

1 AN ACT concerning finance.

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

4 Section 5. The Quad Cities Regional Economic Development  
5 Authority Act, approved September 22, 1987 is amended by  
6 changing Section 9 as follows:

7 (70 ILCS 510/9) (from Ch. 85, par. 6209)

8 Sec. 9. Bonds and notes. (a) (1) The Authority may, with the  
9 written approval of the Governor, at any time and from time to  
10 time, issue bonds and notes for any corporate purpose,  
11 including the establishment of reserves and the payment of  
12 interest. In this Act the term "bonds" includes notes of any  
13 kind, interim certificates, refunding bonds or any other  
14 evidence of obligation.

15 (2) The bonds of any issue shall be payable solely from the  
16 property or receipts of the Authority, including, without  
17 limitation:

18 (I) fees, charges or other revenues payable to the  
19 Authority;

20 (II) payments by financial institutions, insurance  
21 companies, or others pursuant to letters or lines of credit,  
22 policies of insurance, or purchase agreements;

23 (III) investment earnings from funds or accounts  
24 maintained pursuant to a bond resolution or trust agreement;  
25 and

26 (IV) proceeds of refunding bonds.

27 (3) Bonds shall be authorized by a resolution of the  
28 Authority and may be secured by a trust agreement by and  
29 between the Authority and a corporate trustee or trustees,  
30 which may be any trust company or bank having the powers of a  
31 trust company within or without the State. Bonds shall:

32 (I) be issued at, above or below par value, for cash or

1 other valuable consideration, and mature at time or times,  
2 whether as serial bonds or as term bonds or both, not exceeding  
3 40 years from their respective date of issue; however, the  
4 length of the term of the bond should bear a reasonable  
5 relationship to the value life of the item financed;

6 (II) bear interest at the fixed or variable rate or rates  
7 determined by the method provided in the resolution or trust  
8 agreement;

9 (III) be payable at a time or times, in the denominations  
10 and form, either coupon or registered or both, and carry the  
11 registration and privileges as to conversion and for the  
12 replacement of mutilated, lost or destroyed bonds as the  
13 resolution or trust agreement may provide;

14 (IV) be payable in lawful money of the United States at a  
15 designated place;

16 (V) be subject to the terms of purchase, payment,  
17 redemption, refunding or refinancing that the resolution or  
18 trust agreement provides;

19 (VI) be executed by the manual or facsimile signatures of  
20 the officers of the Authority designated by the Authority,  
21 which signatures shall be valid at delivery even for one who  
22 has ceased to hold office; and

23 (VII) be sold in the manner and upon the terms determined  
24 by the Authority.

25 (b) Any resolution or trust agreement may contain  
26 provisions which shall be a part of the contract with the  
27 holders of the bonds as to:

28 (1) pledging, assigning or directing the use, investment or  
29 disposition of receipts of the Authority or proceeds or  
30 benefits of any contract and conveying or otherwise securing  
31 any property or property rights;

32 (2) the setting aside of loan funding deposits, debt  
33 service reserves, capitalized interest accounts, cost of  
34 issuance accounts and sinking funds, and the regulations,  
35 investment and disposition thereof;

36 (3) limitations on the purpose to which or the investments

1 in which the proceeds of sale of any issue of bonds may be  
2 applied and restrictions to investment of revenues or bond  
3 proceeds in government obligations for which principal and  
4 interest are unconditionally guaranteed by the United States of  
5 America;

6 (4) limitations on the issue of additional bonds, the terms  
7 upon which additional bonds may be issued and secured, the  
8 terms upon which additional bonds may rank on a parity with, or  
9 be subordinate or superior to, other bonds;

10 (5) the refunding or refinancing of outstanding bonds;

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

15 (7) defining the acts or omissions which shall constitute a  
16 default in the duties of the Authority to holders of bonds and  
17 providing the rights or remedies of such holders in the event  
18 of a default which may include provisions restricting  
19 individual right of action by bondholders;

20 (8) providing for guarantees, pledges of property, letters  
21 of credit, or other security, or insurance for the benefit of  
22 bondholders; and

23 (9) any other matter relating to the bonds which the  
24 Authority determines appropriate.

25 (c) No member of the Authority nor any person executing the  
26 bonds shall be liable personally on the bonds or subject to any  
27 personal liability by reason of the issuance of the bonds.

28 (d) The Authority may enter into agreements with agents,  
29 banks, insurers or others for the purpose of enhancing the  
30 marketability of or as security for its bonds.

31 (e) (1) A pledge by the Authority of revenues as security  
32 for an issue of bonds shall be valid and binding from the time  
33 when the pledge is made.

34 (2) The revenues pledged shall immediately be subject to  
35 the lien of the pledge without any physical delivery or further  
36 act, and the lien of any pledge shall be valid and binding

1 against any person having any claim of any kind in tort,  
2 contract or otherwise against the Authority, irrespective of  
3 whether the person has notice.

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

10 (f) The Authority may issue bonds to refund any of its  
11 bonds then outstanding, including the payment of any redemption  
12 premium and any interest accrued or to accrue to the earliest  
13 or any subsequent date of redemption, purchase or maturity of  
14 the bonds. Refunding bonds may be issued for the public  
15 purposes of realizing savings in the effective costs of debt  
16 service, directly or through a debt restructuring, for  
17 alleviating impending or actual default and may be issued in  
18 one or more series in an amount in excess of that of the bonds  
19 to be refunded.

20 (g) Bonds or notes of the Authority may be sold by the  
21 Authority through the process of competitive bid or negotiated  
22 sale.

23 (h) At no time shall the total outstanding bonds and notes  
24 of the Authority exceed \$250 million ~~\$100 million~~.

25 (i) The bonds and notes of the Authority shall not be debts  
26 of the State.

27 (j) In no event may proceeds of bonds or notes issued by  
28 the Authority be used to finance any structure which is not  
29 constructed pursuant to an agreement between the Authority and  
30 a party, which provides for the delivery by the party of a  
31 completed structure constructed pursuant to a fixed price  
32 contract, and which provides for the delivery of such structure  
33 at such fixed price to be insured or guaranteed by a third  
34 party determined by the Authority to be capable of completing  
35 construction of such a structure.

36 (Source: P.A. 85-713.)

1 Section 10. The Quad Cities Regional Economic Development  
2 Authority Act, certified December 30, 1987 is amended by  
3 changing Section 9 as follows:

4 (70 ILCS 515/9) (from Ch. 85, par. 6509)

5 Sec. 9. Bonds and notes. (a) (1) The Authority may, with the  
6 written approval of the Governor, at any time and from time to  
7 time, issue bonds and notes for any corporate purpose,  
8 including the establishment of reserves and the payment of  
9 interest. In this Act the term "bonds" includes notes of any  
10 kind, interim certificates, refunding bonds or any other  
11 evidence of obligation.

12 (2) The bonds of any issue shall be payable solely from the  
13 property or receipts of the Authority, including, without  
14 limitation:

15 (I) fees, charges or other revenues payable to the  
16 Authority;

17 (II) payments by financial institutions, insurance  
18 companies, or others pursuant to letters or lines of credit,  
19 policies of insurance, or purchase agreements;

20 (III) investment earnings from funds or accounts  
21 maintained pursuant to a bond resolution or trust agreement;  
22 and

23 (IV) proceeds of refunding bonds.

24 (3) Bonds shall be authorized by a resolution of the  
25 Authority and may be secured by a trust agreement by and  
26 between the Authority and a corporate trustee or trustees,  
27 which may be any trust company or bank having the powers of a  
28 trust company within or without the State. Bonds shall:

29 (I) be issued at, above or below par value, for cash or  
30 other valuable consideration, and mature at time or times,  
31 whether as serial bonds or as term bonds or both, not exceeding  
32 40 years from their respective date of issue; however, the  
33 length of the term of the bond should bear a reasonable  
34 relationship to the value life of the item financed;

1 (II) bear interest at the fixed or variable rate or rates  
2 determined by the method provided in the resolution or trust  
3 agreement;

4 (III) be payable at a time or times, in the denominations  
5 and form, either coupon or registered or both, and carry the  
6 registration and privileges as to conversion and for the  
7 replacement of mutilated, lost or destroyed bonds as the  
8 resolution or trust agreement may provide;

9 (IV) be payable in lawful money of the United States at a  
10 designated place;

11 (V) be subject to the terms of purchase, payment,  
12 redemption, refunding or refinancing that the resolution or  
13 trust agreement provides;

14 (VI) be executed by the manual or facsimile signatures of  
15 the officers of the Authority designated by the Authority,  
16 which signatures shall be valid at delivery even for one who  
17 has ceased to hold office; and

18 (VII) be sold in the manner and upon the terms determined  
19 by the Authority.

20 (b) Any resolution or trust agreement may contain  
21 provisions which shall be a part of the contract with the  
22 holders of the bonds as to:

23 (1) pledging, assigning or directing the use, investment or  
24 disposition of receipts of the Authority or proceeds or  
25 benefits of any contract and conveying or otherwise securing  
26 any property or property rights;

27 (2) the setting aside of loan funding deposits, debt  
28 service reserves, capitalized interest accounts, cost of  
29 issuance accounts and sinking funds, and the regulations,  
30 investment and disposition thereof;

31 (3) limitations on the purpose to which or the investments  
32 in which the proceeds of sale of any issue of bonds may be  
33 applied and restrictions to investment of revenues or bond  
34 proceeds in government obligations for which principal and  
35 interest are unconditionally guaranteed by the United States of  
36 America;

1 (4) limitations on the issue of additional bonds, the terms  
2 upon which additional bonds may be issued and secured, the  
3 terms upon which additional bonds may rank on a parity with, or  
4 be subordinate or superior to, other bonds;

5 (5) the refunding or refinancing of outstanding bonds;

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

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

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

18 (9) any other matter relating to the bonds which the  
19 Authority determines appropriate.

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

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

26 (e) (1) A pledge by the Authority of revenues as security  
27 for an issue of bonds shall be valid and binding from the time  
28 when the pledge is made.

29 (2) The revenues pledged shall immediately be subject to  
30 the lien of the pledge without any physical delivery or further  
31 act, and the lien of any pledge shall be valid and binding  
32 against any person having any claim of any kind in tort,  
33 contract or otherwise against the Authority, irrespective of  
34 whether the person has notice.

35 (3) No resolution, trust agreement or financing statement,  
36 continuation statement, or other instrument adopted or entered

1 into by the Authority need be filed or recorded in any public  
2 record other than the records of the authority in order to  
3 perfect the lien against third persons, regardless of any  
4 contrary provision of law.

5 (f) The Authority may issue bonds to refund any of its  
6 bonds then outstanding, including the payment of any redemption  
7 premium and any interest accrued or to accrue to the earliest  
8 or any subsequent date of redemption, purchase or maturity of  
9 the bonds. Refunding bonds may be issued for the public  
10 purposes of realizing savings in the effective costs of debt  
11 service, directly or through a debt restructuring, for  
12 alleviating impending or actual default and may be issued in  
13 one or more series in an amount in excess of that of the bonds  
14 to be refunded.

15 (g) Bonds or notes of the Authority may be sold by the  
16 Authority through the process of competitive bid or negotiated  
17 sale.

18 (h) At no time shall the total outstanding bonds and notes  
19 of the Authority exceed \$250 million ~~\$100 million~~.

20 (i) The bonds and notes of the Authority shall not be debts  
21 of the State.

22 (j) In no event may proceeds of bonds or notes issued by  
23 the Authority be used to finance any structure which is not  
24 constructed pursuant to an agreement between the Authority and  
25 a party, which provides for the delivery by the party of a  
26 completed structure constructed pursuant to a fixed price  
27 contract, and which provides for the delivery of such structure  
28 at such fixed price to be insured or guaranteed by a third  
29 party determined by the Authority to be capable of completing  
30 construction of such a structure.

31 (Source: P.A. 85-988.)