



Sen. Jeffrey M. Schoenberg

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LRB093 05686 BDD 51884 a

1 AMENDMENT TO HOUSE BILL 1010

2 AMENDMENT NO. \_\_\_\_\_. Amend House Bill 1010 by replacing  
3 everything after the enacting clause with the following: and

4 "Section 5. The Illinois Finance Authority Act is amended  
5 by changing Sections 801-10, 801-25, 801-40, and 845-40 and by  
6 adding Section 845-90 as follows:

7 (20 ILCS 3501/801-10)

8 Sec. 801-10. Definitions. The following terms, whenever  
9 used or referred to in this Act, shall have the following  
10 meanings, except in such instances where the context may  
11 clearly indicate otherwise:

12 (a) The term "Authority" means the Illinois Finance  
13 Authority created by this Act.

14 (b) The term "project" means an industrial project, housing  
15 project, public purpose project, higher education project,  
16 health facility project, cultural institution project,  
17 agricultural facility or agribusiness, and "project" may  
18 include any combination of one or more of the foregoing  
19 undertaken jointly by any person with one or more other  
20 persons, ~~but "project" shall not include any facility used or~~  
21 ~~to be used for sectarian instruction or as a place of religious~~  
22 ~~worship nor any facility which is used or to be used primarily~~  
23 ~~in connection with any part of the program of a school or~~  
24 ~~department of divinity for any religious denomination or the~~

1 ~~training of ministers, priests, rabbis or other professional~~  
2 ~~persons in the field of religion.~~

3 (c) The term "public purpose project" means any project or  
4 facility including without limitation land, buildings,  
5 structures, machinery, equipment and all other real and  
6 personal property, which is authorized or required by law to be  
7 acquired, constructed, improved, rehabilitated, reconstructed,  
8 replaced or maintained by any unit of government or any other  
9 lawful public purpose which is authorized or required by law to  
10 be undertaken by any unit of government.

11 (d) The term "industrial project" means the acquisition,  
12 construction, refurbishment, creation, development or  
13 redevelopment of any facility, equipment, machinery, real  
14 property or personal property for use by any instrumentality of  
15 the State or its political subdivisions, for use by any person  
16 or institution, public or private, for profit or not for  
17 profit, or for use in any trade or business including, but not  
18 limited to, any industrial, manufacturing or commercial  
19 enterprise and which is (1) a capital project including but not  
20 limited to: (i) land and any rights therein, one or more  
21 buildings, structures or other improvements, machinery and  
22 equipment, whether now existing or hereafter acquired, and  
23 whether or not located on the same site or sites; (ii) all  
24 appurtenances and facilities incidental to the foregoing,  
25 including, but not limited to utilities, access roads, railroad  
26 sidings, track, docking and similar facilities, parking  
27 facilities, dockage, wharfage, railroad roadbed, track,  
28 trestle, depot, terminal, switching and signaling or related  
29 equipment, site preparation and landscaping; and (iii) all  
30 non-capital costs and expenses relating thereto or (2) any  
31 addition to, renovation, rehabilitation or improvement of a  
32 capital project or (3) any activity or undertaking which the  
33 Authority determines will aid, assist or encourage economic  
34 growth, development or redevelopment within the State or any

1 area thereof, will promote the expansion, retention or  
2 diversification of employment opportunities within the State  
3 or any area thereof or will aid in stabilizing or developing  
4 any industry or economic sector of the State economy. The term  
5 "industrial project" also means the production of motion  
6 pictures.

7 (e) The term "bond" or "bonds" shall include bonds, notes  
8 (including bond, grant or revenue anticipation notes),  
9 certificates and/or other evidences of indebtedness  
10 representing an obligation to pay money, including refunding  
11 bonds.

12 (f) The terms "lease agreement" and "loan agreement" shall  
13 mean: (i) an agreement whereby a project acquired by the  
14 Authority by purchase, gift or lease is leased to any person,  
15 corporation or unit of local government which will use or cause  
16 the project to be used as a project as heretofore defined upon  
17 terms providing for lease rental payments at least sufficient  
18 to pay when due all principal of, interest and premium, if any,  
19 on any bonds of the Authority issued with respect to such  
20 project, providing for the maintenance, insuring and operation  
21 of the project on terms satisfactory to the Authority,  
22 providing for disposition of the project upon termination of  
23 the lease term, including purchase options or abandonment of  
24 the premises, and such other terms as may be deemed desirable  
25 by the Authority, or (ii) any agreement pursuant to which the  
26 Authority agrees to loan the proceeds of its bonds issued with  
27 respect to a project or other funds of the Authority to any  
28 person which will use or cause the project to be used as a  
29 project as heretofore defined upon terms providing for loan  
30 repayment installments at least sufficient to pay when due all  
31 principal of, interest and premium, if any, on any bonds of the  
32 Authority, if any, issued with respect to the project, and  
33 providing for maintenance, insurance and other matters as may  
34 be deemed desirable by the Authority.

1 (g) The term "financial aid" means the expenditure of  
2 Authority funds or funds provided by the Authority through the  
3 issuance of its bonds, notes or other evidences of indebtedness  
4 or from other sources for the development, construction,  
5 acquisition or improvement of a project.

6 (h) The term "person" means an individual, corporation,  
7 unit of government, business trust, estate, trust, partnership  
8 or association, 2 or more persons having a joint or common  
9 interest, or any other legal entity.

10 (i) The term "unit of government" means the federal  
11 government, the State or unit of local government, a school  
12 district, or any agency or instrumentality, office, officer,  
13 department, division, bureau, commission, college or  
14 university thereof.

15 (j) The term "health facility" means: (a) any public or  
16 private institution, place, building, or agency required to be  
17 licensed under the Hospital Licensing Act; (b) any public or  
18 private institution, place, building, or agency required to be  
19 licensed under the Nursing Home Care Act; (c) any public or  
20 licensed private hospital as defined in the Mental Health and  
21 Developmental Disabilities Code; (d) any such facility  
22 exempted from such licensure when the Director of Public Health  
23 attests that such exempted facility meets the statutory  
24 definition of a facility subject to licensure; (e) any other  
25 public or private health service institution, place, building,  
26 or agency which the Director of Public Health attests is  
27 subject to certification by the Secretary, U.S. Department of  
28 Health and Human Services under the Social Security Act, as now  
29 or hereafter amended, or which the Director of Public Health  
30 attests is subject to standard-setting by a recognized public  
31 or voluntary accrediting or standard-setting agency; (f) any  
32 public or private institution, place, building or agency  
33 engaged in providing one or more supporting services to a  
34 health facility; (g) any public or private institution, place,

1 building or agency engaged in providing training in the healing  
2 arts, including but not limited to schools of medicine,  
3 dentistry, osteopathy, optometry, podiatry, pharmacy or  
4 nursing, schools for the training of x-ray, laboratory or other  
5 health care technicians and schools for the training of  
6 para-professionals in the health care field; (h) any public or  
7 private congregate, life or extended care or elderly housing  
8 facility or any public or private home for the aged or infirm,  
9 including, without limitation, any Facility as defined in the  
10 Life Care Facilities Act; (i) any public or private mental,  
11 emotional or physical rehabilitation facility or any public or  
12 private educational, counseling, or rehabilitation facility or  
13 home, for those persons with a developmental disability, those  
14 who are physically ill or disabled, the emotionally disturbed,  
15 those persons with a mental illness or persons with learning or  
16 similar disabilities or problems; (j) any public or private  
17 alcohol, drug or substance abuse diagnosis, counseling  
18 treatment or rehabilitation facility, (k) any public or private  
19 institution, place, building or agency licensed by the  
20 Department of Children and Family Services or which is not so  
21 licensed but which the Director of Children and Family Services  
22 attests provides child care, child welfare or other services of  
23 the type provided by facilities subject to such licensure; (l)  
24 any public or private adoption agency or facility; and (m) any  
25 public or private blood bank or blood center. "Health facility"  
26 also means a public or private structure or structures suitable  
27 primarily for use as a laboratory, laundry, nurses or interns  
28 residence or other housing or hotel facility used in whole or  
29 in part for staff, employees or students and their families,  
30 patients or relatives of patients admitted for treatment or  
31 care in a health facility, or persons conducting business with  
32 a health facility, physician's facility, surgicenter,  
33 administration building, research facility, maintenance,  
34 storage or utility facility and all structures or facilities

1 related to any of the foregoing or required or useful for the  
2 operation of a health facility, including parking or other  
3 facilities or other supporting service structures required or  
4 useful for the orderly conduct of such health facility.

5 (k) The term "participating health institution" means a  
6 private corporation or association or public entity of this  
7 State, authorized by the laws of this State to provide or  
8 operate a health facility as defined in this Act and which,  
9 pursuant to the provisions of this Act, undertakes the  
10 financing, construction or acquisition of a project or  
11 undertakes the refunding or refinancing of obligations, loans,  
12 indebtedness or advances as provided in this Act.

13 (l) The term "health facility project", means a specific  
14 health facility work or improvement to be financed or  
15 refinanced (including without limitation through reimbursement  
16 of prior expenditures), acquired, constructed, enlarged,  
17 remodeled, renovated, improved, furnished, or equipped, with  
18 funds provided in whole or in part hereunder, any accounts  
19 receivable, working capital, liability or insurance cost or  
20 operating expense financing or refinancing program of a health  
21 facility with or involving funds provided in whole or in part  
22 hereunder, or any combination thereof.

23 (m) The term "bond resolution" means the resolution or  
24 resolutions authorizing the issuance of, or providing terms and  
25 conditions related to, bonds issued under this Act and  
26 includes, where appropriate, any trust agreement, trust  
27 indenture, indenture of mortgage or deed of trust providing  
28 terms and conditions for such bonds.

29 (n) The term "property" means any real, personal or mixed  
30 property, whether tangible or intangible, or any interest  
31 therein, including, without limitation, any real estate,  
32 leasehold interests, appurtenances, buildings, easements,  
33 equipment, furnishings, furniture, improvements, machinery,  
34 rights of way, structures, accounts, contract rights or any

1 interest therein.

2 (o) The term "revenues" means, with respect to any project,  
3 the rents, fees, charges, interest, principal repayments,  
4 collections and other income or profit derived therefrom.

5 (p) The term "higher education project" means, in the case  
6 of a private institution of higher education, an educational  
7 facility to be acquired, constructed, enlarged, remodeled,  
8 renovated, improved, furnished, or equipped, or any  
9 combination thereof.

10 (q) The term "cultural institution project" means, in the  
11 case of a cultural institution, a cultural facility to be  
12 acquired, constructed, enlarged, remodeled, renovated,  
13 improved, furnished, or equipped, or any combination thereof.

14 (r) The term "educational facility" means any property  
15 located within the State constructed or acquired before or  
16 after the effective date of this Act, which is or will be, in  
17 whole or in part, suitable for the instruction, feeding,  
18 recreation or housing of students, the conducting of research  
19 or other work of a private institution of higher education, the  
20 use by a private institution of higher education in connection  
21 with any educational, research or related or incidental  
22 activities then being or to be conducted by it, or any  
23 combination of the foregoing, including, without limitation,  
24 any such property suitable for use as or in connection with any  
25 one or more of the following: an academic facility,  
26 administrative facility, agricultural facility, assembly hall,  
27 athletic facility, auditorium, boating facility, campus,  
28 communication facility, computer facility, continuing  
29 education facility, classroom, dining hall, dormitory,  
30 exhibition hall, fire fighting facility, fire prevention  
31 facility, food service and preparation facility, gymnasium,  
32 greenhouse, health care facility, hospital, housing,  
33 instructional facility, laboratory, library, maintenance  
34 facility, medical facility, museum, offices, parking area,

1 physical education facility, recreational facility, research  
2 facility, stadium, storage facility, student union, study  
3 facility, theatre or utility. ~~An educational facility shall not  
4 include any property used or to be used for sectarian  
5 instruction or study or as a place for devotional activities or  
6 religious worship nor any property which is used or to be used  
7 primarily in connection with any part of the program of a  
8 school or department of divinity for any religious  
9 denomination.~~

10 (s) The term "cultural facility" means any property located  
11 within the State constructed or acquired before or after the  
12 effective date of this Act, which is or will be, in whole or in  
13 part, suitable for the particular purposes or needs of a  
14 cultural institution, including, without limitation, any such  
15 property suitable for use as or in connection with any one or  
16 more of the following: an administrative facility, aquarium,  
17 assembly hall, auditorium, botanical garden, exhibition hall,  
18 gallery, greenhouse, library, museum, scientific laboratory,  
19 theater or zoological facility, and shall also include, without  
20 limitation, books, works of art or music, animal, plant or  
21 aquatic life or other items for display, exhibition or  
22 performance. The term "cultural facility" includes buildings  
23 on the National Register of Historic Places which are owned or  
24 operated by nonprofit entities. ~~A cultural facility shall not  
25 include any property used or to be used for sectarian  
26 instruction or study or as a place for devotional activities or  
27 religious worship nor any property which is used or to be used  
28 primarily in connection with any part of the program of a  
29 school or department of divinity for any religious  
30 denomination.~~

31 (t) "Private institution of higher education" means a  
32 not-for-profit educational institution which is not owned by  
33 the State or any political subdivision, agency,  
34 instrumentality, district or municipality thereof, which is



1 authorized by law to provide a program of education beyond the  
2 high school level and which:

3 (1) Admits as regular students only individuals having  
4 a certificate of graduation from a high school, or the  
5 recognized equivalent of such a certificate;

6 (2) Provides an educational program for which it awards  
7 a bachelor's degree, or provides an educational program,  
8 admission into which is conditioned upon the prior  
9 attainment of a bachelor's degree or its equivalent, for  
10 which it awards a postgraduate degree, or provides not less  
11 than a 2-year program which is acceptable for full credit  
12 toward such a degree, or offers a 2-year program in  
13 engineering, mathematics, or the physical or biological  
14 sciences which is designed to prepare the student to work  
15 as a technician and at a semiprofessional level in  
16 engineering, scientific, or other technological fields  
17 which require the understanding and application of basic  
18 engineering, scientific, or mathematical principles or  
19 knowledge;

20 (3) Is accredited by a nationally recognized  
21 accrediting agency or association or, if not so accredited,  
22 is an institution whose credits are accepted, on transfer,  
23 by not less than 3 institutions which are so accredited,  
24 for credit on the same basis as if transferred from an  
25 institution so accredited, and holds an unrevoked  
26 certificate of approval under the Private College Act from  
27 the Board of Higher Education, or is qualified as a "degree  
28 granting institution" under the Academic Degree Act; and

29 (4) Does not discriminate in the admission of students  
30 on the basis of race or ~~or~~ color ~~or~~ ~~creed~~. "Private  
31 institution of higher education" also includes any  
32 "academic institution".

33 (u) The term "academic institution" means any  
34 not-for-profit institution which is not owned by the State or

1 any political subdivision, agency, instrumentality, district  
2 or municipality thereof, which institution engages in, or  
3 facilitates academic, scientific, educational or professional  
4 research or learning in a field or fields of study taught at a  
5 private institution of higher education. Academic institutions  
6 include, without limitation, libraries, archives, academic,  
7 scientific, educational or professional societies,  
8 institutions, associations or foundations having such  
9 purposes. ~~Academic institution does not include any school or~~  
10 ~~any institution primarily engaged in religious or sectarian~~  
11 ~~activities.~~

12 (v) The term "cultural institution" means any  
13 not-for-profit institution which is not owned by the State or  
14 any political subdivision, agency, instrumentality, district  
15 or municipality thereof, which institution engages in the  
16 cultural, intellectual, scientific, educational or artistic  
17 enrichment of the people of the State. Cultural institutions  
18 include, without limitation, aquaria, botanical societies,  
19 historical societies, libraries, museums, performing arts  
20 associations or societies, scientific societies and zoological  
21 societies. ~~Cultural institution does not include any~~  
22 ~~institution primarily engaged in religious or sectarian~~  
23 ~~activities.~~

24 (w) The term "affiliate" means, with respect to financing  
25 of an agricultural facility or an agribusiness, any lender, any  
26 person, firm or corporation controlled by, or under common  
27 control with, such lender, and any person, firm or corporation  
28 controlling such lender.

29 (x) The term "agricultural facility" means land, any  
30 building or other improvement thereon or thereto, and any  
31 personal properties deemed necessary or suitable for use,  
32 whether or not now in existence, in farming, ranching, the  
33 production of agricultural commodities (including, without  
34 limitation, the products of aquaculture, hydroponics and

1 silviculture) or the treating, processing or storing of such  
2 agricultural commodities when such activities are customarily  
3 engaged in by farmers as a part of farming.

4 (y) The term "lender" with respect to financing of an  
5 agricultural facility or an agribusiness, means any federal or  
6 State chartered bank, Federal Land Bank, Production Credit  
7 Association, Bank for Cooperatives, federal or State chartered  
8 savings and loan association or building and loan association,  
9 Small Business Investment Company or any other institution  
10 qualified within this State to originate and service loans,  
11 including, but without limitation to, insurance companies,  
12 credit unions and mortgage loan companies. "Lender" also means  
13 a wholly owned subsidiary of a manufacturer, seller or  
14 distributor of goods or services that makes loans to businesses  
15 or individuals, commonly known as a "captive finance company".

16 (z) The term "agribusiness" means any sole proprietorship,  
17 limited partnership, co-partnership, joint venture,  
18 corporation or cooperative which operates or will operate a  
19 facility located within the State of Illinois that is related  
20 to the processing of agricultural commodities (including,  
21 without limitation, the products of aquaculture, hydroponics  
22 and silviculture) or the manufacturing, production or  
23 construction of agricultural buildings, structures, equipment,  
24 implements, and supplies, or any other facilities or processes  
25 used in agricultural production. Agribusiness includes but is  
26 not limited to the following:

27 (1) grain handling and processing, including grain  
28 storage, drying, treatment, conditioning, mailing and  
29 packaging;

30 (2) seed and feed grain development and processing;

31 (3) fruit and vegetable processing, including  
32 preparation, canning and packaging;

33 (4) processing of livestock and livestock products,  
34 dairy products, poultry and poultry products, fish or

1        apiarian products, including slaughter, shearing,  
2        collecting, preparation, canning and packaging;

3            (5) fertilizer and agricultural chemical  
4        manufacturing, processing, application and supplying;

5            (6) farm machinery, equipment and implement  
6        manufacturing and supplying;

7            (7) manufacturing and supplying of agricultural  
8        commodity processing machinery and equipment, including  
9        machinery and equipment used in slaughter, treatment,  
10       handling, collecting, preparation, canning or packaging of  
11       agricultural commodities;

12           (8) farm building and farm structure manufacturing,  
13       construction and supplying;

14           (9) construction, manufacturing, implementation,  
15       supplying or servicing of irrigation, drainage and soil and  
16       water conservation devices or equipment;

17           (10) fuel processing and development facilities that  
18       produce fuel from agricultural commodities or byproducts;

19           (11) facilities and equipment for processing and  
20       packaging agricultural commodities specifically for  
21       export;

22           (12) facilities and equipment for forestry product  
23       processing and supplying, including sawmilling operations,  
24       wood chip operations, timber harvesting operations, and  
25       manufacturing of prefabricated buildings, paper, furniture  
26       or other goods from forestry products;

27           (13) facilities and equipment for research and  
28       development of products, processes and equipment for the  
29       production, processing, preparation or packaging of  
30       agricultural commodities and byproducts.

31        (aa) The term "asset" with respect to financing of any  
32        agricultural facility or any agribusiness, means, but is not  
33        limited to the following: cash crops or feed on hand; livestock  
34        held for sale; breeding stock; marketable bonds and securities;

1 securities not readily marketable; accounts receivable; notes  
2 receivable; cash invested in growing crops; net cash value of  
3 life insurance; machinery and equipment; cars and trucks; farm  
4 and other real estate including life estates and personal  
5 residence; value of beneficial interests in trusts; government  
6 payments or grants; and any other assets.

7 (bb) The term "liability" with respect to financing of any  
8 agricultural facility or any agribusiness shall include, but  
9 not be limited to the following: accounts payable; notes or  
10 other indebtedness owed to any source; taxes; rent; amounts  
11 owed on real estate contracts or real estate mortgages;  
12 judgments; accrued interest payable; and any other liability.

13 (cc) The term "Predecessor Authorities" means those  
14 authorities as described in Section 845-75.

15 (dd) The term "housing project" means a specific work or  
16 improvement undertaken to provide residential dwelling  
17 accommodations, including the acquisition, construction or  
18 rehabilitation of lands, buildings and community facilities  
19 and in connection therewith to provide nonhousing facilities  
20 which are part of the housing project, including land,  
21 buildings, improvements, equipment and all ancillary  
22 facilities for use for offices, stores, retirement homes,  
23 hotels, financial institutions, service, health care,  
24 education, recreation or research establishments, or any other  
25 commercial purpose which are or are to be related to a housing  
26 development.

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

28 (20 ILCS 3501/801-25)

29 Sec. 801-25. All official acts of the Authority shall  
30 require the approval of a majority of all members then holding  
31 office and who are permitted to vote on the matter under  
32 Section 845-45 at least 8 members. All meetings of the  
33 Authority and the Advisory Councils shall be conducted in

1 accordance with the Open Meetings Act. A quorum shall consist  
2 of a majority of members then holding office. All meetings  
3 shall be conducted at a single location within this State with  
4 a quorum of members physically present at this location. Other  
5 members who are not physically present at this location may  
6 participate in the meeting and vote on all matters by means of  
7 a video or audio conference ~~among members physically present at~~  
8 ~~this location.~~ The Auditor General shall conduct financial  
9 audits and program audits of the Authority, in accordance with  
10 the Illinois State Auditing Act.

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

12 (20 ILCS 3501/801-40)

13 Sec. 801-40. In addition to the powers otherwise authorized  
14 by law and in addition to the foregoing general corporate  
15 powers, the Authority shall also have the following additional  
16 specific powers to be exercised in furtherance of the purposes  
17 of this Act.

18 (a) The Authority shall have power (i) to accept grants,  
19 loans or appropriations from the federal government or the  
20 State, or any agency or instrumentality thereof, to be used for  
21 the operating expenses of the Authority, or for any purposes of  
22 the Authority, including the making of direct loans of such  
23 funds with respect to projects, and (ii) to enter into any  
24 agreement with the federal government or the State, or any  
25 agency or instrumentality thereof, in relationship to such  
26 grants, loans or appropriations.

27 (b) The Authority shall have power to procure and enter  
28 into contracts for any type of insurance and indemnity  
29 agreements covering loss or damage to property from any cause,  
30 including loss of use and occupancy, or covering any other  
31 insurable risk.

32 (c) The Authority shall have the continuing power to issue  
33 bonds for its corporate purposes. Bonds may be issued by the

1 Authority in one or more series and may provide for the payment  
2 of any interest deemed necessary on such bonds, of the costs of  
3 issuance of such bonds, of any premium on any insurance, or of  
4 the cost of any guarantees, letters of credit or other similar  
5 documents, may provide for the funding of the reserves deemed  
6 necessary in connection with such bonds, and may provide for  
7 the refunding or advance refunding of any bonds or for accounts  
8 deemed necessary in connection with any purpose of the  
9 Authority. The bonds may bear interest payable at any time or  
10 times and at any rate or rates, notwithstanding any other  
11 provision of law to the contrary, and such rate or rates may be  
12 established by an index or formula which may be implemented or  
13 established by persons appointed or retained therefor by the  
14 Authority, or may bear no interest or may bear interest payable  
15 at maturity or upon redemption prior to maturity, may bear such  
16 date or dates, may be payable at such time or times and at such  
17 place or places, may mature at any time or times not later than  
18 40 years from the date of issuance, may be sold at public or  
19 private sale at such time or times and at such price or prices,  
20 may be secured by such pledges, reserves, guarantees, letters  
21 of credit, insurance contracts or other similar credit support  
22 or liquidity instruments, may be executed in such manner, may  
23 be subject to redemption prior to maturity, may provide for the  
24 registration of the bonds, and may be subject to such other  
25 terms and conditions all as may be provided by the resolution  
26 or indenture authorizing the issuance of such bonds. The holder  
27 or holders of any bonds issued by the Authority may bring suits  
28 at law or proceedings in equity to compel the performance and  
29 observance by any person or by the Authority or any of its  
30 agents or employees of any contract or covenant made with the  
31 holders of such bonds and to compel such person or the  
32 Authority and any of its agents or employees to perform any  
33 duties required to be performed for the benefit of the holders  
34 of any such bonds by the provision of the resolution

1 authorizing their issuance, and to enjoin such person or the  
2 Authority and any of its agents or employees from taking any  
3 action in conflict with any such contract or covenant.  
4 Notwithstanding the form and tenor of any such bonds and in the  
5 absence of any express recital on the face thereof that it is  
6 non-negotiable, all such bonds shall be negotiable  
7 instruments. Pending the preparation and execution of any such  
8 bonds, temporary bonds may be issued as provided by the  
9 resolution. The bonds shall be sold by the Authority in such  
10 manner as it shall determine. The bonds may be secured as  
11 provided in the authorizing resolution by the receipts,  
12 revenues, income and other available funds of the Authority and  
13 by any amounts derived by the Authority from the loan agreement  
14 or lease agreement with respect to the project or projects; and  
15 bonds may be issued as general obligations of the Authority  
16 payable from such revenues, funds and obligations of the  
17 Authority as the bond resolution shall provide, or may be  
18 issued as limited obligations with a claim for payment solely  
19 from such revenues, funds and obligations as the bond  
20 resolution shall provide. The Authority may grant a specific  
21 pledge or assignment of and lien on or security interest in  
22 such rights, revenues, income, or amounts and may grant a  
23 specific pledge or assignment of and lien on or security  
24 interest in any reserves, funds or accounts established in the  
25 resolution authorizing the issuance of bonds. Any such pledge,  
26 assignment, lien or security interest for the benefit of the  
27 holders of the Authority's bonds shall be valid and binding  
28 from the time the bonds are issued without any physical  
29 delivery or further act, and shall be valid and binding as  
30 against and prior to the claims of all other parties having  
31 claims against the Authority or any other person irrespective  
32 of whether the other parties have notice of the pledge,  
33 assignment, lien or security interest. As evidence of such  
34 pledge, assignment, lien and security interest, the Authority



1 may execute and deliver a mortgage, trust agreement, indenture  
2 or security agreement or an assignment thereof. A remedy for  
3 any breach or default of the terms of any such agreement by the  
4 Authority may be by mandamus proceedings in any court of  
5 competent jurisdiction to compel the performance and  
6 compliance therewith, but the agreement may prescribe by whom  
7 or on whose behalf such action may be instituted. It is  
8 expressly understood that the Authority may, but need not,  
9 acquire title to any project with respect to which it exercises  
10 its authority.

11 (d) With respect to the powers granted by this Act, the  
12 Authority may adopt rules and regulations prescribing the  
13 procedures by which persons may apply for assistance under this  
14 Act. Nothing herein shall be deemed to preclude the Authority,  
15 prior to the filing of any formal application, from conducting  
16 preliminary discussions and investigations with respect to the  
17 subject matter of any prospective application.

18 (e) The Authority shall have power to acquire by purchase,  
19 lease, gift or otherwise any property or rights therein from  
20 any person useful for its purposes, whether improved for the  
21 purposes of any prospective project, or unimproved. The  
22 Authority may also accept any donation of funds for its  
23 purposes from any such source. The Authority shall have no  
24 independent power of condemnation but may acquire any property  
25 or rights therein obtained upon condemnation by any other  
26 authority, governmental entity or unit of local government with  
27 such power.

28 (f) The Authority shall have power to develop, construct  
29 and improve either under its own direction, or through  
30 collaboration with any approved applicant, or to acquire  
31 through purchase or otherwise, any project, using for such  
32 purpose the proceeds derived from the sale of its bonds or from  
33 governmental loans or grants, and to hold title in the name of  
34 the Authority to such projects.

1 (g) The Authority shall have power to lease pursuant to a  
2 lease agreement any project so developed and constructed or  
3 acquired to the approved tenant on such terms and conditions as  
4 may be appropriate to further the purposes of this Act and to  
5 maintain the credit of the Authority. Any such lease may  
6 provide for either the Authority or the approved tenant to  
7 assume initially, in whole or in part, the costs of  
8 maintenance, repair and improvements during the leasehold  
9 period. In no case, however, shall the total rentals from any  
10 project during any initial leasehold period or the total loan  
11 repayments to be made pursuant to any loan agreement, be less  
12 than an amount necessary to return over such lease or loan  
13 period (1) all costs incurred in connection with the  
14 development, construction, acquisition or improvement of the  
15 project and for repair, maintenance and improvements thereto  
16 during the period of the lease or loan; provided, however, that  
17 the rentals or loan repayments need not include costs met  
18 through the use of funds other than those obtained by the  
19 Authority through the issuance of its bonds or governmental  
20 loans; (2) a reasonable percentage additive to be agreed upon  
21 by the Authority and the borrower or tenant to cover a properly  
22 allocable portion of the Authority's general expenses,  
23 including, but not limited to, administrative expenses,  
24 salaries and general insurance, and (3) an amount sufficient to  
25 pay when due all principal of, interest and premium, if any on,  
26 any bonds issued by the Authority with respect to the project.  
27 The portion of total rentals payable under clause (3) of this  
28 subsection (g) shall be deposited in such special accounts,  
29 including all sinking funds, acquisition or construction  
30 funds, debt service and other funds as provided by any  
31 resolution, mortgage or trust agreement of the Authority  
32 pursuant to which any bond is issued.

33 (h) The Authority has the power, upon the termination of  
34 any leasehold period of any project, to sell or lease for a

1 further term or terms such project on such terms and conditions  
2 as the Authority shall deem reasonable and consistent with the  
3 purposes of the Act. The net proceeds from all such sales and  
4 the revenues or income from such leases shall be used to  
5 satisfy any indebtedness of the Authority with respect to such  
6 project and any balance may be used to pay any expenses of the  
7 Authority or be used for the further development, construction,  
8 acquisition or improvement of projects. In the event any  
9 project is vacated by a tenant prior to the termination of the  
10 initial leasehold period, the Authority shall sell or lease the  
11 facilities of the project on the most advantageous terms  
12 available. The net proceeds of any such disposition shall be  
13 treated in the same manner as the proceeds from sales or the  
14 revenues or income from leases subsequent to the termination of  
15 any initial leasehold period.

16 (i) The Authority shall have the power to make loans to  
17 persons to finance a project, to enter into loan agreements  
18 with respect thereto, and to accept guarantees from persons of  
19 its loans or the resultant evidences of obligations of the  
20 Authority.

21 (j) The Authority may fix, determine, charge and collect  
22 any premiums, fees, charges, costs and expenses, including,  
23 without limitation, any application fees, commitment fees,  
24 program fees, financing charges or publication fees from any  
25 person in connection with its activities under this Act.

26 (k) In addition to the funds established as provided  
27 herein, the Authority shall have the power to create and  
28 establish such reserve funds and accounts as may be necessary  
29 or desirable to accomplish its purposes under this Act and to  
30 deposit its available monies into the funds and accounts.

31 (l) At the request of the governing body of any unit of  
32 local government, the Authority is authorized to market such  
33 local government's revenue bond offerings by preparing bond  
34 issues for sale, advertising for sealed bids, receiving bids at

1 its offices, making the award to the bidder that offers the  
2 most favorable terms or arranging for negotiated placements or  
3 underwritings of such securities. The Authority may, at its  
4 discretion, offer for concurrent sale the revenue bonds of  
5 several local governments. Sales by the Authority of revenue  
6 bonds under this Section shall in no way imply State guarantee  
7 of such debt issue. The Authority may require such financial  
8 information from participating local governments as it deems  
9 necessary in order to carry out the purposes of this subsection  
10 (1).

11 (m) The Authority may make grants to any county to which  
12 Division 5-37 of the Counties Code is applicable to assist in  
13 the financing of capital development, construction and  
14 renovation of new or existing facilities for hospitals and  
15 health care facilities under that Act. Such grants may only be  
16 made from funds appropriated for such purposes from the Build  
17 Illinois Bond Fund or the Build Illinois Purposes Fund.

18 (n) The Authority may establish an urban development action  
19 grant program for the purpose of assisting municipalities in  
20 Illinois which are experiencing severe economic distress to  
21 help stimulate economic development activities needed to aid in  
22 economic recovery. The Authority shall determine the types of  
23 activities and projects for which the urban development action  
24 grants may be used, provided that such projects and activities  
25 are broadly defined to include all reasonable projects and  
26 activities the primary objectives of which are the development  
27 of viable urban communities, including decent housing and a  
28 suitable living environment, and expansion of economic  
29 opportunity, principally for persons of low and moderate  
30 incomes. The Authority shall enter into grant agreements from  
31 monies appropriated for such purposes from the Build Illinois  
32 Bond Fund or the Build Illinois Purposes Fund. The Authority  
33 shall monitor the use of the grants, and shall provide for  
34 audits of the funds as well as recovery by the Authority of any

1 funds determined to have been spent in violation of this  
2 subsection (n) or any rule or regulation promulgated hereunder.  
3 The Authority shall provide technical assistance with regard to  
4 the effective use of the urban development action grants. The  
5 Authority shall file an annual report to the General Assembly  
6 concerning the progress of the grant program.

7 (o) The Authority may establish a Housing Partnership  
8 Program whereby the Authority provides zero-interest loans to  
9 municipalities for the purpose of assisting in the financing of  
10 projects for the rehabilitation of affordable multi-family  
11 housing for low and moderate income residents. The Authority  
12 may provide such loans only upon a municipality's providing  
13 evidence that it has obtained private funding for the  
14 rehabilitation project. The Authority shall provide 3 State  
15 dollars for every 7 dollars obtained by the municipality from  
16 sources other than the State of Illinois. The loans shall be  
17 made from monies appropriated for such purpose from the Build  
18 Illinois Bond Fund or the Build Illinois Purposes Fund. The  
19 total amount of loans available under the Housing Partnership  
20 Program shall not exceed \$30,000,000. State loan monies under  
21 this subsection shall be used only for the acquisition and  
22 rehabilitation of existing buildings containing 4 or more  
23 dwelling units. The terms of any loan made by the municipality  
24 under this subsection shall require repayment of the loan to  
25 the municipality upon any sale or other transfer of the  
26 project.

27 (p) The Authority may award grants to universities and  
28 research institutions, research consortiums and other  
29 not-for-profit entities for the purposes of: remodeling or  
30 otherwise physically altering existing laboratory or research  
31 facilities, expansion or physical additions to existing  
32 laboratory or research facilities, construction of new  
33 laboratory or research facilities or acquisition of modern  
34 equipment to support laboratory or research operations

1 provided that such grants (i) be used solely in support of  
2 project and equipment acquisitions which enhance technology  
3 transfer, and (ii) not constitute more than 60 percent of the  
4 total project or acquisition cost.

5 (q) Grants may be awarded by the Authority to units of  
6 local government for the purpose of developing the appropriate  
7 infrastructure or defraying other costs to the local government  
8 in support of laboratory or research facilities provided that  
9 such grants may not exceed 40% of the cost to the unit of local  
10 government.

11 (r) The Authority may establish a Direct Loan Program to  
12 make loans to individuals, partnerships or corporations for the  
13 purpose of an industrial project, as defined in Section 801-10  
14 of this Act. For the purposes of such program and not by way of  
15 limitation on any other program of the Authority, the Authority  
16 shall have the power to issue bonds, notes, or other evidences  
17 of indebtedness including commercial paper for purposes of  
18 providing a fund of capital from which it may make such loans.  
19 The Authority shall have the power to use any appropriations  
20 from the State made especially for the Authority's Direct Loan  
21 Program for additional capital to make such loans or for the  
22 purposes of reserve funds or pledged funds which secure the  
23 Authority's obligations of repayment of any bond, note or other  
24 form of indebtedness established for the purpose of providing  
25 capital for which it intends to make such loans under the  
26 Direct Loan Program. For the purpose of obtaining such capital,  
27 the Authority may also enter into agreements with financial  
28 institutions and other persons for the purpose of selling loans  
29 and developing a secondary market for such loans. Loans made  
30 under the Direct Loan Program may be in an amount not to exceed  
31 \$300,000 and shall be made for a portion of an industrial  
32 project which does not exceed 50% of the total project. ~~No loan~~  
33 ~~may be made by the Authority unless approved by the affirmative~~  
34 ~~vote of at least 8 members of the board.~~ The Authority shall

1 establish procedures and publish rules which shall provide for  
2 the submission, review, and analysis of each direct loan  
3 application and which shall preserve the ability of each board  
4 member to reach an individual business judgment regarding the  
5 propriety of making each direct loan. The collective discretion  
6 of the board to approve or disapprove each loan shall be  
7 unencumbered. The Authority may establish and collect such fees  
8 and charges, determine and enforce such terms and conditions,  
9 and charge such interest rates as it determines to be necessary  
10 and appropriate to the successful administration of the Direct  
11 Loan Program. The Authority may require such interests in  
12 collateral and such guarantees as it determines are necessary  
13 to protect the Authority's interest in the repayment of the  
14 principal and interest of each loan made under the Direct Loan  
15 Program.

16 (s) The Authority may guarantee private loans to third  
17 parties up to a specified dollar amount in order to promote  
18 economic development in this State.

19 (t) The Authority may adopt rules and regulations as may be  
20 necessary or advisable to implement the powers conferred by  
21 this Act.

22 (u) The Authority shall have the power to issue bonds,  
23 notes or other evidences of indebtedness, which may be used to  
24 make loans to units of local government which are authorized to  
25 enter into loan agreements and other documents and to issue  
26 bonds, notes and other evidences of indebtedness for the  
27 purpose of financing the protection of storm sewer outfalls,  
28 the construction of adequate storm sewer outfalls, and the  
29 provision for flood protection of sanitary sewage treatment  
30 plans, in counties that have established a stormwater  
31 management planning committee in accordance with Section  
32 5-1062 of the Counties Code. Any such loan shall be made by the  
33 Authority pursuant to the provisions of Section 820-5 to 820-60  
34 of this Act. The unit of local government shall pay back to the

1 Authority the principal amount of the loan, plus annual  
2 interest as determined by the Authority. The Authority shall  
3 have the power, subject to appropriations by the General  
4 Assembly, to subsidize or buy down a portion of the interest on  
5 such loans, up to 4% per annum.

6 (v) The Authority may accept security interests as provided  
7 in Sections 11-3 and 11-3.3 of the Illinois Public Aid Code.

8 (w) Moral Obligation. In the event that the Authority  
9 determines that monies of the Authority will not be sufficient  
10 for the payment of the principal of and interest on its bonds  
11 during the next State fiscal year, the Chairperson, as soon as  
12 practicable, shall certify to the Governor the amount required  
13 by the Authority to enable it to pay such principal of and  
14 interest on the bonds. The Governor shall submit the amount so  
15 certified to the General Assembly as soon as practicable, but  
16 no later than the end of the current State fiscal year. This  
17 subsection shall apply only to any bonds or notes as to which  
18 the Authority shall have determined, in the resolution  
19 authorizing the issuance of the bonds or notes, that this  
20 subsection shall apply. Whenever the Authority makes such a  
21 determination, that fact shall be plainly stated on the face of  
22 the bonds or notes and that fact shall also be reported to the  
23 Governor. In the event of a withdrawal of moneys from a reserve  
24 fund established with respect to any issue or issues of bonds  
25 of the Authority to pay principal or interest on those bonds,  
26 the Chairperson of the Authority, as soon as practicable, shall  
27 certify to the Governor the amount required to restore the  
28 reserve fund to the level required in the resolution or  
29 indenture securing those bonds. The Governor shall submit the  
30 amount so certified to the General Assembly as soon as  
31 practicable, but no later than the end of the current State  
32 fiscal year. The Authority shall obtain written approval from  
33 the Governor for any bonds and notes to be issued under this  
34 Section. In addition to any other bonds authorized to be issued



1 under Sections 825-60, 825-65(e), 830-25 and 845-5, the  
2 principal amount of Authority bonds outstanding issued under  
3 this Section 801-40(w) or under 20 ILCS 3850/1-80 or 30 ILCS  
4 360/2-6(c), which have been assumed by the Authority, shall not  
5 exceed \$150,000,000.

6 (x) The State pledges to and agrees with the holders of  
7 bonds and the beneficial owners of securities that the State  
8 shall not limit or restrict the rights vested in the Authority  
9 (i) to purchase, acquire, hold, sell, or dispose of securities  
10 or other investments, (ii) to establish and collect such fees  
11 or other charges as may be convenient or necessary to produce  
12 sufficient revenues to meet the expenses of operation of the  
13 Authority, and (iii) to fulfill the terms of any agreement made  
14 with the holders of bonds or the beneficial owners of  
15 securities or in any way impair the rights or remedies of the  
16 holders of those bonds or the beneficial owners of securities  
17 until the bonds or securities are fully paid and discharged or  
18 provision for their payment has been made.

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

20 (20 ILCS 3501/845-40)

21 Sec. 845-40. The Authority shall appoint a secretary and  
22 treasurer, who may, but need not, be a member or members of the  
23 Authority to hold office during the pleasure of the Authority.  
24 Before entering upon the duties of the respective offices such  
25 person or persons shall take and subscribe to the  
26 constitutional oath of office, and the treasurer shall execute  
27 a bond with corporate sureties to be approved by the Authority.  
28 The bond shall be payable to the Authority in whatever penal  
29 sum may be directed by the Authority conditioned upon the  
30 faithful performance of the duties of the office and the  
31 payment of all money received by him according to law and the  
32 orders of the Authority. The Authority may, at any time,  
33 require a new bond from the treasurer in such penal sum as may

1 then be determined by the Authority. The obligation of the  
2 sureties shall not extend to any loss sustained by the  
3 insolvency, failure or closing of any savings and loan  
4 association or national or state bank wherein the treasurer has  
5 deposited funds if the bank or savings and loan association has  
6 been approved by the Authority as a depository for these funds.  
7 The oaths of office and the treasurer's bond shall be filed in  
8 the principal office of the Authority. All funds of the  
9 Authority, including without limitation, grants or loans from  
10 the federal government, the State or any agency or  
11 instrumentality thereof, fees, service charges, interest or  
12 other investment earnings on its funds, payments of principal  
13 of and interest on loans of its funds and revenue from any  
14 other source, except funds the application of which is  
15 otherwise specifically provided for by appropriation,  
16 resolution, grant agreement, lease agreement, loan agreement,  
17 indenture, mortgage or trust agreement or other agreement, may  
18 be held by the Authority in its treasury and be generally  
19 available for expenditure by the Authority for any of the  
20 purposes authorized by this Act. In addition to investments  
21 authorized by Section 2 of the Public Funds Investment Act,  
22 funds of the Authority may be invested in (a) obligations  
23 issued by any State, unit of local government or school  
24 district which obligations are rated at the time of purchase by  
25 a national rating service within the two highest rating  
26 classifications without regard to any rating refinement or  
27 gradation by numerical or other modifier, or (b) equity  
28 securities of an investment company registered under the  
29 Investment Company Act of 1940 whose sole assets, other than  
30 cash and other temporary investments, are obligations which are  
31 eligible investments for the Authority, provided that not more  
32 than 20% of the assets of the investment company may consist of  
33 unrated obligations of the type described in clause (a) which  
34 the Board of Directors of the investment company has determined

1 to be of comparable quality to rated obligations described in  
2 clause (a). Funds appropriated by the General Assembly to the  
3 Authority shall be held in the State treasury unless this Act  
4 or the Act making the appropriation specifically states that  
5 the monies are to be held in or appropriated to the Authority's  
6 treasury. Such funds as are authorized to be held in the  
7 Authority's treasury and deposited in any bank or savings and  
8 loan association and placed in the name of the Authority shall  
9 be withdrawn or paid out only by check or draft upon the bank  
10 or savings and loan association, signed by the treasurer and  
11 countersigned by the Chairperson or Executive Director of the  
12 Authority. The Authority may designate any of its members or  
13 any officer or employee of the Authority to affix the signature  
14 of the Chairperson and another to affix the signature of the  
15 treasurer to any check or draft for payment of salaries or  
16 wages and for payment of any other obligations of not more than  
17 \$2,500. In case any officer whose signature appears upon any  
18 check or draft, issued pursuant to this Act, ceases to hold his  
19 office before the delivery thereof to the payee, his signature  
20 nevertheless shall be valid and sufficient for all purposes  
21 with the same effect as if he had remained in office until  
22 delivery thereof. No bank or savings and loan association shall  
23 receive public funds as permitted by this Section, unless it  
24 has complied with the requirements established pursuant to  
25 Section 6 of the Public Funds Investment Act.

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

27 (20 ILCS 3501/845-90 new)

28 Sec. 845-90. Amounts of Illinois Farm Development and Rural  
29 Bond Bank program funding. The Illinois Finance Authority must,  
30 at a minimum, maintain the level of bond funding for all  
31 functions and programs that were operated under the Illinois  
32 Farm Development Act and the Rural Bond Bank Act that existed  
33 before the effective date of Public Act 93-205."