



Rep. Charles E. Jefferson

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1 AMENDMENT TO HOUSE BILL 3428

2 AMENDMENT NO. _____. Amend House Bill 3428 by replacing
3 everything after the enacting clause with the following:

4 "Section 5. The Airport Authorities Act is amended by
5 changing Sections 1, 14.1, 14.2, and 14.3 and by adding
6 Sections 22.1, 22.2, 22.3, 22.4, 22.5, 22.6, and 22.7 as
7 follows:

8 (70 ILCS 5/1) (from Ch. 15 1/2, par. 68.1)

9 Sec. 1. Definitions. When used in this Act:

10 "Aeronautics" means the act or practice of the art and
11 science of transportation by aircraft and instruction therein,
12 and establishment, construction, extension, operation,
13 improvement, repair or maintenance of airports and airport
14 facilities and air navigation facilities, and the operation,
15 construction, repair or maintenance of aircraft.

16 "Aircraft" means any contrivance now known or hereafter

1 invented, used or designed for navigation of, or flight in, the
2 air.

3 "Airport" means any locality, either land or water, which
4 is used or designed for the landing and taking off of aircraft,
5 or for the location of runways, landing fields, airdromes,
6 hangars, buildings, structures, airport roadways and other
7 facilities.

8 "Airport hazard" means any structure, or object of natural
9 growth, located on or in the vicinity of an airport, or any use
10 of land near an airport, which is hazardous to the use of such
11 airport for the landing and take-off of aircraft.

12 "Approach" means any path, course or zone defined by an
13 ordinance of an Authority, or by other lawful regulation, on
14 the ground or in the air, or both, for the use of aircraft in
15 landing and taking off from an airport located within an
16 Authority.

17 "Facilities" means and includes real estate and any and all
18 forms of tangible and intangible personal property and services
19 used or useful as an aid, or constituting an advantage or
20 convenience to, the safe landing, taking off and navigation of
21 aircraft, or the safe and efficient operation or maintenance of
22 a public airport. In addition, for all airport authorities,
23 "facilities" means and includes real estate, tangible and
24 intangible personal property, and services used or useful for
25 commercial and recreational purposes.

26 "Board of Commissioners" and "Board" mean the board of

1 commissioners of an established authority or an authority
2 proposed to be established.

3 "Commercial aircraft" means any aircraft other than public
4 aircraft engaged in the business of transporting persons or
5 property.

6 "Airport Authority" means a municipal corporation created
7 and established under Section 2 of this Act, and includes
8 Metropolitan Airport Authorities. "Authority" and "Airport
9 Authority" are synonymous, unless the context requires
10 otherwise.

11 "Metropolitan Airport Authority" and "Metropolitan
12 Authority" mean an airport authority established in the manner
13 provided in Section 2.7 of this Act.

14 "Municipality" means any city, village or incorporated
15 town of the State of Illinois.

16 "Public Agency" means any political subdivision, public
17 corporation, quasi-municipal corporation or municipal
18 corporation of the State of Illinois, excepting public
19 corporations or agencies owning, operating or maintaining a
20 college or university with funds of the State of Illinois.

21 "Private aircraft" means any aircraft other than public and
22 commercial aircraft.

23 "Public aircraft" means an aircraft used exclusively in the
24 governmental service of the United States, or of any state or
25 of any public agency, including military and naval aircraft.

26 "Public airport" means an airport owned by an airport

1 authority or other public agency which is used or is intended
2 for use by public, commercial and private aircraft and by
3 persons owning, managing, operating or desiring to use, inspect
4 or repair any such aircraft or to use any such airport for
5 aeronautical purposes.

6 "Public interest" means the protection, furtherance and
7 advancement of the general welfare and of public health and
8 safety and public necessity and convenience in respect to
9 aeronautics.

10 "Rail Authority" means a Rail Authority established as
11 provided in Section 22.1 of this Act.

12 "Rail facility" has the meaning set forth in Section 22.2
13 of this Act.

14 "Related facility" has the meaning set forth in Section
15 22.2 of this Act.

16 (Source: P.A. 87-854.)

17 (70 ILCS 5/14.1) (from Ch. 15 1/2, par. 68.14a)

18 Sec. 14.1. Bond limitation. An Authority may secure the
19 necessary funds to finance part or all of the cost of (i)
20 acquiring, establishing, constructing, developing, expanding,
21 extending or further improving a public airport, public
22 airports, or airport facilities within or without its corporate
23 limits or within or upon any body of water adjacent thereto;
24 and (ii) studying, designing, acquiring, constructing,
25 developing, expanding, extending, or improving any rail

1 facility or related facility as provided in this Act for a Rail
2 Authority established by the Board of Commissioners of the
3 Authority, upon a determination by the Board of Commissioners,
4 that, in its judgment, the rail or other service to be provided
5 by those rail facilities or related facilities will benefit the
6 airport operated by the Airport Authority, through the issuance
7 of bonds as hereinafter provided in Sections 14.1 to 14.5
8 inclusive, to the principal amount of which at any one time
9 outstanding, together with other outstanding indebtedness of
10 the Authority, shall not exceed 2.3% of the aggregate valuation
11 of all taxable property within the Authority, as equalized or
12 assessed by the Department of Revenue or, until January 1,
13 1983, if greater, the sum that is produced by multiplying the
14 Authority's 1978 equalized assessed valuation by the debt
15 limitation percentage in effect on January 1, 1979. No such
16 airport project shall be financed by the issuance of bonds
17 under this Section unless such proposed airport project has
18 been approved by the Department of Transportation as to
19 location and size and found by the Department to be in the
20 public interest; provided that the approval of the Department
21 of Transportation as provided in Sections 14.1 through 14.5 is
22 not required in the case of airport projects consisting solely
23 of commercial or recreational facilities or rail facilities or
24 related facilities.

25 (Source: P.A. 87-854.)

1 (70 ILCS 5/14.2) (from Ch. 15 1/2, par. 68.14b)

2 Sec. 14.2. General plans and cost estimate to be approved.
3 Before the adoption of any ordinance providing for the issuance
4 of such bonds, the board of commissioners of the authority
5 shall cause a description and general plan for the project to
6 be prepared and submitted to the Department of Transportation,
7 together with an estimate of the cost of the project. The
8 project and the plans and estimate of cost may be changed with
9 the approval of the Department. Prior to undertaking the
10 project, the final plans, specifications and estimate of cost
11 must be approved by the Department. The requirements of this
12 Section do not apply to airport projects consisting solely of
13 commercial or recreational facilities or rail facilities or
14 related facilities.

15 (Source: P.A. 87-854; 87-895.)

16 (70 ILCS 5/14.3) (from Ch. 15 1/2, par. 68.14c)

17 Sec. 14.3. Bond ordinance. Upon the approval of the general
18 plan and cost estimate for any such project by the Department
19 of Transportation, if required, the Board of Commissioners of
20 the authority shall provide by ordinance for the acquisition or
21 undertaking of such project, and for the issuance of bonds of
22 the authority payable from taxes to pay the cost of such
23 project to the authority or for costs with respect to rail
24 facilities or related facilities as provided in Section 14.1.

25 The ordinance shall prescribe all details of the bonds and

1 shall state the time or times when bonds, and the interest
2 thereon, shall become payable and the bonds shall be payable
3 within not more than 20 years from the date thereof. Any
4 authority may agree or contract to sell, issue or deliver bonds
5 payable from taxes at such price and upon such terms as
6 determined by the Board of Commissioners of the Authority and
7 as will not cause the net effective interest rate to be paid by
8 the Authority on the issue of which such bonds are a part to
9 exceed the greater of (i) the maximum rate authorized by the
10 Bond Authorization Act, as amended at the time of the making of
11 the contract, or (ii) the greater of 9% per annum or 125% of
12 the rate for the most recent date shown in the 20 G.O. Bonds
13 Index of average municipal bond yields as published in the most
14 recent edition of The Bond Buyer, published in New York, New
15 York, (or any successor publication or index, or if such
16 publication or index is no longer published, then any index of
17 long term municipal tax-exempt bond yields then selected by the
18 Board of Commissioners of the Authority), at the time the
19 contract is made for such sale of the bonds. Subject to such
20 limitation, the interest rate or rates on such bonds may be
21 established by reference to an index or formula which may be
22 implemented or administered by persons appointed or retained
23 therefor by the Authority. A contract is made with respect to
24 the sale of bonds when an Authority is contractually obligated
25 to issue or deliver such bonds to a purchaser who is
26 contractually obligated to purchase them, and, with respect to

1 bonds bearing interest at a variable rate or subject to payment
2 upon periodic demand or put or otherwise subject to remarketing
3 by or for an Authority, a contract is made on each date of
4 change in the variable rate or such demand, put or remarketing.
5 The ordinance shall provide for the levy and collection of a
6 direct annual tax upon all the taxable property within the
7 corporate limits of such Authority, sufficient to meet the
8 principal and interest of the bonds as same mature, which tax
9 shall be in addition to and in excess of any other tax
10 authorized to be levied by the Authority. The bonds may be
11 issued in part under the authority of, and may be additionally
12 secured as provided in, the Local Government Debt Reform Act.
13 Proceeds of bonds issued with respect to rail facilities or
14 related facilities shall be provided to, or expended by the
15 Authority for the benefit of, the Rail Authority.

16 A certified copy of the ordinance providing for the
17 issuance of bonds authorized by this Section shall be filed
18 with the county clerk of each county in which the authority or
19 any portion thereof is situated and shall constitute the basis
20 for the extension and collection of the tax necessary to pay
21 the principal of and interest and premium, if any, upon the
22 bonds issued under the ordinance as the same mature.

23 The provisions of this amendatory Act of 1985 shall be
24 cumulative and in addition to any powers or authority granted
25 in any other laws of the State, and shall not be deemed to have
26 repealed any provisions of existing laws. This amendatory Act

1 of 1985 shall be construed as a grant of power to public
2 corporations and shall not act as a limitation upon any sale of
3 bonds authorized pursuant to any other law. This amendatory Act
4 of 1985 shall not be construed as a limit upon any home rule
5 unit of government.

6 (Source: P.A. 86-1017; 87-854.)

7 (70 ILCS 5/22.1 new)

8 Sec. 22.1. Establishment of a Rail Authority.

9 (a) The Board of Commissioners of an airport authority in a
10 county with a population of at least 200,000 persons and less
11 than 500,000 persons may, by resolution, establish a Rail
12 Authority as provided in Sections 22.1 through 22.7 of this
13 Act. A certified copy of that resolution shall be filed with
14 the Secretary of State of Illinois. The Board of Commissioners
15 of the airport authority shall not have the power to abolish
16 such a Rail Authority.

17 (b) A Rail Authority established pursuant to this Section
18 shall be a body politic and corporate and a public corporation.

19 (c) A Rail Authority shall be governed by a Board of
20 Directors. Except as provided in paragraph (d) of this Section,
21 the Board of Directors shall consist of the members of the
22 Board of Commissioners of the airport authority that
23 establishes the Rail Authority. The Board of Directors of the
24 Rail Authority shall establish by-laws and procedures for their
25 actions and may elect such officers of the Rail Authority and

1 its Board of Directors as they shall determine, who shall serve
2 terms as set by the by-laws of the Rail Authority, not to
3 exceed 5 years.

4 (d) The composition of the Board of Directors of the Rail
5 Authority may be increased from time to time to include members
6 appointed by the Chairman or President of the County Board of
7 any county that has members on the Board of Directors, all as
8 shall be agreed by the Board of Directors of the Rail
9 Authority, the chairman of the county board of the county in
10 which the establishing airport authority is located, and the
11 county board of the county for which members shall be added;
12 upon such agreement providing for financial contribution to the
13 Rail Authority by the county for which members are added.

14 (e) All non-procedural actions of the Board of Directors of
15 the Rail Authority shall require the concurrence of the
16 majority of members of the Board of Directors. Members of the
17 Board of Directors shall serve for terms as provided in the
18 by-laws of the Rail Authority not to exceed 5 years, and until
19 their successors are appointed and qualified.

20 (f) There shall be no prohibitions on members of the Board
21 of Directors of the Rail Authority holding any other
22 governmental office or position.

23 (70 ILCS 5/22.2 new)

24 Sec. 22.2. Provision of rail and related transportation
25 services.

1 (a) The Rail Authority shall have the power, in its
2 discretion, to provide such rail passenger service or rail
3 freight service as its Board of Directors shall determine to be
4 necessary to provide such service from or to destinations
5 within the county or counties represented on its Board of
6 Directors (the "Counties"), including any airport operated by
7 the airport authority that has established the Rail Authority,
8 including to destinations not within the Counties. This service
9 may be so provided either by the direct operation by the Rail
10 Authority, or by purchase of service or other contracts with
11 rail service providers, or by a combination of those methods.
12 All property or facilities necessary or useful for such rail
13 service are referred to in this Act as "rail facilities".

14 (b) The Rail Authority shall also have the power to provide
15 related transportation services within the Counties, which may
16 consist of shuttle bus service to or from an airport, needed
17 storage facilities and facilities to load, unload, or transfer
18 freight from one mode of transportation to another such mode
19 related to rail or highway transportation and any needed access
20 roads for such service, as the Board of Directors shall
21 determine are appropriate to advance economic development in
22 the Counties. All property or facilities necessary or useful
23 for such related transportation or economic development
24 services are referred to in this Act as "related facilities".

1 Sec. 22.3. Further powers of the Rail Authority.

2 (a) Except as otherwise limited by this Act, the Rail
3 Authority shall have all powers to meet its responsibilities
4 and to carry out its purposes, including, but not limited to,
5 the following powers:

6 (i) To sue and be sued.

7 (ii) To invest any funds or any moneys not required for
8 immediate use or disbursement, as provided in the Public
9 Funds Investment Act.

10 (iii) To make, amend, and repeal by-laws, rules and
11 regulations, and resolutions not inconsistent with
12 Sections 22.1 through 22.7 of this Act.

13 (iv) To set and collect fares or other charges for the
14 use of rail or other facilities of the Rail Authority.

15 (v) To conduct or contract for studies as to the
16 feasibility and costs of providing any particular service
17 as authorized by this Act.

18 (vi) To publicize services of the Authority and to
19 enter into cooperative agreements with other rail or any
20 transportation service providers, including airport
21 operations.

22 (vii) To hold, sell, sell by installment contract,
23 lease as lessor, transfer, or dispose of such real or
24 personal property of the Rail Authority, including rail
25 facilities or related facilities, as the Board of Directors
26 deems appropriate in the exercise of its powers and to

1 mortgage, pledge, or otherwise grant security interests in
2 any such property.

3 (viii) To enter at reasonable times upon such lands,
4 waters, or premises as, in the judgment of the Board of
5 Directors of the Rail Authority, may be necessary,
6 convenient, or desirable for the purpose of making surveys,
7 soundings, borings, and examinations to accomplish any
8 purpose authorized by Sections 22.1 through 22.7 of this
9 Act after having given reasonable notice of such proposed
10 entry to the owners and occupants of such lands, waters, or
11 premises, the Rail Authority being liable only for actual
12 damage caused by such activity.

13 (ix) To enter into contracts of group insurance for the
14 benefit of its employees and to provide for retirement or
15 pensions or other employee benefit arrangements for such
16 employees, and to assume obligations for pensions or other
17 employee benefit arrangements for employees of
18 transportation agencies, all or part of the facilities of
19 which are acquired by the Rail Authority.

20 (x) To provide for the insurance of any property,
21 directors, officers, employees, or operations of the Rail
22 Authority against any risk or hazard, and to self-insure or
23 participate in joint self-insurance pools or entities to
24 insure against such risk or hazard.

25 (xi) To pass all resolutions and make all rules and
26 regulations proper or necessary to regulate the use,

1 operation, and maintenance of the property and facilities
2 of the Rail Authority and, by resolution, to prescribe
3 finances or penalties for violations of those rules and
4 regulations. No fine or penalty shall exceed \$1,000 per
5 offense. Any resolution providing for any fine or penalty
6 shall be published in a newspaper of general circulation in
7 the metropolitan region. No such resolution shall take
8 effect until 10 days after its publication.

9 (xii) To enter into arbitration arrangements, which
10 may be final and binding.

11 (xiii) To establish a separate public corporation, to
12 be known as the North Central Illinois Rail Corporation
13 (the "Rail Corporation"), as a separate operating unit on
14 behalf of the Rail Authority, subject at all times to the
15 supervision and direction of the Board of Directors of the
16 Rail Authority and, by resolution, to dissolve such a
17 Corporation. The corporation shall be governed by a Board
18 of Directors, which shall consist of the members of the
19 Board of Directors of the Rail Authority.

20 (xiv) To make and execute all contracts and other
21 instruments necessary or convenient to the exercise of its
22 powers.

23 (xv) To enter into agreements with the State of
24 Illinois, any unit of local government, or any entity of
25 the federal government with respect to provision of rail
26 passenger or freight service.

1 (b) In each case in which this Act gives the Rail Authority
2 the power to construct or acquire rail facilities or related
3 facilities or any other real or personal property, the Rail
4 Authority shall have the power to acquire such property by
5 contract, purchase, gift, grant, exchange for other property or
6 rights in property, lease (or sublease), or installment or
7 conditional purchase contracts, which leases or contracts may
8 provide for consideration to be paid in installments during a
9 period not exceeding 40 years, and to dispose of such property
10 or rights by lease or sale as the Board of Directors shall
11 determine. Property may be acquired subject to such conditions,
12 restrictions, liens, or security or other interests of other
13 parties as the Board of Directors may deem appropriate, and in
14 each case the Rail Authority may acquire a joint, leasehold,
15 easement, license, or other partial interest in such property.
16 Any such acquisition may provide for the assumption of, or
17 agreement to pay, perform, or discharge outstanding or
18 continuing duties, obligations, or liabilities of the seller,
19 lessor, donor, or other transferor of or of the trustee with
20 regard to such property. In connection with the acquisition of
21 Rail Facilities or Related Facilities, including, but not
22 limited to, rolling stock, vehicles, locomotives, buses, or
23 rapid transit equipment, the Rail Authority may also execute
24 agreements concerning such equipment leases, equipment trust
25 certificates, conditional purchase agreements, and such other
26 security agreements and may make such agreements and covenants

1 as required, in the form customarily used in such cases
2 appropriate to effect such acquisition. The Rail Authority may
3 not acquire property by eminent domain.

4 (70 ILCS 5/22.4 new)

5 Sec. 22.4. Bonds and notes.

6 (a) The Rail Authority shall have the power to borrow money
7 and to issue its negotiable bonds or notes as provided in this
8 Section. Unless otherwise indicated in this Section, the term
9 "notes" also includes bond anticipation notes, which are notes
10 that by their terms provide for their payment from the proceeds
11 of bonds subsequently to be issued. Bonds or notes of the Rail
12 Authority may be issued for any or all of the following
13 purposes: to pay costs to the Rail Authority of constructing or
14 acquiring any rail facilities or related facilities, to cover
15 operating costs of passenger rail service during an initial
16 period of such service of not to exceed 3 years, to pay
17 interest on bonds or notes during any period of construction or
18 acquisition of rail facilities or related facilities, to
19 establish a debt service reserve fund, to pay costs of issuance
20 of the bonds or notes, and to refund its bonds or notes.

21 (b) The issuance of any bonds or notes shall be authorized
22 by a resolution of the Board of Directors of the Rail
23 Authority. The resolution providing for the issuance of any
24 such bonds or notes shall fix their date or dates of maturity,
25 the dates on which interest is payable, any sinking fund

1 account or reserve fund account provisions, and all other
2 details of the bonds or notes and may provide for such
3 covenants or agreements necessary or desirable with regard to
4 the issue, sale, and security of the bonds or notes. The rate
5 or rates of interest on the bonds or notes may be fixed or
6 variable and the Rail Authority shall determine or provide for
7 the determination of the rate or rates of interest of its bonds
8 or notes issued under this Act in a resolution adopted prior to
9 their issuance, none of which rates of interest shall exceed
10 that permitted in the Bond Authorization Act. Bonds and notes
11 issued under this Section may be issued as serial or term
12 obligations, shall be of such denomination or denominations and
13 form, shall be executed in such manner, shall be payable at
14 such place or places and bear such date as the Rail Authority
15 shall fix by the resolution authorizing such bonds or notes and
16 shall mature at such time or times, within a period not to
17 exceed 40 years from their date of issue, and may be redeemable
18 prior to maturity, with or without premium, at the option of
19 the Rail Authority, upon such terms and conditions as the Rail
20 Authority shall fix by the resolution authorizing the issuance
21 of the bonds or notes. In case any officer whose signature
22 appears on any bonds or notes authorized pursuant to this
23 Section shall cease to be an officer before delivery of such
24 bonds or notes, the signature shall nevertheless be valid and
25 sufficient for all purposes, the same as if the officer had
26 remained in office until the delivery.

1 (c) Bonds or notes of the Rail Authority issued pursuant to
2 this Section shall have a claim for payment as to principal and
3 interest from such sources as provided by the resolution
4 authorizing such bonds or notes. Such bonds or notes shall be
5 secured as provided in the authorizing resolution of the Board
6 of Directors of the Rail Authority, which may, notwithstanding
7 any other provision of this Act, include in addition to any
8 other security, a specific pledge or assignment of and lien on
9 or security interest in any or all receipts of the Rail
10 Authority and on any or all other revenues or money of the Rail
11 Authority from whatever source, which may by law be utilized
12 for debt service purposes, as well as any funds or accounts
13 established or provided for the payment of such debt service,
14 by the resolution of the Rail Authority authorizing the
15 issuance of the bonds or notes. Any such pledge, assignment,
16 lien, or security interest for the benefit of holders of bonds
17 or notes of the Rail Authority shall be valid and binding from
18 the time the bonds or notes are issued without any physical
19 delivery or further act and shall be valid and binding as
20 against and prior to the claims of all other parties having
21 claims of any kind against the Rail Authority or any other
22 person irrespective of whether such other parties have notice
23 of such pledge, assignment, lien, or security interest. The
24 resolution of the Board of Directors of the Rail Authority
25 authorizing the issuance of any bonds or notes may provide
26 additional security for such bonds or notes by providing for

1 appointment of a corporate trustee (which may be any trust
2 company or bank having the powers of a trust company within
3 Illinois) with respect to the bonds or notes. The resolution
4 shall prescribe the rights, duties, and powers of the trustee
5 to be exercised for the benefit of the Rail Authority and the
6 protection of the owners of such bonds or notes. The resolution
7 may provide for the trustee to hold in trust, invest, and use
8 amounts in funds and accounts created as provided by the
9 resolution with respect to the bonds or notes.

10 (70 ILCS 5/22.5 new)

11 Sec. 22.5. Exemption from regulations. The Rail Authority
12 and the Rail Corporation shall not be subject to the Public
13 Utilities Act. Any entity that has any purchase of service
14 agreement with the Rail Authority for the provision of rail
15 passenger or freight service shall not be subject to that Act
16 as to any rail service that is the subject of such an
17 agreement.

18 (70 ILCS 5/22.6 new)

19 Sec. 22.6. Exemption from taxation. The Rail Authority and
20 the Rail Corporation shall be exempt from all State and unit of
21 local government taxes and registration and license fees. All
22 property of the Rail Authority or of the Rail Corporation shall
23 be public property devoted to an essential public and
24 governmental function and purpose and shall be exempt from all

1 taxes and special assessments of the State, any subdivision of
2 the State, or any unit of local government.

3 (70 ILCS 5/22.7 new)

4 Sec. 22.7. Federal, State, and other funds. The Rail
5 Authority shall have the power to apply for, receive, and
6 expend grants, loans, or other funds from the State of Illinois
7 or any of its departments or agencies, from any unit of local
8 government, or from the federal government or any of its
9 departments or agencies, for use in connection with any of the
10 powers or purposes of the Rail Authority as set forth in this
11 Act, and to enter into agreements with the lending or granting
12 agency in connection with any such loan or grant.

13 Section 99. Effective date. This Act takes effect upon
14 becoming law.".