

AN ACT concerning State government.

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

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

(20 ILCS 3501/810-20)

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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