



95TH GENERAL ASSEMBLY

State of Illinois

2007 and 2008

HB0967

Introduced 2/8/2007, by Rep. Linda Chapa LaVia

SYNOPSIS AS INTRODUCED:

New Act
70 ILCS 3210/50

Creates the Kane County Sports Facilities Authority Act. Creates the Kane County Sports Facilities Authority. Authorizes the Authority to make loans for the purpose of acquiring, constructing, maintaining, or rehabilitating sports facilities in Kane County. Provides procedures for the Authority to issue bonds. Provides that the Authority may impose an occupation tax upon all persons engaged in the business of renting, leasing, or letting rooms in a hotel if approved by ordinance of the affected municipality. Amends the Downstate Illinois Sports Facilities Authority Act to exclude Kane County from its jurisdiction.

LRB095 09812 HLH 30022 b

FISCAL NOTE ACT
MAY APPLY

STATE DEBT
IMPACT NOTE ACT
MAY APPLY

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 Kane
5 County 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, to
10 which the Authority and a governmental owner of a facility or
11 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 Kane County Sports Facilities
15 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, or
21 public meetings and other public events.

22 (2) Practice fields, or other areas where
23 professional, amateur, or semi-professional sports teams

1 may practice or perform.

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

5 (i) Offices, parking lots and garages, landscaping
6 and open spaces, access roads, transportation
7 facilities, restaurants, and stores.

8 (ii) Other recreation areas.

9 (iii) Other property or structures, including all
10 fixtures, furnishings, and appurtenances normally
11 associated with such facilities.

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

21 "Governmental Owner" means a body politic, public
22 corporation, political subdivision, unit of local government,
23 or municipality formed under the laws of the State of Illinois
24 that owns or is to own a facility located within the corporate
25 limits of the Authority described in Section 50 of this Act and
26 to which the Authority provides financial assistance.

1 "Loan agreement" means a legally binding contract between
2 the Authority and an owner of a facility, pursuant to which the
3 Authority agrees to make loans to the owner for the purpose of
4 (i) constructing, acquiring, operating, repairing,
5 rehabilitating, or managing a facility and the site on which a
6 facility is or is to be located, which facility or site must be
7 located in Kane County, and (ii) infrastructure improvements
8 related to the facility.

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

12 (A) a provision requiring the tenant to conduct its
13 complete regular home season schedule and any home playoff
14 events in the facility;

15 (B) a provision requiring the tenant to provide routine
16 maintenance of and to operate the facility with its
17 personnel or contractors;

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

20 (D) a provision requiring the tenant to operate or
21 contract for concessions for the patrons of the facility;
22 and

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

1 "Tenant" means any person with which a governmental owner
2 or the Authority has entered into an agreement for the use by a
3 sports team of any facility. Such an agreement may be a
4 management agreement or an assistance agreement or may be a
5 lease of or a license, permit or similar agreement with respect
6 to the use of a facility by such team for such period as shall
7 be agreed upon by the person and the governmental owner or the
8 Authority, as the case may be.

9 Section 10. Legislative finding and declaration. The
10 General Assembly finds that as a result of deteriorating
11 infrastructure and sports facilities there is a shortage of
12 sports facilities suitable for use by professional, amateur, or
13 semi-professional sports teams and other musical, theatrical,
14 and other social organizations.

15 It is further found that as a result of the costs to repair
16 or replace the infrastructure and facilities, and as a result
17 of current financing costs, the private sector, without the
18 assistance contemplated in this Act, is unable to construct
19 feasibly adequate sports facilities.

20 It is further found that the creation of modern sports
21 facilities and the other results contemplated by this Act would
22 stimulate economic activity in the State of Illinois, including
23 the creation and maintenance of jobs, the creation of new and
24 lasting infrastructure and other improvements, and the
25 retention of sports and entertainment events that generate

1 economic activity.

2 It is further found that sports facilities can be magnets
3 for substantial interstate tourism resulting in increased
4 retail sales, hotel and restaurant sales, and entertainment
5 industry sales, all of which increase jobs and economic growth.

6 Section 15. Authority and Board created.

7 (a) The Kane County Sports Facilities Authority is created
8 as a State agency.

9 (b) The governing and administrative powers of the
10 Authority shall be vested in a body known as the Kane County
11 Sports Facilities Authority Board. The Board shall consist of 8
12 members: a Chair and 7 additional members, all of whom are
13 appointed by the chairperson of the Kane County Board, with the
14 advice and consent of the Kane County Board.

15 No member shall be employed by the State or any political
16 subdivision of the State or by any department or agency of the
17 State or any political subdivision of the State.

18 Section 20. Terms of appointments.

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

20 (1) The Chair and 3 other members of the Board shall be
21 appointed for initial terms expiring June 30 of 2011.

22 (2) 2 members of the Board for initial terms expiring
23 June 30 of 2010.

24 (3) 2 members of the Board for initial terms expiring

1 June 30 of 2009.

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

12 (c) Vacancies for members and for the Chair shall be filled
13 in the same manner as original appointments for the balance of
14 the unexpired term.

15 Section 25. Actions of the Authority.

16 (a) Six members of the Authority constitute a quorum for
17 the purpose of conducting business. Actions of the Authority
18 must receive the affirmative vote of at least 6 members. The
19 Authority shall determine the times and places of its meetings.
20 The members of the Authority shall serve without compensation
21 for service as a member but are entitled to reimbursement of
22 reasonable expenses incurred in the performance of their
23 official duties.

24 (b) The Authority shall annually elect a secretary and a
25 treasurer.

1 (c) An executive committee appointed by the chairperson of
2 the Kane County Board made up of 4 members, including the
3 Chair, have the authority to operate the Authority on a
4 day-to-day basis, with the powers and duties determined by the
5 bylaws of the Authority.

6 Section 30. Executive Director. The Authority shall
7 appoint an Executive Director, who is the chief executive
8 officer of the Authority. In addition to any other duties set
9 forth in this Act, the Executive Director shall do the
10 following:

11 (1) Direct and supervise the administrative affairs
12 and activities of the Authority, in accordance with its
13 rules, regulations, and policies.

14 (2) Attend meetings of the Authority.

15 (3) Keep minutes of all proceedings of the Authority.

16 (4) Approve all accounts for salaries, per diem
17 payments, and allowable expenses of the Authority and its
18 employees and consultants and approve all expenses
19 incidental to the operation of the Authority.

20 (5) Report and make recommendations to the Authority on
21 the merits and status of any proposed facility.

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

24 Section 35. Powers.

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

3 (1) Adopt and alter an official seal.

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

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

9 (4) Maintain an office or offices at the place the
10 Authority may designate.

11 (5) Employ, either as regular employees or independent
12 contractors, consultants, engineers, architects,
13 accountants, attorneys, financial experts, construction
14 experts and personnel, superintendents, managers and other
15 professional personnel, and such other personnel as may be
16 necessary in the judgment of the Authority, and fix their
17 compensation.

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

22 (7) Enter into contracts of any kind.

23 (8) Enter into one or more loan agreements with an
24 owner of a facility that conform to the requirements of
25 this Act and that may contain provisions as the Authority
26 shall determine, including, without limit: (i) provisions

1 granting the owner the right and option to extend the term
2 of the loan agreement; (ii) provisions creating an
3 assignment and pledge by the Authority of certain of the
4 Authority's revenues and receipts to be received under this
5 Act for the benefit of the owner of the facility as further
6 security for performance by the Authority of its
7 obligations under the loan agreement; and (iii) provisions
8 requiring the establishment of reserves by the Authority or
9 by the owner, or both, as further security for the
10 performance of their respective obligations under the loan
11 agreement.

12 (9) Borrow money from any source for any lawful
13 purpose, including working capital for its operations,
14 reserve funds, or interest, and to mortgage, pledge or
15 otherwise encumber the property or funds of the Authority
16 and to contract with or engage the services of any person
17 in connection with any financing, including financial
18 institutions, issuers of letters of credit, or insurers and
19 enter into reimbursement agreements with this person which
20 may be secured as if money were borrowed from the person.

21 (10) Receive and accept from any private or public
22 source, contributions, gifts, or grants of money or
23 property.

24 (11) Make loans from proceeds or funds otherwise
25 available to the extent necessary or appropriate to
26 accomplish the purposes of the Authority.

1 (12) Provide for the insurance of any property,
2 operations, officers, agents, or employees of the
3 Authority against any risk or hazard and provide for the
4 indemnification of its members, employees, contractors, or
5 agents against any and all risks.

6 (13) Provide relocation assistance and compensation
7 for landowners and their lessees displaced by any land
8 acquisition of the Authority, including the acquisition of
9 land and construction of replacement housing thereon as the
10 Authority shall determine.

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

15 (15) Determine the locations of, develop, design,
16 establish, construct, erect, acquire, own, repair,
17 reconstruct, renovate, remodel, add to, extend, improve,
18 equip, operate, regulate and maintain facilities and
19 provide financial assistance to governmental owners or
20 their tenants or both, pursuant to an assistance agreement
21 to do the foregoing, in each case to the extent necessary
22 to accomplish the purposes of the Authority.

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

25 (17) Enter into one or more management agreements which
26 conform to the requirements of this Act and which may

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

1 tenant or reimbursement of the tenant by the Authority in
2 the event of imposition of certain new State and local
3 taxes, or the increase above specified levels of certain
4 existing State and local taxes, or both; (vii) provisions
5 obligating the Authority to purchase tickets to events
6 conducted by the tenant based upon specified attendance
7 levels; (viii) provisions granting the tenant the right and
8 option to extend the term of the management agreement; and
9 (ix) provisions requiring the establishment of reserves by
10 the Authority or by the tenant, or both, as further
11 security for the performance of their respective
12 obligations under the management agreement.

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

20 (19) Issue bonds or notes under Section 100 of this
21 Act.

22 (20) Sell, convey, lease, or grant a permit or license
23 with respect to, or by agreement authorize another person on
24 its behalf to sell, convey, lease or grant a permit or license
25 with respect to (i) the right to use or the right to purchase
26 tickets to use, or any other interest in, any seat or area

1 within a facility; (ii) the right to name or place advertising
2 in all or any part of a facility; or (iii) any intangible
3 personal property rights, including intellectual property
4 rights, appurtenant to any facility, the proceeds of which are
5 used for the purpose of carrying out the powers granted by the
6 Act.

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

9 (b) The Authority may not construct or enter into a
10 contract to construct more than one new stadium facility and
11 may not enter into assistance agreements providing for the
12 reconstruction, renovation, remodeling, extension, or
13 improvement of all or substantially all of more than one
14 existing facility unless authorized by law.

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

18 Section 40. Duties.

19 (a) In addition to the powers set forth elsewhere in this
20 Act, subject to the terms of any agreements with the holders of
21 the Authority's evidences of indebtedness, the Authority shall
22 do the following:

23 (1) Comply with all zoning, building, and land use
24 controls of the municipality within which is located any
25 stadium facility owned by the Authority or for which the

1 Authority provides financial assistance.

2 (2) Enter into a loan agreement with an owner of a
3 facility to finance the acquisition, construction,
4 maintenance, or rehabilitation of the facility. The
5 agreement shall contain appropriate and reasonable
6 provisions with respect to termination, default, and legal
7 remedies. The loan may be at below-market interest rates.

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

10 (b) In a loan agreement for the construction of a new
11 facility, in connection with prequalification of general
12 contractors for construction of the facility, the Authority
13 shall require that the owner of the facility require submission
14 of a commitment detailing how the general contractor will
15 expend 25% or more of the dollar value of the general contract
16 with one or more minority business enterprises and 5% or more
17 of the dollar value with one or more female business
18 enterprises. This commitment may be met by contractor's status
19 as a minority business enterprise or female business
20 enterprise, by a joint venture, or by subcontracting a portion
21 of the work with or by purchasing materials for the work from
22 one or more such enterprises, or by any combination thereof.
23 Any contract with the general contractor for construction of
24 the new facility shall require the general contractor to meet
25 the foregoing obligations and shall require monthly reporting
26 to the Authority with respect to the status of the

1 implementation of the contractor's affirmative action plan and
2 compliance with that plan. This report shall be filed with the
3 General Assembly. The Authority shall require that the facility
4 owner establish and maintain an affirmative action program
5 designed to promote equal employment opportunity and that
6 specifies the goals and methods for increasing participation by
7 minorities and women in a representative mix of job
8 classifications required to perform the respective contracts.
9 The Authority shall file a report before March 1 of each year
10 with the General Assembly detailing its implementation of this
11 subsection. The terms "minority business enterprise" and
12 "female business enterprise" have the meanings provided in the
13 Business Enterprise for Minorities, Females, and Persons with
14 Disabilities Act.

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

1 Section 45. Reporting. Promptly following entering into a
2 management agreement, an assistance agreement, or a loan
3 agreement involving a new facility or facility site, the
4 Authority shall submit a detailed written report and findings
5 of the Authority with respect to the proposed management
6 agreement, assistance agreement, or loan agreement to the
7 General Assembly.

8 The report and findings of the Authority shall include the
9 following:

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

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

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

18 Section 50. Territory. The territory of the Authority is
19 coterminous with the boundaries of Kane County, Illinois.

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

1 Section 60. Tax exemption.

2 (a) Neither the Authority nor any governmental owner of a
3 facility or that governmental owner's tenant shall be required
4 to pay property taxes on any facility, nor shall the interest
5 of a tenant in any facility either owned by the Authority or
6 owned by any governmental owner to which the Authority has
7 provided financial assistance be subject to property taxes.

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

21 Section 65. Conflicts of interest; generally.

22 (a) No members or employees of the Authority shall be
23 employed by, be an officer or director of, or have any
24 ownership interest in any corporation or entity that is a party

1 to a loan agreement with the Authority under this Act.

2 (b) No moneys of the Authority shall be deposited in any
3 financial institution in which any officer, director, or holder
4 of a substantial proprietary interest is also a member or
5 employee of the Authority.

6 (c) No real estate to which a member or employee of the
7 Authority holds legal title or in which such a person has any
8 beneficial interest, including any interest in a land trust,
9 shall be purchased by the Authority, nor shall any such
10 property be purchased by a corporation or entity for a facility
11 to be financed under this Act. Every member and employee of the
12 Authority shall file annually with the Authority a record of
13 all real estate in this State to which the person holds legal
14 title or in which the person has any beneficial interest,
15 including any interest in a land trust. In the event it is
16 later disclosed that the Authority or other entity has
17 purchased real estate in which a member or employee had an
18 interest, the purchase shall be voidable by the Authority and
19 the member or employee involved shall be disqualified from
20 membership in or employment by the Authority.

21 Section 70. Conflicts of interest; contracts.

22 (a) No member of the Authority or officer, agent, or
23 employee of the Authority shall, in his or her own name or in
24 the name of a nominee, be an officer or director of or hold an
25 ownership interest of more than 7.5% in any person,

1 association, trust, corporation, partnership, or other entity
2 that is, in its own name or in the name of a nominee, a party to
3 a contract or agreement upon which the member or officer,
4 agent, or employee may be called upon to act or vote.

5 (b) With respect to any direct or any indirect interest,
6 other than an interest prohibited in subsection (a), in a
7 contract or agreement upon which the member or officer, agent,
8 or employee may be called upon to act or vote, a member of the
9 Authority or officer, agent, or employee of the Authority shall
10 disclose the same to the secretary of the Authority before the
11 taking of final action by the Authority concerning the contract
12 or agreement and shall so disclose the nature and extent of
13 such interest and his or her acquisition thereof, which
14 disclosures shall be publicly acknowledged by the Authority and
15 entered upon the minutes of the Authority. If a member of the
16 Authority or officer, agent, or employee of the Authority holds
17 such an interest, then he or she shall refrain from any further
18 official involvement in regard to the contract or agreement,
19 from voting on any matter pertaining to the contract or
20 agreement, and from communicating with other members of the
21 Authority or its officers, agents, and employees concerning the
22 contract or agreement. Notwithstanding any other provision of
23 law, any contract or agreement entered into in conformity with
24 this subsection (b) shall not be void or invalid by reason of
25 the interest described in this subsection, nor shall any person
26 so disclosing the interest and refraining from further official

1 involvement as provided in this subsection be guilty of an
2 offense, be removed from office, or be subject to any other
3 penalty on account of such interest.

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

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

23 Section 85. No impairment of loan agreement. The State of
24 Illinois pledges to and agrees with any facility owner under

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

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

21 Section 100. Bonds and notes.

22 (a) (1) The Authority may at any time and from time to time
23 issue bonds and notes for any corporate purpose, including the
24 establishment of reserves and the payment of interest and costs

1 of issuance. In this Act the term "bonds" includes notes of any
2 kind, interim certificates, refunding bonds or any other
3 evidence of obligation for borrowed money issued under this
4 Section 100. Bonds may be issued in one or more series and may
5 be payable and secured either on a parity with or separately
6 from other bonds.

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

10 (i) Rents, rates, fees, charges, or other revenues
11 payable to or any receipts of the Authority, including
12 amounts which are deposited pursuant to the Act with a
13 trustee for bondholders;

14 (ii) Payments by financial institutions, insurance
15 companies, or others pursuant to letters or lines of
16 credit, policies of insurance, or purchase agreements;

17 (iii) Investment earnings from funds or accounts
18 maintained pursuant to a bond resolution or trust
19 agreement; and

20 (iv) Proceeds of refunding bonds.

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

26 (i) Mature at a time or times, whether as serial

1 bonds, as term bonds, or as both, not exceeding 40
2 years from their respective dates of issue;

3 (ii) Notwithstanding the provision of "An Act to
4 authorize public corporations to issue bonds, other
5 evidences of indebtedness and tax anticipation
6 warrants subject to interest rate limitations set
7 forth therein", approved May 26, 1970, as now or
8 hereafter amended, or any other provision of law, bear
9 interest at any fixed or variable rate or rates
10 determined by the method provided in the resolution or
11 trust agreement;

12 (iii) Be payable at a time or times, in the
13 denominations and form, either coupon, or registered,
14 or both, and carry the registration and privileges as
15 to exchange, transfer or conversion and for the
16 replacement of mutilated, lost or destroyed bonds as
17 the resolution or trust agreement may provide;

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

20 (v) Be subject to the terms of purchase, payment,
21 redemption, refunding, or refinancing that the
22 resolution or trust agreement provides;

23 (vi) Be executed by the manual or facsimile
24 signatures of the officers of the Authority designated
25 by the Authority which signatures shall be valid at
26 delivery even for one who has ceased to hold office;

1 and

2 (vii) Be sold in the manner and upon the terms
3 determined by the Authority.

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

7 (1) Pledging, assigning, or directing the use,
8 investment, or disposition of all or any part of the
9 revenues of the Authority or proceeds or benefits of any
10 contract including, without limit, any management
11 agreement or assistance agreement and conveying or
12 otherwise securing any property or property rights;

13 (2) The setting aside of loan funding deposits, debt
14 service reserves, capitalized interest accounts,
15 replacement or operating reserves, cost of issuance
16 accounts and sinking funds, and the regulation,
17 investment, and disposition thereof;

18 (3) Limitations on the purposes to which or the
19 investments in which the proceeds of sale of any issue of
20 bonds or the Authority's revenues and receipts may be
21 applied or made;

22 (4) Limitations on the issue of additional bonds, the
23 terms upon which additional bonds may be issued and
24 secured, the terms upon which additional bonds may rank on
25 a parity with, or be subordinate or superior to, other
26 bonds;

1 (5) The refinancing, advance refunding, or refinancing
2 of outstanding bonds;

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

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

13 (8) Providing for guarantees, pledges of property,
14 letters of credit, or other security, or insurance for the
15 benefit of bondholders; and

16 (9) Any other matter relating to the bonds which the
17 Authority determines appropriate.

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

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

24 (e) (1) A pledge by the Authority of revenues and receipts
25 as security for an issue of bonds or for the performance of its
26 obligations under any management agreement or assistance

1 agreement shall be valid and binding from the time when the
2 pledge is made.

3 (2) The revenues and receipts pledged shall
4 immediately be subject to the lien of the pledge without
5 any physical delivery or further act, and the lien of any
6 pledge shall be valid and binding against any person having
7 any claim of any kind in tort, contract or otherwise
8 against the Authority, irrespective of whether the person
9 has notice.

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

17 (f) The Authority may issue bonds to refund, advance
18 refund, or refinance any of its bonds then outstanding,
19 including the payment of any redemption premium and any
20 interest accrued or to accrue to the earliest or any subsequent
21 date of redemption, purchase or maturity of the bonds.
22 Refunding or advance refunding bonds may be issued for the
23 public purposes of realizing savings in the effective costs of
24 debt service, directly or through a debt restructuring, for
25 alleviating impending or actual default, or for paying
26 principal of, redemption premium, if any, and interest on bonds

1 as they mature or are subject to redemption, and may be issued
2 in one or more series in an amount in excess of that of the
3 bonds to be refunded.

4 (g) At no time shall the total outstanding bonds and notes
5 of the Authority issued under this Section 100 exceed (i)
6 \$40,000,000 in connection with facilities owned by the
7 Authority; and (ii) \$40,000,000 in connection with facilities
8 owned by a governmental owner other than the Authority. Bonds
9 which are being paid or retired by issuance, sale or delivery
10 of bonds or notes, and bonds or notes for which sufficient
11 funds have been deposited with the paying agent or trustee to
12 provide for payment of principal and interest thereon, and any
13 redemption premium, as provided in the authorizing resolution,
14 shall not be considered outstanding for the purposes of this
15 paragraph.

16 (h) The bonds and notes of the Authority shall not be
17 indebtedness of the State, or of any political subdivision of
18 the State other than the Authority. The bonds and notes of the
19 Authority are not general obligations of the State of Illinois,
20 or of any other political subdivision of the State other than
21 the Authority, and are not secured by a pledge of the full
22 faith and credit of the State of Illinois, or of any other
23 political subdivision of the State other than the Authority,
24 and the holders of bonds and notes of the Authority may not
25 require the levy or imposition by the State, or any other
26 political subdivision of the State other than the Authority, of

1 any taxes or, except as provided in this Act, the application
2 of revenues or funds of the State of Illinois, or any other
3 political subdivision of the State other than the Authority, to
4 the payment of bonds and notes of the Authority.

5 (i) In order to provide for the payment of debt service
6 requirements (including amounts for reserve funds and to pay
7 the costs of credit enhancements) on bonds issued pursuant to
8 this Act, the Authority may provide in any trust agreement
9 securing such bonds for a pledge and assignment of its right to
10 all amounts to be received from the Illinois Sports Facilities
11 Fund and for a pledge and assignment (subject to the terms of
12 any management agreement or assistance agreement) of all taxes
13 and other amounts to be received under Section 100 of this Act
14 and may further provide written notice to the State Treasurer
15 and State Comptroller (which notice shall constitute a
16 direction to those officers) for a direct payment of these
17 amounts to the trustee for its bondholders.

18 (j) The State of Illinois pledges to and agrees with the
19 holders of the bonds and notes of the Authority issued pursuant
20 to this Act that the State will not limit or alter the rights
21 and powers vested in the Authority by this Act so as to impair
22 the terms of any contract made by the Authority with such
23 holders or in any way impair the rights and remedies of such
24 holders until such bonds and notes, together with interest
25 thereon, with interest on any unpaid installments of interest,
26 and all costs and expenses in connection with any action or

1 proceedings by or on behalf of such holders, are fully met and
2 discharged. In addition, the State pledges to and agrees with
3 the holders of the bonds and notes of the Authority issued
4 pursuant to this Act that the State will not limit or alter the
5 basis on which State funds are to be allocated, deposited and
6 paid to the Authority as provided in this Act, or the use of
7 such funds, so as to impair the terms of any such contract. The
8 Authority is authorized to include these pledges and agreements
9 of the State in any contract with the holders of bonds or notes
10 issued pursuant to this Section.

11 Section 105. Tax. The Authority may impose an occupation
12 tax upon all persons engaged in the business of renting,
13 leasing, or letting rooms in a hotel, as defined in the Hotel
14 Operators' Occupation Tax Act, at a rate not to exceed 2% of
15 the gross rental receipts from the renting, leasing or letting
16 of hotel rooms. The taxing may be imposed, however, only if
17 approved by ordinance of the municipality within which the tax
18 is to be imposed.

19 The tax imposed by the Authority pursuant to this Section
20 and all civil penalties that may be assessed as an incident
21 thereof shall be collected and enforced by the State Department
22 of Revenue. The certificate of registration which is issued by
23 the Department to a lessor under the Hotel Operators'
24 Occupation Tax Act shall permit such registrant to engage in a
25 business which is taxable under any ordinance or resolution

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

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

1 Persons subject to any tax imposed pursuant to authority
2 granted by this Section may reimburse themselves for their tax
3 liability for such tax by separately stating such tax as an
4 additional charge, which charge may be stated in combination,
5 in a single amount, with State tax imposed under the Hotel
6 Operators' Occupation Tax Act.

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

1 the State Treasury.

2 Amounts collected by the Department and paid to the
3 Authority pursuant to this Section shall be used for the
4 corporate purposes of the Authority.

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

9 An ordinance or resolution imposing or discontinuing a tax
10 hereunder or effecting a change in the rate thereof shall be
11 effective on the first day of the second calendar month next
12 following the month in which the ordinance or resolution is
13 passed.

14 If the Authority levies a tax authorized by this Section it
15 shall transmit to the Department of Revenue not later than 5
16 days after the adoption of the ordinance or resolution a
17 certified copy of the ordinance or resolution imposing such tax
18 whereupon the Department of Revenue shall proceed to administer
19 and enforce this Section on behalf of the Authority. Upon a
20 change in rate of a tax levied hereunder, or upon the
21 discontinuance of the tax, the Authority shall not later than 5
22 days after the effective date of the ordinance or resolution
23 discontinuing the tax or effecting a change in rate transmit to
24 the Department of Revenue a certified copy of the ordinance or
25 resolution effecting such change or discontinuance.

1 Section 900. The Downstate Illinois Sports Facilities
2 Authority Act is amended by changing Section 50 as follows:

3 (70 ILCS 3210/50)

4 Sec. 50. Territory. The territory of the Authority is
5 coterminous with the boundaries of the State of Illinois,
6 excluding the City of Chicago and excluding Kane County.

7 (Source: P.A. 93-227, eff. 1-1-04.)