

1 AN ACT concerning sports facilities.

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 Downstate Illinois Sports Facilities Authority Act.

6 Section 5. Definitions. In this Act:

7 "Assistance Agreement" means one or more legally binding
8 contracts, with respect to a facility for which the Authority
9 is to provide financial assistance as provided in this Act,
10 to which the Authority and a governmental owner of a facility
11 or its tenant, or both, and any other appropriate persons are
12 parties, which may be in the form of an intergovernmental
13 agreement.

14 "Authority" means the Downstate Illinois Sports
15 Facilities Authority.

16 "Facility" means any of the following:

17 (1) Stadiums, arenas, or other structures for the
18 holding of athletic contests or events, including
19 baseball, football, hockey, and automobile racing;
20 musical, dramatic, and other artistic or social events,
21 or meetings and other events.

22 (2) Practice fields, or other areas where
23 professional, amateur, or semi-professional sports teams
24 may practice or perform.

25 "Facility" also means the following types of property if
26 that property is directly related to an item listed in
27 paragraphs (1) or (2) of this definition:

28 (i) Offices, parking lots and garages,
29 landscaping and open spaces, access roads,
30 transportation facilities, restaurants, and stores.

31 (ii) Other recreation areas.

1 (iii) Other property or structures, including
2 all fixtures, furnishings, and appurtenances
3 normally associated with such facilities.

4 "Financial Assistance" means the use by the Authority,
5 pursuant to an assistance agreement, of its powers under the
6 Act, including, without limitation, the power to borrow
7 money, to issue bonds and notes, to assist a governmental
8 owner or its tenants, or both, with one or more of the
9 following: designing, developing, establishing, constructing,
10 erecting, acquiring, repairing, reconstructing, renovating,
11 remodeling, adding to, extending, improving, equipping,
12 operating, and maintaining a facility owned or be owned by
13 the governmental owner.

14 "Governmental Owner" means a body politic, public
15 corporation, political subdivision, unit of local government,
16 or municipality formed under the laws of the State of
17 Illinois that owns or is to own a facility located within the
18 corporate limits of the Authority described in Section 50 of
19 this Act and to which the Authority provides financial
20 assistance.

21 "Loan agreement" means a legally binding contract between
22 the Authority and an owner of a facility, pursuant to which
23 the Authority agrees to make loans to the owner for the
24 purpose of (i) constructing, acquiring, operating, repairing,
25 rehabilitating, or managing a facility and the site on which
26 a facility is or is to be located, which facility or site
27 must be located in the State of Illinois, excluding the City
28 of Chicago, and (ii) infrastructure improvements related to
29 the facility.

30 "Management Agreement" means a legally binding contract
31 between the Authority and a tenant of a facility owned by the
32 Authority, which contains at least the following provisions:

33 (A) a provision requiring the tenant to conduct its
34 complete regular home season schedule and any home

1 playoff events in the facility;

2 (B) a provision requiring the tenant to provide
3 routine maintenance of and to operate the facility with
4 its personnel or contractors;

5 (C) a provision requiring the tenant to advertise
6 and promote events it conducts at the facility;

7 (D) a provision requiring the tenant to operate or
8 contract for concessions for the patrons of the facility;
9 and

10 (E) a provision permitting the Authority or its
11 designee to hold other events in any such facility owned
12 by the Authority at such times as shall not unreasonably
13 interfere with the use of that facility by the tenant.

14 "Tenant" means any person with which a governmental owner
15 or the Authority has entered into an agreement for the use by
16 a sports team of any facility. Such an agreement may be a
17 management agreement or an assistance agreement or may be a
18 lease of or a license, permit or similar agreement with
19 respect to the use of a facility by such team for such period
20 as shall be agreed upon by the person and the governmental
21 owner or the Authority, as the case may be.

22 Section 10. Legislative finding and declaration. The
23 General Assembly finds that as a result of deteriorating
24 infrastructure and sports facilities there is a shortage of
25 sports facilities suitable for use by professional, amateur,
26 or semi-professional sports teams and other musical,
27 theatrical, and other social organizations.

28 It is further found that as a result of the costs to
29 repair or replace the infrastructure and facilities, and as a
30 result of current financing costs, the private sector,
31 without the assistance contemplated in this Act, is unable to
32 construct feasibly adequate sports facilities.

33 It is further found that the creation of modern sports

1 facilities and the other results contemplated by this Act
2 would stimulate economic activity in the State of Illinois,
3 including the creation and maintenance of jobs, the creation
4 of new and lasting infrastructure and other improvements, and
5 the retention of sports and entertainment events that
6 generate economic activity.

7 It is further found that sports facilities can be magnets
8 for substantial interstate tourism resulting in increased
9 retail sales, hotel and restaurant sales, and entertainment
10 industry sales, all of which increase jobs and economic
11 growth.

12 Section 15. Authority and Board created.

13 (a) The Downstate Illinois Sports Facilities Authority
14 is created as a political subdivision, unit of local
15 government, body politic, and municipal corporation.

16 (b) The governing and administrative powers of the
17 Authority shall be vested in a body known as the Downstate
18 Illinois Sports Facilities Authority Board. The Board shall
19 consist of 8 members: a Chair and 7 additional members, all
20 of whom are appointed by the Governor.

21 All gubernatorial appointments, including the Chair,
22 shall be subject to the advice and consent of the Senate,
23 except in the case of temporary appointments as provided in
24 Section 20. No member shall be employed by the State or any
25 political subdivision of the State or by any department or
26 agency of the State or any political subdivision of the
27 State.

28 Section 20. Terms of appointments.

29 (a) On the effective date of this Act:

30 (1) The Governor shall appoint the Chair and 3
31 other members of the Board for initial terms expiring
32 June 30 of 2006.

1 (2) The Governor shall appoint 2 members of the
2 Board for initial terms expiring June 30 of 2005.

3 (3) The Governor shall appoint 2 members of the
4 Board for initial terms expiring June 30 of 2004.

5 (b) At the expiration of the term of any member
6 appointed by the Governor, the Governor shall appoint the
7 member's successor in the same manner as appointments for the
8 initial terms. All successors shall hold office for a term
9 of 3 years from the first day of July of the year in which
10 they are appointed, except in the case of an appointment to
11 fill a vacancy. Each member, including the Chair, shall hold
12 office until the expiration of the member's term and until
13 the member's successor is appointed and qualified. Nothing
14 shall preclude a member or a Chair from serving consecutive
15 terms.

16 (c) Vacancies for members and for the Chair shall be
17 filled in the same manner as original appointments for the
18 balance of the unexpired term.

19 Section 25. Actions of the Authority.

20 (a) Six members of the Authority constitute a quorum for
21 the purpose of conducting business. Actions of the Authority
22 must receive a simple majority vote of the members present.
23 The Authority shall determine the times and places of its
24 meetings. The members of the Authority shall serve without
25 compensation for service as a member but are entitled to
26 reimbursement of reasonable expenses incurred in the
27 performance of their official duties.

28 (b) The Authority shall annually elect a secretary and a
29 treasurer.

30 (c) An executive committee appointed by the Governor
31 made up of 4 members, including the Chair, have the authority
32 to operate the Authority on a day-to-day basis, with the
33 powers and duties determined by the bylaws of the Authority.

1 Section 30. Executive Director. The Authority shall
2 appoint an Executive Director, who is the chief executive
3 officer of the Authority. In addition to any other duties
4 set forth in this Act, the Executive Director shall do the
5 following:

6 (1) Direct and supervise the administrative affairs
7 and activities of the Authority, in accordance with its
8 rules, regulations, and policies.

9 (2) Attend meetings of the Authority.

10 (3) Keep minutes of all proceedings of the
11 Authority.

12 (4) Approve all accounts for salaries, per diem
13 payments, and allowable expenses of the Authority and its
14 employees and consultants and approve all expenses
15 incidental to the operation of the Authority.

16 (5) Report and make recommendations to the
17 Authority on the merits and status of any proposed
18 facility.

19 (6) Perform any other duty that the Authority
20 requires for carrying out the provisions of this Act.

21 Section 35. Powers.

22 (a) In addition to the powers set forth elsewhere in
23 this Act, the Authority may do the following:

24 (1) Adopt and alter an official seal.

25 (2) Sue and be sued, plead and be impleaded, all in
26 its own name, and agree to binding arbitration of any
27 dispute to which it is a party.

28 (3) Adopt bylaws, rules, and regulations to carry
29 out the provisions of this Act.

30 (4) Maintain an office or offices at the place the
31 Authority may designate.

32 (5) Employ, either as regular employees or
33 independent contractors, consultants, engineers,

1 architects, accountants, attorneys, financial experts,
2 construction experts and personnel, superintendents,
3 managers and other professional personnel, and such other
4 personnel as may be necessary in the judgment of the
5 Authority, and fix their compensation.

6 (6) Acquire, hold, lease as lessor or as lessee,
7 use, encumber, transfer, or dispose of real and personal
8 property, including the alteration of or demolition of
9 improvements to real estate.

10 (7) Enter into contracts of any kind.

11 (8) Enter into one or more loan agreements with an
12 owner of a facility that conform to the requirements of
13 this Act and that may contain provisions as the Authority
14 shall determine, including, without limit: (i) provisions
15 granting the owner the right and option to extend the
16 term of the loan agreement; (ii) provisions creating an
17 assignment and pledge by the Authority of certain of the
18 Authority's revenues and receipts to be received under
19 this Act for the benefit of the owner of the facility as
20 further security for performance by the Authority of its
21 obligations under the loan agreement; and (iii)
22 provisions requiring the establishment of reserves by the
23 Authority or by the owner, or both, as further security
24 for the performance of their respective obligations under
25 the loan agreement.

26 (9) Borrow money from any source for any lawful
27 purpose, including working capital for its operations,
28 reserve funds, or interest, and to mortgage, pledge or
29 otherwise encumber the property or funds of the Authority
30 and to contract with or engage the services of any person
31 in connection with any financing, including financial
32 institutions, issuers of letters of credit, or insurers
33 and enter into reimbursement agreements with this person
34 which may be secured as if money were borrowed from the

1 person.

2 (10) Receive and accept from any private or public
3 source, contributions, gifts, or grants of money or
4 property.

5 (11) Make loans from proceeds or funds otherwise
6 available to the extent necessary or appropriate to
7 accomplish the purposes of the Authority.

8 (12) Provide for the insurance of any property,
9 operations, officers, agents, or employees of the
10 Authority against any risk or hazard and provide for the
11 indemnification of its members, employees, contractors,
12 or agents against any and all risks.

13 (13) Provide relocation assistance and compensation
14 for landowners and their lessees displaced by any land
15 acquisition of the Authority, including the acquisition
16 of land and construction of replacement housing thereon
17 as the Authority shall determine.

18 (14) Exercise all the corporate powers granted
19 Illinois corporations under the Business Corporation Act
20 of 1983, except to the extent that powers are
21 inconsistent with those of a body politic and corporate
22 of the State.

23 (15) Determine the locations of, develop, design,
24 establish, construct, erect, acquire, own, repair,
25 reconstruct, renovate, remodel, add to, extend, improve,
26 equip, operate, regulate and maintain facilities and
27 provide financial assistance to governmental owners or
28 their tenants or both, pursuant to an assistance
29 agreement to do the foregoing, in each case to the extent
30 necessary to accomplish the purposes of the Authority.

31 (16) Regulate the use and operation of facilities
32 that are developed under the provisions of this Act.

33 (17) Enter into one or more management agreements
34 which conform to the requirements of this Act and which

1 may contain such provisions as the Authority shall
2 determine, including, without limitation (i) provisions
3 allocating receipts from rents, rates, fees, and charges
4 for use of the facility or for services rendered in
5 connection with the facility between the Authority and
6 the tenant of the facility; (ii) provisions providing for
7 or limiting payments to the Authority for use of the
8 facility based on levels of attendance or receipts, or
9 both attendance and receipts, of the tenant from
10 admission charges, parking concessions, advertising,
11 radio and television, and other sources; (iii) provisions
12 obligating the Authority to make payments to the tenant
13 with respect to expenses of routine maintenance and
14 operation of any facility and operating expenses of the
15 tenant with respect to use of the facility; (iv)
16 provisions requiring the Authority to pay liquidated
17 damages to the tenant for failure of timely completion of
18 construction of any new facility; (v) provisions
19 permitting the Authority to grant rent-free occupancy of
20 an existing facility pending completion of construction
21 of any new facility and requiring the Authority to pay
22 certain incremental costs of maintenance, repair,
23 replacement, and operation of an existing facility in the
24 event of failure of timely completion of construction of
25 any new facility; (vi) provisions requiring the Authority
26 to reimburse the tenant for certain State and local taxes
27 and provisions permitting reductions of payments due the
28 Authority by the tenant or reimbursement of the tenant by
29 the Authority in the event of imposition of certain new
30 State and local taxes, or the increase above specified
31 levels of certain existing State and local taxes, or
32 both; (vii) provisions obligating the Authority to
33 purchase tickets to events conducted by the tenant based
34 upon specified attendance levels; (viii) provisions

1 granting the tenant the right and option to extend the
2 term of the management agreement; and (ix) provisions
3 requiring the establishment of reserves by the Authority
4 or by the tenant, or both, as further security for the
5 performance of their respective obligations under the
6 management agreement.

7 (18) Enter into one or more assistance agreements
8 that conform to the requirements of this Act and that may
9 contain such provisions as the Authority shall determine
10 establishing the rights and obligations of the Authority
11 and the governmental owner or a tenant, or both, with
12 respect to the facility for which the Authority is to
13 provide financial assistance.

14 (19) Issue bonds or notes under Section 100 of this
15 Act.

16 (20) Sell, convey, lease, or grant a permit or
17 license with respect to, or by agreement authorize another
18 person on its behalf to sell, convey, lease or grant a permit
19 or license with respect to (i) the right to use or the right
20 to purchase tickets to use, or any other interest in, any
21 seat or area within a facility; (ii) the right to name or
22 place advertising in all or any part of a facility; or (iii)
23 any intangible personal property rights, including
24 intellectual property rights, appurtenant to any facility,
25 the proceeds of which are used for the purpose of carrying
26 out the powers granted by the Act.

27 (21) Do all things necessary or convenient to carry
28 out the powers granted by this Act.

29 (b) The Authority may not construct or enter into a
30 contract to construct more than one new stadium facility and
31 may not enter into assistance agreements providing for the
32 reconstruction, renovation, remodeling, extension, or
33 improvement of all or substantially all of more than one
34 existing facility unless authorized by law.

1 (c) The Authority may adopt such rules as are necessary
2 to carry out those powers conferred and perform those duties
3 required by this Act.

4 Section 40. Duties.

5 (a) In addition to the powers set forth elsewhere in
6 this Act, subject to the terms of any agreements with the
7 holders of the Authority's evidences of indebtedness, the
8 Authority shall do the following:

9 (1) Comply with all zoning, building, and land use
10 controls of the municipality within which is located any
11 stadium facility owned by the Authority or for which the
12 Authority provides financial assistance.

13 (2) Enter into a loan agreement with an owner of a
14 facility to finance the acquisition, construction,
15 maintenance, or rehabilitation of the facility. The
16 agreement shall contain appropriate and reasonable
17 provisions with respect to termination, default, and
18 legal remedies. The loan may be at below-market interest
19 rates.

20 (3) Create and maintain a financial reserve for
21 repair and replacement of capital assets.

22 (b) In a loan agreement for the construction of a new
23 facility, in connection with prequalification of general
24 contractors for construction of the facility, the Authority
25 shall require that the owner of the facility require
26 submission of a commitment detailing how the general
27 contractor will expend 25% or more of the dollar value of the
28 general contract with one or more minority business
29 enterprises and 5% or more of the dollar value with one or
30 more female business enterprises. This commitment may be met
31 by contractor's status as a minority business enterprise or
32 female business enterprise, by a joint venture, or by
33 subcontracting a portion of the work with or by purchasing

1 materials for the work from one or more such enterprises, or
2 by any combination thereof. Any contract with the general
3 contractor for construction of the new facility shall require
4 the general contractor to meet the foregoing obligations and
5 shall require monthly reporting to the Authority with respect
6 to the status of the implementation of the contractor's
7 affirmative action plan and compliance with that plan. This
8 report shall be filed with the General Assembly. The
9 Authority shall require that the facility owner establish and
10 maintain an affirmative action program designed to promote
11 equal employment opportunity and that specifies the goals and
12 methods for increasing participation by minorities and women
13 in a representative mix of job classifications required to
14 perform the respective contracts. The Authority shall file a
15 report before March 1 of each year with the General Assembly
16 detailing its implementation of this subsection. The terms
17 "minority business enterprise" and "female business
18 enterprise" have the meanings provided in the Business
19 Enterprise for Minorities, Females, and Persons with
20 Disabilities Act.

21 (c) With respect to a facility owned or to be owned by
22 the Authority, enter or have entered into a management
23 agreement with a tenant of the Authority to operate the
24 facility that requires the tenant to operate the facility for
25 a period at least as long as the term of any bonds issued to
26 finance the development, establishment, construction,
27 erection, acquisition, repair, reconstruction, remodeling,
28 adding to, extension, improvement, equipping, operation, and
29 maintenance of the facility. Such agreement shall contain
30 appropriate and reasonable provisions with respect to
31 termination, default, and legal remedies.

32 Section 45. Reporting. Promptly following entering into a
33 management agreement, an assistance agreement, or a loan

1 agreement involving a new facility or facility site, the
2 Authority shall submit a detailed written report and findings
3 of the Authority with respect to the proposed management
4 agreement, assistance agreement, or loan agreement to the
5 General Assembly.

6 The report and findings of the Authority shall include
7 the following:

8 (A) A detailed plan of the method of funding the
9 management agreement, assistance agreement, or loan
10 agreement;

11 (B) An evaluation of the economic consequences of
12 the proposed management agreement, assistance agreement,
13 or loan agreement; and

14 (C) If applicable, an analysis of the reasons for
15 acquiring a site for constructing a new facility.

16 Section 50. Territory. The territory of the Authority is
17 coterminous with the boundaries of the State of Illinois,
18 excluding the City of Chicago.

19 Section 55. Acquisition of property. The Authority may
20 acquire in its own name, by gift or purchase, any real or
21 personal property, or interests in real or personal property,
22 necessary or convenient to carry out its corporate purposes.
23 The Authority may not acquire property by eminent domain.

24 Section 60. Tax exemption.

25 (a) Neither the Authority nor any governmental owner of
26 a facility or that governmental owner's tenant shall be
27 required to pay property taxes on any facility, nor shall the
28 interest of a tenant in any facility either owned by the
29 Authority or owned by any governmental owner to which the
30 Authority has provided financial assistance be subject to
31 property taxes.

1 (b) Bonds issued by the Authority, their transfer, the
2 interest payable on them, and any income derived from them
3 shall be exempt from income taxes or from taxation by any
4 political subdivisions, municipal corporations, or public
5 agencies of any kind of this State. For purposes of Section
6 250 of the Illinois Income Tax Act, the exemption of the
7 income from bonds issued by the Authority shall terminate
8 after all of the bonds have been paid. The amount of such
9 income that shall be added and then subtracted on the
10 Illinois income tax return of a taxpayer, pursuant to Section
11 203 of the Illinois Income Tax Act, from federal adjusted
12 gross income or federal taxable income in computing Illinois
13 base income shall be the interest net of any bond premium
14 amortization.

15 Section 65. Conflicts of interest; generally.

16 (a) No members or employees of the Authority shall be
17 employed by, be an officer or director of, or have any
18 ownership interest in any corporation or entity that is a
19 party to a loan agreement with the Authority under this Act.

20 (b) No moneys of the Authority shall be deposited in any
21 financial institution in which any officer, director, or
22 holder of a substantial proprietary interest is also a member
23 or employee of the Authority.

24 (c) No real estate to which a member or employee of the
25 Authority holds legal title or in which such a person has any
26 beneficial interest, including any interest in a land trust,
27 shall be purchased by the Authority, nor shall any such
28 property be purchased by a corporation or entity for a
29 facility to be financed under this Act. Every member and
30 employee of the Authority shall file annually with the
31 Authority a record of all real estate in this State to which
32 the person holds legal title or in which the person has any
33 beneficial interest, including any interest in a land trust.

1 In the event it is later disclosed that the Authority or
2 other entity has purchased real estate in which a member or
3 employee had an interest, the purchase shall be voidable by
4 the Authority and the member or employee involved shall be
5 disqualified from membership in or employment by the
6 Authority.

7 Section 70. Conflicts of interest; contracts.

8 (a) No member of the Authority or officer, agent, or
9 employee of the Authority shall, in his or her own name or in
10 the name of a nominee, be an officer or director of or hold
11 an ownership interest of more than 7.5% in any person,
12 association, trust, corporation, partnership, or other entity
13 that is, in its own name or in the name of a nominee, a party
14 to a contract or agreement upon which the member or officer,
15 agent, or employee may be called upon to act or vote.

16 (b) With respect to any direct or any indirect interest,
17 other than an interest prohibited in subsection (a), in a
18 contract or agreement upon which the member or officer,
19 agent, or employee may be called upon to act or vote, a
20 member of the Authority or officer, agent, or employee of the
21 Authority shall disclose the same to the secretary of the
22 Authority before the taking of final action by the Authority
23 concerning the contract or agreement and shall so disclose
24 the nature and extent of such interest and his or her
25 acquisition thereof, which disclosures shall be publicly
26 acknowledged by the Authority and entered upon the minutes of
27 the Authority. If a member of the Authority or officer,
28 agent, or employee of the Authority holds such an interest,
29 then he or she shall refrain from any further official
30 involvement in regard to the contract or agreement, from
31 voting on any matter pertaining to the contract or agreement,
32 and from communicating with other members of the Authority or
33 its officers, agents, and employees concerning the contract

1 or agreement. Notwithstanding any other provision of law, any
2 contract or agreement entered into in conformity with this
3 subsection (b) shall not be void or invalid by reason of the
4 interest described in this subsection, nor shall any person
5 so disclosing the interest and refraining from further
6 official involvement as provided in this subsection be guilty
7 of an offense, be removed from office, or be subject to any
8 other penalty on account of such interest.

9 (c) Any contract or agreement made in violation of
10 subsection (a) or (b) of this Section shall be null and void
11 and give rise to no action against the Authority.

12 Section 75. Records and reports of the Authority. The
13 secretary shall keep a record of the proceedings of the
14 Authority. The treasurer of the Authority shall be custodian
15 of all Authority funds and shall be bonded in the amount the
16 other members of the Authority may designate. The accounts
17 and books of the Authority shall be set up and maintained in
18 a manner approved by the Auditor General, and the Authority
19 shall file with the Auditor General a certified annual report
20 within 120 days after the close of its fiscal year. The
21 Authority shall also file with the Governor, the Secretary of
22 the Senate, the Clerk of the House of Representatives, and
23 the Illinois Economic and Fiscal Commission, by March 1 of
24 each year, a written report covering its activities for the
25 previous fiscal year. So filed, the report shall be a public
26 record and open for inspection at the offices of the
27 Authority during normal business hours.

28 Section 85. No impairment of loan agreement. The State
29 of Illinois pledges to and agrees with any facility owner
30 under any loan agreement entered into by the Authority with
31 respect to a facility that the State will not limit or alter
32 the rights and powers vested in the Authority by this Act so

1 as to impair the terms of any the loan agreement or in any
2 way impair the rights and remedies of the owner so long as
3 the owner is not in default under the loan agreement. In
4 addition, the State pledges to and agrees with the owner that
5 the State will not limit the basis on which State funds are
6 to be allocated, deposited, and paid to the Authority, or the
7 use of those funds, so as to impair the terms of any such
8 loan agreement. The Authority is authorized to include this
9 pledge and agreement of the State in the loan agreement.

10 Section 90. Volume cap. Notwithstanding any other
11 provision of law, the Governor may allocate any volume cap
12 available to the State or any of its agencies under the
13 Internal Revenue Code of 1986, including any amounts carried
14 forward by the State or any of its agencies with respect to
15 stadiums, to the Downstate Illinois Sports Facilities
16 Authority, and the Authority may carry forward any amount
17 allocated to it by the Governor or by any home rule unit.

18 Section 100. Bonds and notes.

19 (a) (1) The Authority may at any time and from time to
20 time issue bonds and notes for any corporate purpose,
21 including the establishment of reserves and the payment of
22 interest and costs of issuance. In this Act the term "bonds"
23 includes notes of any kind, interim certificates, refunding
24 bonds or any other evidence of obligation for borrowed money
25 issued under this Section 100. Bonds may be issued in one or
26 more series and may be payable and secured either on a parity
27 with or separately from other bonds.

28 (2) The bonds of any issue shall be payable solely
29 from all or any part of the property or revenues of the
30 Authority, including, without limitation:

31 (i) Rents, rates, fees, charges, or other
32 revenues payable to or any receipts of the

1 Authority, including amounts which are deposited
2 pursuant to the Act with a trustee for bondholders;

3 (ii) Payments by financial institutions,
4 insurance companies, or others pursuant to letters
5 or lines of credit, policies of insurance, or
6 purchase agreements;

7 (iii) Investment earnings from funds or
8 accounts maintained pursuant to a bond resolution or
9 trust agreement; and

10 (iv) Proceeds of refunding bonds.

11 (3) Bonds may be authorized by a resolution of the
12 Authority and may be secured by a trust agreement by and
13 between the Authority and a corporate trustee or
14 trustees, which may be any trust company or bank having
15 the powers of a trust company within or without the
16 State. Bonds may:

17 (i) Mature at a time or times, whether as
18 serial bonds, as term bonds, or as both, not
19 exceeding 40 years from their respective dates of
20 issue;

21 (ii) Notwithstanding the provision of "An Act
22 to authorize public corporations to issue bonds,
23 other evidences of indebtedness and tax anticipation
24 warrants subject to interest rate limitations set
25 forth therein", approved May 26, 1970, as now or
26 hereafter amended, or any other provision of law,
27 bear interest at any fixed or variable rate or rates
28 determined by the method provided in the resolution
29 or trust agreement;

30 (iii) Be payable at a time or times, in the
31 denominations and form, either coupon, or
32 registered, or both, and carry the registration and
33 privileges as to exchange, transfer or conversion
34 and for the replacement of mutilated, lost or

1 destroyed bonds as the resolution or trust agreement
2 may provide;

3 (iv) Be payable in lawful money of the United
4 States at a designated place;

5 (v) Be subject to the terms of purchase,
6 payment, redemption, refunding, or refinancing that
7 the resolution or trust agreement provides;

8 (vi) Be executed by the manual or facsimile
9 signatures of the officers of the Authority
10 designated by the Authority which signatures shall
11 be valid at delivery even for one who has ceased to
12 hold office; and

13 (vii) Be sold in the manner and upon the terms
14 determined by the Authority.

15 (b) Any resolution or trust agreement may contain
16 provisions which shall be part of the contract with the
17 holders of the bonds as to:

18 (1) Pledging, assigning, or directing the use,
19 investment, or disposition of all or any part of the
20 revenues of the Authority or proceeds or benefits of any
21 contract including, without limit, any management
22 agreement or assistance agreement and conveying or
23 otherwise securing any property or property rights;

24 (2) The setting aside of loan funding deposits,
25 debt service reserves, capitalized interest accounts,
26 replacement or operating reserves, cost of issuance
27 accounts and sinking funds, and the regulation,
28 investment, and disposition thereof.

29 (3) Limitations on the purposes to which or the
30 investments in which the proceeds of sale of any issue of
31 bonds or the Authority's revenues and receipts may be
32 applied or made;

33 (4) Limitations on the issue of additional bonds,
34 the terms upon which additional bonds may be issued and

1 secured, the terms upon which additional bonds may rank
2 on a parity with, or be subordinate or superior to, other
3 bonds.

4 (5) The refinancing, advance refunding, or
5 refinancing of outstanding bonds.

6 (6) The procedure, if any, by which the terms of
7 any contract with bondholders may be altered or amended
8 and the amount of bonds and holders of which must consent
9 thereto, and the manner in which consent shall be given;

10 (7) Defining the acts or omissions which shall
11 constitute a default in the duties of the Authority to
12 holders of bonds and providing the rights or remedies of
13 such holders in the event of a default which may include
14 provisions restricting individual right of action by
15 bondholders.

16 (8) Providing for guarantees, pledges of property,
17 letters of credit, or other security, or insurance for
18 the benefit of bondholders; and

19 (9) Any other matter relating to the bonds which
20 the Authority determines appropriate.

21 (c) No member of the Authority nor any person executing
22 the bonds shall be liable personally on the bonds or subject
23 to any personal liability by reason of the issuance of the
24 bonds.

25 (d) The Authority may enter into agreements with agents,
26 banks, insurers, or others for the purpose of enhancing the
27 marketability of or security for its bonds.

28 (e) (1) A pledge by the Authority of revenues and
29 receipts as security for an issue of bonds or for the
30 performance of its obligations under any management agreement
31 or assistance agreement shall be valid and binding from the
32 time when the pledge is made.

33 (2) The revenues and receipts pledged shall
34 immediately be subject to the lien of the pledge without

1 any physical delivery or further act, and the lien of any
2 pledge shall be valid and binding against any person
3 having any claim of any kind in tort, contract or
4 otherwise against the Authority, irrespective of whether
5 the person has notice.

6 (3) No resolution, trust agreement, management
7 agreement or assistance agreement or any financing
8 statement, continuation statement, or other instrument
9 adopted or entered into by the Authority need be filed or
10 recorded in any public record other than the records of
11 the Authority in order to perfect the lien against third
12 persons, regardless of any contrary provision of law.

13 (f) The Authority may issue bonds to refund, advance
14 refund, or refinance any of its bonds then outstanding,
15 including the payment of any redemption premium and any
16 interest accrued or to accrue to the earliest or any
17 subsequent date of redemption, purchase or maturity of the
18 bonds. Refunding or advance refunding bonds may be issued for
19 the public purposes of realizing savings in the effective
20 costs of debt service, directly or through a debt
21 restructuring, for alleviating impending or actual default,
22 or for paying principal of, redemption premium, if any, and
23 interest on bonds as they mature or are subject to
24 redemption, and may be issued in one or more series in an
25 amount in excess of that of the bonds to be refunded.

26 (g) At no time shall the total outstanding bonds and
27 notes of the Authority issued under this Section 100 exceed
28 (i) \$40,000,000 in connection with facilities owned by the
29 Authority; and (ii) \$40,000,000 in connection with facilities
30 owned by a governmental owner other than the Authority. Bonds
31 which are being paid or retired by issuance, sale or delivery
32 of bonds or notes, and bonds or notes for which sufficient
33 funds have been deposited with the paying agent or trustee to
34 provide for payment of principal and interest thereon, and

1 any redemption premium, as provided in the authorizing
2 resolution, shall not be considered outstanding for the
3 purposes of this paragraph.

4 (h) The bonds and notes of the Authority shall not be
5 indebtedness of the State, or of any political subdivision of
6 the State other than the Authority. The bonds and notes of
7 the Authority are not general obligations of the State of
8 Illinois, or of any other political subdivision of the State
9 other than the Authority, and are not secured by a pledge of
10 the full faith and credit of the State of Illinois, or of any
11 other political subdivision of the State other than the
12 Authority, and the holders of bonds and notes of the
13 Authority may not require the levy or imposition by the
14 State, or any other political subdivision of the State other
15 than the Authority, of any taxes or, except as provided in
16 this Act, the application of revenues or funds of the State
17 of Illinois, or any other political subdivision of the State
18 other than the Authority, to the payment of bonds and notes
19 of the Authority.

20 (i) In order to provide for the payment of debt service
21 requirements (including amounts for reserve funds and to pay
22 the costs of credit enhancements) on bonds issued pursuant to
23 this Act, the Authority may provide in any trust agreement
24 securing such bonds for a pledge and assignment of its right
25 to all amounts to be received from the Illinois Sports
26 Facilities Fund and for a pledge and assignment (subject to
27 the terms of any management agreement or assistance
28 agreement) of all taxes and other amounts to be received
29 under Section 100 of this Act and may further provide written
30 notice to the State Treasurer and State Comptroller (which
31 notice shall constitute a direction to those officers) for a
32 direct payment of these amounts to the trustee for its
33 bondholders.

34 (j) The State of Illinois pledges to and agrees with the

1 holders of the bonds and notes of the Authority issued
2 pursuant to this Act that the State will not limit or alter
3 the rights and powers vested in the Authority by this Act so
4 as to impair the terms of any contract made by the Authority
5 with such holders or in any way impair the rights and
6 remedies of such holders until such bonds and notes, together
7 with interest thereon, with interest on any unpaid
8 installments of interest, and all costs and expenses in
9 connection with any action or proceedings by or on behalf of
10 such holders, are fully met and discharged. In addition, the
11 State pledges to and agrees with the holders of the bonds and
12 notes of the Authority issued pursuant to this Act that the
13 State will not limit or alter the basis on which State funds
14 are to be allocated, deposited and paid to the Authority as
15 provided in this Act, or the use of such funds, so as to
16 impair the terms of any such contract. The Authority is
17 authorized to include these pledges and agreements of the
18 State in any contract with the holders of bonds or notes
19 issued pursuant to this Section.

20 Section 105. Tax. The Authority may impose an occupation
21 tax upon all persons engaged in the business of renting,
22 leasing, or letting rooms in a hotel, as defined in the Hotel
23 Operators' Occupation Tax Act, at a rate not to exceed 2% of
24 the gross rental receipts from the renting, leasing or
25 letting of hotel rooms. The taxing may be imposed, however,
26 only if approved by ordinance of the municipality within
27 which the tax is to be imposed.

28 The tax imposed by the Authority pursuant to this Section
29 and all civil penalties that may be assessed as an incident
30 thereof shall be collected and enforced by the State
31 Department of Revenue. The certificate of registration which
32 is issued by the Department to a lessor under the Hotel
33 Operators' Occupation Tax Act shall permit such registrant to

1 engage in a business which is taxable under any ordinance or
2 resolution enacted pursuant to this Section without
3 registering separately with the Department under such
4 ordinance or resolution or under this Section. The
5 Department shall have full power to administer and enforce
6 this Section; to collect all taxes and penalties due
7 hereunder; to dispose of taxes and penalties so collected in
8 the manner provided in this Section, and to determine all
9 rights to credit memoranda, arising on account of the
10 erroneous payment of tax or penalty hereunder. In the
11 administration of, and compliance with, this Section, the
12 Department and persons who are subject to this Section shall
13 have the same rights, remedies, privileges, immunities,
14 powers and duties, and be subject to the same conditions,
15 restrictions, limitations, penalties and definitions of
16 terms, and employ the same modes of procedure, as are
17 prescribed in the Hotel Operators' Occupation Tax Act (except
18 where that Act is inconsistent herewith), as the same is now
19 or may hereafter be amended, as fully as if the provisions
20 contained in the Hotel Operators' Occupation Tax Act were set
21 forth herein.

22 Whenever the Department determines that a refund should
23 be made under this Section to a claimant instead of issuing a
24 credit memorandum, the Department shall notify the State
25 Comptroller, who shall cause the warrant to be drawn for the
26 amount specified, and to the person named, in such
27 notification from the Department. Such refund shall be paid
28 by the State Treasurer out of the amounts held by the State
29 Treasurer as trustee for the Authority.

30 Persons subject to any tax imposed pursuant to authority
31 granted by this Section may reimburse themselves for their
32 tax liability for such tax by separately stating such tax as
33 an additional charge, which charge may be stated in
34 combination, in a single amount, with State tax imposed under

1 the Hotel Operators' Occupation Tax Act.

2 The Department shall forthwith pay over to the State
3 Treasurer, ex-officio, as trustee for the Authority, all
4 taxes and penalties collected hereunder for deposit in a
5 trust fund outside the State Treasury. On or before the 25th
6 day of each calendar month, the Department shall certify to
7 the Comptroller the amount to be paid to or on behalf of the
8 Authority from amounts collected hereunder by the Department,
9 and deposited into such trust fund during the second
10 preceding calendar month. The amount to be paid to or on
11 behalf of the Authority shall be the amount (not including
12 credit memoranda) collected hereunder during such second
13 preceding calendar month by the Department, less an amount
14 equal to the amount of refunds authorized during such second
15 preceding calendar month by the Department on behalf of the
16 Authority, and less 4% of such balance, which sum shall be
17 retained by the State Treasurer to cover the costs incurred
18 by the Department in administering and enforcing the
19 provisions of this Section, as provided herein. Each such
20 monthly certification by the Department shall also certify to
21 the Comptroller the amount to be so retained by the State
22 Treasurer for payment into the General Revenue Fund of the
23 State Treasury.

24 Amounts collected by the Department and paid to the
25 Authority pursuant to this Section shall be used for the
26 corporate purposes of the Authority.

27 Nothing in this Section shall be construed to authorize
28 the Authority to impose a tax upon the privilege of engaging
29 in any business which under the constitution of the United
30 States may not be made the subject of taxation by this State.

31 An ordinance or resolution imposing or discontinuing a
32 tax hereunder or effecting a change in the rate thereof shall
33 be effective on the first day of the second calendar month
34 next following the month in which the ordinance or resolution

1 is passed.

2 If the Authority levies a tax authorized by this Section
3 it shall transmit to the Department of Revenue not later than
4 5 days after the adoption of the ordinance or resolution a
5 certified copy of the ordinance or resolution imposing such
6 tax whereupon the Department of Revenue shall proceed to
7 administer and enforce this Section on behalf of the
8 Authority. Upon a change in rate of a tax levied hereunder,
9 or upon the discontinuance of the tax, the Authority shall
10 not later than 5 days after the effective date of the
11 ordinance or resolution discontinuing the tax or effecting a
12 change in rate transmit to the Department of Revenue a
13 certified copy of the ordinance or resolution effecting such
14 change or discontinuance.