill, and experience operating a business that is certified by the State of Illinois as a Disadvantaged Business Enterprise, Minority Business Enterprise, or Women Business Enterprise.

Six members shall constitute a quorum. However, when a quorum of members of the Authority is physically present at the meeting site, other Authority members may participate in and act at any meeting through the use of a conference telephone or other communications equipment by means of which all persons participating in the meeting can hear each other. Participation in such meeting shall constitute attendance and presence in person at the meeting of the person or persons so participating. The Chairman of the Authority shall be elected by the Authority. All board members shall be persons of recognized ability and experience in one or more of the following areas: economic development, finance, banking, industrial development, small business management, real estate development, community development, venture finance, construction, and labor relations.

The terms of all members of the Authority shall begin 30

days after the effective date of this Act. Of the 11 members first appointed pursuant to this Act, 4 shall serve until the third Monday in January 2011, 4 shall serve until the third Monday in January 2012, and 3 shall serve until the third Monday in January 2013. All board members shall hold office for a term of 4 years commencing the third Monday in January of the year in which their term commences, except in case of an appointment to fill a vacancy. In case of vacancy in the office when the Senate is not in session, the Governor may make a temporary appointment until the next meeting of the Senate when he shall nominate such person to fill such office, and any person so nominated who is confirmed by the Senate, shall hold his office during the remainder of the term and until his successor shall be appointed and qualified. If the Senate is not in session, the Governor may make temporary appointments in the case of vacancies.

Members of the Authority shall not be entitled to compensation for their services as members but shall be entitled to reimbursement for all necessary expenses incurred in connection with the performance of their duties as members. The Governor may remove any member of the Authority in case of incompetency, neglect of duty, or malfeasance in office, after service on the member of a copy of the written charges against the member and an opportunity to be publicly heard in person or by counsel in the his or her defense upon not less than 10 days' notice.

The members of the Authority shall appoint an Executive Director, who must be a person knowledgeable in the areas of financial markets and instruments and the financing of business enterprises, to hold office at the pleasure of the members. The Executive Director shall be the chief administrative and operational officer of the Authority and shall direct and supervise its administrative affairs and general management and perform such other duties as may be prescribed from time to time by the members and shall receive compensation fixed by the Authority. The Executive Director or any committee of the members may carry out any responsibilities of the members as the members by resolution may delegate. The Executive Director shall attend all meetings of the Authority; however, no action of the Authority shall be invalid on account of the absence of the Executive Director from a meeting. The Authority may engage the services of such other agents and employees, including attorneys, appraisers, engineers, accountants, credit analysts, and other consultants, as it may deem advisable and may prescribe their duties and fix their compensation.

The Authority shall determine the municipal poverty rate and the statewide average municipal poverty rate annually by using the most recent data released by the United States Census Bureau before the beginning of each calendar year. The Authority shall have the sole and exclusive authority to determine the municipal poverty rate and the statewide average municipal poverty rate and to determine whether a

municipality's poverty rate is greater than 3% in excess of the statewide average so long as the determination is based on the most recent data released by the United States Census Bureau.

Section 5. Conflicts of interest.

(a) No member of the Authority or officer, agent, or employee thereof shall, in the member's own name or in the name of a nominee, be an officer, director, or hold an ownership interest in any person, association, trust, corporation, partnership, or other entity which is, in its own name or in the name of a nominee, a party to a contract or agreement upon which the member or officer, agent or employee may be called upon to act or vote.

(b) With respect to any direct or any indirect interest, other than an interest prohibited in subsection (a), in a contract or agreement upon which the member or officer, agent or employee may be called upon to act or vote, a member of the Authority or officer, agent, or employee thereof must disclose the interest to the secretary of the Authority prior to the taking of final action by the Authority concerning the contract or agreement and shall disclose the nature and extent of the interest and his or her acquisition thereof, which shall be publicly acknowledged by the Authority and entered upon the minutes of the Authority. If a member of the Authority or officer, agent, or employee thereof holds such an interest then the member shall refrain from any further official involvement

in regard to the contract or agreement, from voting on any matter pertaining to the contract or agreement, and from communicating with other members of the Authority or its officers, agents, and employees concerning the contract or agreement. Notwithstanding any other provision of law, any contract or agreement entered into in conformity with this subsection shall not be void or invalid by reason of the interest described in this subsection, nor shall any person disclosing an interest and refraining from further official involvement as provided in this subsection be guilty of an offense, be removed from office, or be subject to any other penalty on account of the interest.

(c) Any contract or agreement made in violation of subsections (a) or (b) shall be null and void, whether or not the contract performance has been authorized, and shall give rise to no action against the Authority. No real estate to which a member or employee of the Authority holds legal title or in which a member or employee of the Authority has any beneficial interest, including any interest in a land trust, shall be purchased by the Authority or by a nonprofit corporation or limited-profit entity for a development to be financed under this Act.

All members and employees of the Authority shall file annually with the Authority a record of all real estate in this State to which the member or employee holds legal title or in which the member or employee has any beneficial interest,

including any interest in a land trust. In the event it is later disclosed that the Authority has purchased real estate in which a member or employee had an interest, that purchase shall be voidable by the Authority and the member or employee involved shall be disqualified from membership in or employment by the Authority.

Section 6. Records and reports of the Authority. The secretary shall keep a record of the proceedings of the Authority. The treasurer of the Authority shall be custodian of all Authority funds, and shall be bonded in such amount as the other members of the Authority may designate. The accounts and bonds of the Authority shall be set up and maintained in a manner approved by the Auditor General, and the Authority shall file with the Auditor General a certified annual report within 120 days after the close of its fiscal year. The Authority shall also file with the Governor, the Secretary of the Senate, the Clerk of the House of Representatives, and the Legislative Research Unit, by March 1 of each year, a written report covering its activities and any activities of any instrumentality corporation established under this Act for the previous fiscal year. In its report to be filed by March 1, 2010, the Authority shall present an economic development strategy for all municipalities with a municipal poverty rate greater than 3% in excess of the statewide average, the Authority shall make modifications in the economic development

strategy for the 4 years beginning on the next ensuing July 1, to reflect changes in economic conditions or other factors, including the policies of the Authority and the State of Illinois. It shall also present an economic development strategy for the fifth year beginning after the next ensuing July 1. The strategy shall recommend specific legislative and administrative action by the State, the Authority, units of local government, or other governmental agencies. These recommendations may include, but are not limited to, new programs, modifications to existing programs, credit enhancements for bonds issued by the Authority, and amendments to this Act. When filed, the report shall be a public record and open for inspection at the offices of the Authority during normal business hours.

Section 7. Approval of official acts. All official acts of the Authority shall require the approval of at least 6 members.

Section 8. Powers of the Authority.

(a) The Authority possesses all the powers of a body corporate necessary and convenient to accomplish the purposes of this Act, including, without limitation, except as defined in Section 9.1 of the Act, the following:

(1) To enter into loans, contracts, agreements, and mortgages in any matter connected with any of its corporate purposes and to invest its funds.

(2) To sue and be sued.

(3) To employ agents and employees necessary to carry out its purposes.

(4) To have and use a common seal and to alter the same at its discretion.

(5) To adopt all needful ordinances, resolutions, by-laws, rules, and regulations for the conduct of its business and affairs and for the management and use of the projects developed, constructed, acquired, and improved in furtherance of its purposes.

(6) To designate the fiscal year for the Authority.

(7) To accept and expend appropriations.

(8) To maintain an office or offices at such place as the Authority may designate.

(9) To employ, either as regular employees or as independent contractors, such consultants, engineers, architects, accountants, attorneys, financial experts, construction experts and personnel, superintendents, managers, and other professional personnel as may be necessary in the judgment of the Authority and to fix their compensation.

(10) To acquire, hold, lease, use, encumber, transfer, or dispose of real and personal property.

(11) To enter into contracts of any kind and execute all instruments necessary or convenient with respect to its carrying out the powers in this Act to accomplish the

purposes of the Authority.

(12) To fix and revise from time to time and to charge and collect rates, rents, fees, or other charges for the use of facilities or for services rendered in connection with the facilities.

(13) To borrow money from any source for any corporate purpose, including working capital for its operations, reserve funds, or the payment of interest, to mortgage, pledge, or otherwise encumber the property or funds of the Authority, and to contract with or engage the services of any person in connection with any financing, including financial institutions, issuers of letters of credit, or insurers.

(14) To borrow money and issue revenue bonds, notes, or other evidences of indebtedness under the supervision of the Illinois Finance Authority, as set forth under Section 825-13.5 of the Illinois Finance Authority Act.

(15) To receive and accept from any source, private or public, contributions, gifts, or grants of money or property.

(16) To make loans from proceeds or funds otherwise available to the extent necessary or appropriate to accomplish the purposes of the Authority.

(17) To exercise all the corporate powers granted to Illinois corporations under the Business Corporation Act of 1983, except to the extent that any of these powers are

inconsistent with those of a body politic and corporate of the State.

(18) To have and exercise all powers and be subject to all duties usually incident to boards of directors of corporations.

(19) To enter into intergovernmental agreements with the State of Illinois and the Illinois Finance Authority.

(20) To do all things necessary or convenient to carry out the powers granted by this Act.

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

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

Section 9. Revenue bonds.

(a) The Authority shall have the continuing power to issue revenue bonds, notes, or other evidences of indebtedness in an aggregate amount not to exceed \$500,000,000 for the purpose of developing, constructing, acquiring, or improving projects,

including those established by business entities locating or expanding property within the territorial jurisdiction of the Authority, for entering into venture capital agreements with businesses locating or expanding within the territorial jurisdiction of the Authority, for acquiring and improving any property necessary and useful in connection therewith, and for the purposes of the Employee Ownership Assistance Act. The bonds must be issued under the supervision of the Illinois Finance Authority, as set forth under Section 825-13.5 of the Illinois Finance Authority Act. For the purpose of evidencing the obligations of the Authority to repay any money borrowed, the Authority may, pursuant to resolution, from time to time issue and dispose of its interest bearing revenue bonds, notes, or other evidences of indebtedness and may also from time to time issue and dispose of such bonds, notes, or other evidences of indebtedness to refund, at maturity, at a redemption date or in advance of either, any revenue bonds, notes, or other evidences of indebtedness pursuant to redemption provisions or at any time before maturity. All such revenue bonds, notes, or other evidences of indebtedness shall be payable solely from the revenues or income to be derived from loans made with respect to projects, from the leasing or sale of the projects, or from any other funds available to the Authority for such purposes, including, when so provided by ordinance of the Authority authorizing the issuance of revenue bonds or notes. The revenue bonds, notes, or other evidences of indebtedness

may bear such date or dates, may mature at such time or times not exceeding 35 years from their respective dates, may bear interest at such rate or rates not exceeding the maximum rate permitted by the Bond Authorization Act, may be in such form, may carry such registration privileges, may be executed in such manner, may be payable at such place or places, may be made subject to redemption in such manner and upon such terms, with or without premium as is stated on the face thereof, may be authenticated in such manner, and may contain such terms and covenants as may be provided by an applicable resolution.

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

(c) If the Authority fails to pay the principal of or

interest on any of the revenue bonds or premium, if any, as the same become due, a civil action to compel payment may be instituted in the appropriate circuit court by the holder or holders of the revenue bonds on which such default of payment exists or by an indenture trustee acting on behalf of such holders. Delivery of a summons and a copy of the complaint to the Chairperson of the Board shall constitute sufficient service to give the circuit court jurisdiction of the subject matter of such a suit and jurisdiction over the Authority and its officers named as defendants for the purpose of compelling such payment. Any case, controversy, or cause of action concerning the validity of this Act relates to the revenue of the State of Illinois.

(d) Notwithstanding the form and tenor of any such revenue bonds, notes, or other evidences of indebtedness and in the absence of any express recital on the face of any such revenue bond, note, or other evidence of indebtedness that it is nonnegotiable, all such revenue bonds, notes, and other evidences of indebtedness shall be negotiable instruments. Pending the preparation and execution of any such revenue bonds, notes, or other evidences of indebtedness, temporary revenue bonds, notes, or evidences of indebtedness may be issued as provided by ordinance.

(e) To secure the payment of any or all of such revenue bonds, notes, or other evidences of indebtedness, the revenues to be received by the Authority from a lease agreement or loan

agreement shall be pledged, and, for the purpose of setting forth the covenants and undertakings of the Authority in connection with the issuance thereof and the issuance of any additional revenue bonds, notes, or other evidences of indebtedness payable from such revenues, income, or other funds to be derived from projects, the Authority may execute and deliver a mortgage or trust agreement. A remedy for any breach or default of the terms of any such mortgage or trust agreement by the Authority may be by mandamus proceedings in the appropriate circuit court to compel the performance and compliance therewith, but the trust agreement may prescribe by whom or on whose behalf the action may be instituted.

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

(g) The State of Illinois pledges to and agrees with the holders of the revenue bonds and notes of the Authority issued pursuant to this Section that the State will not limit or alter the rights and powers vested in the Authority by this Act so as

to impair the terms of any contract made by the Authority with such holders or in any way impair the rights and remedies of such holders until such revenue bonds and notes, together with interest thereon, with interest on any unpaid installments of interest, and all costs and expenses in connection with any action or proceedings by or on behalf of such holders, are fully met and discharged. The Authority is authorized to include these pledges and agreements of the State in any contract with the holders of revenue bonds or notes issued pursuant to this Section.

(h) Under no circumstances shall any bonds issued by the Authority or any other obligation of the Authority be or become an indebtedness or obligation of the State of Illinois or of any other political subdivision of or municipality within the State, nor shall any such bond or obligation be or become an indebtedness of the Authority within the purview of any constitutional limitation or provision, and it shall be plainly stated on the face of each bond that it does not constitute such an indebtedness or obligation but is payable solely from the revenues or income as aforesaid.

(i) For the purpose of financing a project pursuant to this Act, the Authority shall be authorized to apply for an allocation of tax-exempt bond financing authorization provided by Section 11143 of the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU), Public Law 109-59, as well as financing available under any

other federal law or program.

Section 9.1. Limitation.

(a) The Authority may issue its bonds or notes (including refunding bond or notes) only if the financed project is situated within the territorial jurisdiction of a municipality with a municipal poverty rate greater than 3% in excess of the statewide average.

(b) If a project is situated in 2 or more municipalities where one municipality has a municipal poverty rate greater than 3% in excess of the statewide average and the other does not, the project shall be deemed to be within the municipality with a municipal poverty rate greater than 3% in excess of the statewide average.

(c) Not less than 30 days prior to the commitment to issue bonds, notes, or other evidences of indebtedness for the purpose of developing, constructing, acquiring, or improving housing or residential projects, as defined in this Act, the Authority shall provide notice to the Executive Director of the Illinois Housing Development Authority. Within 30 days after the notice is provided, the Illinois Housing Development Authority shall, in writing, either express interest in financing the project or notify the Authority that it is not interested in providing financing and that the Authority may finance the project or seek alternative financing.

Section 10. Legality for investment. Any financial institution, investment company, insurance company, or association and any personal representative, guardian, trustee, or other fiduciary, may legally invest any moneys belonging to them or within their control in any bonds issued by the Authority.

Section 11. Tax exemption. The Authority shall not be required to pay any taxes or assessments of any kind whatsoever and its bonds, their transfer, the interest payable on them, and any income derived from them shall be exempt at the time of issuance and at all times from every kind and nature of taxation by this State or by any of its political subdivisions, municipal corporations, or public agencies of any kind, except for estate, transfer, and inheritance taxes as provided in Section 12.

For purposes of Section 250 of the Illinois Income Tax Act, the exemption of the income from bonds issued by the Authority shall terminate after all of the bonds have been paid. The amount of such income that shall be added and then subtracted on the Illinois income tax return of a taxpayer, under Section 203 of the Illinois Income Tax Act, from federal adjusted gross income or federal taxable income in computing Illinois base income shall be the interest net of any bond premium amortization.

Section 12. Additional powers and duties.

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

(b) The Authority shall have the power to enter into intergovernmental agreements with the State of Illinois, the United States government and any agency or instrumentality of the United States, any unit of local government, or any other unit of government to the extent allowed by Article VII, Section 10 of the Illinois Constitution and the Intergovernmental Cooperation Act.

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

(d) The Authority shall have the power to exercise powers and issue bonds as if it were a municipality so authorized in Divisions 12.1, 74, 74.1, 74.3, 74.4, and 74.5 of Article 11 of the Illinois Municipal Code.

Section 13. Fees and charges. The Authority may collect fees and charges in connection with its loans, commitments, and servicing and may provide technical assistance in the development of the region.

Section 14. Designation of depository. The Authority shall biennially designate a national or State bank or banks as

depositories of its money. Those depositories shall be designated only within the State and upon condition that bonds approved as to form and surety by the Authority and at least equal in amount to the maximum sum expected to be on deposit at any one time shall be first given by the depositories to the Authority, those bonds to be conditioned for the safekeeping and prompt repayment of the deposits. When any of the funds of the Authority shall be deposited by the treasurer in any such depository, the treasurer and the sureties on his official bond shall, to that extent, be exempt from liability for the loss of any of the deposited funds by reason of the failure, bankruptcy, or any other act or default of the depository. However, the Authority may accept assignments of collateral by any depository of its funds to secure the deposits to the same extent and conditioned in the same manner as assignments of collateral are permitted by law to secure deposits of the funds of any city.

Section 90. The Illinois Finance Authority Act is amended by adding Section 825-13.5 as follows:

(20 ILCS 3501/825-13.5 new)

Sec. 825-13.5. Supervision of the Illinois Urban Development Authority bond issuances.

(a) All bond issuances of the Illinois Urban Development Authority are subject to supervision, management, control, and

approval of the Authority.

(b) All bonds issued by the Illinois Urban Development Authority under the supervision of the Authority are subject to the terms and conditions that are set forth in the Illinois Urban Development Authority Act.

(c) The bonds issued by the Illinois Urban Development Authority under the supervision of the Authority are not debts of the Authority or of the State.