



102ND GENERAL ASSEMBLY

State of Illinois

2021 and 2022

HB1953

Introduced 2/17/2021, by Rep. Michael Halpin

SYNOPSIS AS INTRODUCED:

New Act
30 ILCS 105/5.935 new

Creates the Infrastructure Development Act. Provides that the State Treasurer shall segregate a portion of the Treasurer's State investment portfolio in the Infrastructure Development Account, an account that shall be maintained separately and apart from other moneys invested by the State Treasurer. Allows the State Treasurer to make investments concerning the Infrastructure Development Account. Provides for Infrastructure Development Account-Recipient Funds created by Illinois infrastructure development firms in which the State Treasurer places money. Provides further requirements concerning Infrastructure Development Account-Recipient Funds. Provides for the adoption rules. Provides that the Infrastructure Development Fund is created as a special fund in 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 the Act. Defines terms. Amends the State Finance Act to provide for the Infrastructure Development Fund. Effective immediately.

LRB102 04336 RJF 14354 b

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

6 Section 5. Definitions. As used in this Act:

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

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

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

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

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

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

13 Section 10. Infrastructure Development Account.

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

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

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

1 moneys in the State treasury.

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

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

26 (e) All Infrastructure Development Account-Recipient Funds

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

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

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

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

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

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

18 (2) the geographic location of infrastructure
19 development projects;

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

22 (4) the cost of the investment; and

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

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

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

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

17 Section 20. Infrastructure Development Fund. The
18 Infrastructure Development Fund is created as a special fund
19 in the State treasury, which may receive a portion of earnings
20 from the Infrastructure Development Account and may be used by
21 the State Treasurer to pay expenses related to this Act.

22 Section 90. The State Finance Act is amended by adding
23 Section 5.935 as follows:

1 (30 ILCS 105/5.935 new)

2 Sec. 5.935. The Infrastructure Development Fund.

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