

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 Illinois Finance Authority Act is amended by
5 changing Sections 801-10, 830-50, and 845-5 and by adding
6 Section 825-12 as follows:

7 (20 ILCS 3501/801-10)

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

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

14 (b) The term "project" means an industrial project,
15 conservation project, housing project, public purpose project,
16 higher education project, health facility project, cultural
17 institution project, agricultural facility or agribusiness,
18 and "project" may include any combination of one or more of the
19 foregoing undertaken jointly by any person with one or more
20 other persons.

21 (c) The term "public purpose project" means any project or
22 facility including without limitation land, buildings,
23 structures, machinery, equipment and all other real and

1 personal property, which is authorized or required by law to be
2 acquired, constructed, improved, rehabilitated, reconstructed,
3 replaced or maintained by any unit of government or any other
4 lawful public purpose which is authorized or required by law to
5 be undertaken by any unit of government.

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

1 capital project or (3) any activity or undertaking which the
2 Authority determines will aid, assist or encourage economic
3 growth, development or redevelopment within the State or any
4 area thereof, will promote the expansion, retention or
5 diversification of employment opportunities within the State
6 or any area thereof or will aid in stabilizing or developing
7 any industry or economic sector of the State economy. The term
8 "industrial project" also means the production of motion
9 pictures.

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

15 (f) The terms "lease agreement" and "loan agreement" shall
16 mean: (i) an agreement whereby a project acquired by the
17 Authority by purchase, gift or lease is leased to any person,
18 corporation or unit of local government which will use or cause
19 the project to be used as a project as heretofore defined upon
20 terms providing for lease rental payments at least sufficient
21 to pay when due all principal of, interest and premium, if any,
22 on any bonds of the Authority issued with respect to such
23 project, providing for the maintenance, insuring and operation
24 of the project on terms satisfactory to the Authority,
25 providing for disposition of the project upon termination of
26 the lease term, including purchase options or abandonment of

1 the premises, and such other terms as may be deemed desirable
2 by the Authority, or (ii) any agreement pursuant to which the
3 Authority agrees to loan the proceeds of its bonds issued with
4 respect to a project or other funds of the Authority to any
5 person which will use or cause the project to be used as a
6 project as heretofore defined upon terms providing for loan
7 repayment installments at least sufficient to pay when due all
8 principal of, interest and premium, if any, on any bonds of the
9 Authority, if any, issued with respect to the project, and
10 providing for maintenance, insurance and other matters as may
11 be deemed desirable by the Authority.

12 (g) The term "financial aid" means the expenditure of
13 Authority funds or funds provided by the Authority through the
14 issuance of its bonds, notes or other evidences of indebtedness
15 or from other sources for the development, construction,
16 acquisition or improvement of a project.

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

21 (i) The term "unit of government" means the federal
22 government, the State or unit of local government, a school
23 district, or any agency or instrumentality, office, officer,
24 department, division, bureau, commission, college or
25 university thereof.

26 (j) The term "health facility" means: (a) any public or

1 private institution, place, building, or agency required to be
2 licensed under the Hospital Licensing Act; (b) any public or
3 private institution, place, building, or agency required to be
4 licensed under the Nursing Home Care Act; (c) any public or
5 licensed private hospital as defined in the Mental Health and
6 Developmental Disabilities Code; (d) any such facility
7 exempted from such licensure when the Director of Public Health
8 attests that such exempted facility meets the statutory
9 definition of a facility subject to licensure; (e) any other
10 public or private health service institution, place, building,
11 or agency which the Director of Public Health attests is
12 subject to certification by the Secretary, U.S. Department of
13 Health and Human Services under the Social Security Act, as now
14 or hereafter amended, or which the Director of Public Health
15 attests is subject to standard-setting by a recognized public
16 or voluntary accrediting or standard-setting agency; (f) any
17 public or private institution, place, building or agency
18 engaged in providing one or more supporting services to a
19 health facility; (g) any public or private institution, place,
20 building or agency engaged in providing training in the healing
21 arts, including but not limited to schools of medicine,
22 dentistry, osteopathy, optometry, podiatry, pharmacy or
23 nursing, schools for the training of x-ray, laboratory or other
24 health care technicians and schools for the training of
25 para-professionals in the health care field; (h) any public or
26 private congregate, life or extended care or elderly housing

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

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

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

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

24 (m) The term "bond resolution" means the resolution or
25 resolutions authorizing the issuance of, or providing terms and
26 conditions related to, bonds issued under this Act and

1 includes, where appropriate, any trust agreement, trust
2 indenture, indenture of mortgage or deed of trust providing
3 terms and conditions for such bonds.

4 (n) The term "property" means any real, personal or mixed
5 property, whether tangible or intangible, or any interest
6 therein, including, without limitation, any real estate,
7 leasehold interests, appurtenances, buildings, easements,
8 equipment, furnishings, furniture, improvements, machinery,
9 rights of way, structures, accounts, contract rights or any
10 interest therein.

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

14 (p) The term "higher education project" means, in the case
15 of a private institution of higher education, an educational
16 facility to be acquired, constructed, enlarged, remodeled,
17 renovated, improved, furnished, or equipped, or any
18 combination thereof.

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

23 (r) The term "educational facility" means any property
24 located within the State constructed or acquired before or
25 after the effective date of this Act, which is or will be, in
26 whole or in part, suitable for the instruction, feeding,

1 recreation or housing of students, the conducting of research
2 or other work of a private institution of higher education, the
3 use by a private institution of higher education in connection
4 with any educational, research or related or incidental
5 activities then being or to be conducted by it, or any
6 combination of the foregoing, including, without limitation,
7 any such property suitable for use as or in connection with any
8 one or more of the following: an academic facility,
9 administrative facility, agricultural facility, assembly hall,
10 athletic facility, auditorium, boating facility, campus,
11 communication facility, computer facility, continuing
12 education facility, classroom, dining hall, dormitory,
13 exhibition hall, fire fighting facility, fire prevention
14 facility, food service and preparation facility, gymnasium,
15 greenhouse, health care facility, hospital, housing,
16 instructional facility, laboratory, library, maintenance
17 facility, medical facility, museum, offices, parking area,
18 physical education facility, recreational facility, research
19 facility, stadium, storage facility, student union, study
20 facility, theatre or utility.

21 (s) The term "cultural facility" means any property located
22 within the State constructed or acquired before or after the
23 effective date of this Act, which is or will be, in whole or in
24 part, suitable for the particular purposes or needs of a
25 cultural institution, including, without limitation, any such
26 property suitable for use as or in connection with any one or

1 more of the following: an administrative facility, aquarium,
2 assembly hall, auditorium, botanical garden, exhibition hall,
3 gallery, greenhouse, library, museum, scientific laboratory,
4 theater or zoological facility, and shall also include, without
5 limitation, books, works of art or music, animal, plant or
6 aquatic life or other items for display, exhibition or
7 performance. The term "cultural facility" includes buildings
8 on the National Register of Historic Places which are owned or
9 operated by nonprofit entities.

10 (t) "Private institution of higher education" means a
11 not-for-profit educational institution which is not owned by
12 the State or any political subdivision, agency,
13 instrumentality, district or municipality thereof, which is
14 authorized by law to provide a program of education beyond the
15 high school level and which:

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

19 (2) Provides an educational program for which it awards
20 a bachelor's degree, or provides an educational program,
21 admission into which is conditioned upon the prior
22 attainment of a bachelor's degree or its equivalent, for
23 which it awards a postgraduate degree, or provides not less
24 than a 2-year program which is acceptable for full credit
25 toward such a degree, or offers a 2-year program in
26 engineering, mathematics, or the physical or biological

1 sciences which is designed to prepare the student to work
2 as a technician and at a semiprofessional level in
3 engineering, scientific, or other technological fields
4 which require the understanding and application of basic
5 engineering, scientific, or mathematical principles or
6 knowledge;

7 (3) Is accredited by a nationally recognized
8 accrediting agency or association or, if not so accredited,
9 is an institution whose credits are accepted, on transfer,
10 by not less than 3 institutions which are so accredited,
11 for credit on the same basis as if transferred from an
12 institution so accredited, and holds an unrevoked
13 certificate of approval under the Private College Act from
14 the Board of Higher Education, or is qualified as a "degree
15 granting institution" under the Academic Degree Act; and

16 (4) Does not discriminate in the admission of students
17 on the basis of race or color. "Private institution of
18 higher education" also includes any "academic
19 institution".

20 (u) The term "academic institution" means any
21 not-for-profit institution which is not owned by the State or
22 any political subdivision, agency, instrumentality, district
23 or municipality thereof, which institution engages in, or
24 facilitates academic, scientific, educational or professional
25 research or learning in a field or fields of study taught at a
26 private institution of higher education. Academic institutions

1 include, without limitation, libraries, archives, academic,
2 scientific, educational or professional societies,
3 institutions, associations or foundations having such
4 purposes.

5 (v) The term "cultural institution" means any
6 not-for-profit institution which is not owned by the State or
7 any political subdivision, agency, instrumentality, district
8 or municipality thereof, which institution engages in the
9 cultural, intellectual, scientific, educational or artistic
10 enrichment of the people of the State. Cultural institutions
11 include, without limitation, aquaria, botanical societies,
12 historical societies, libraries, museums, performing arts
13 associations or societies, scientific societies and zoological
14 societies.

15 (w) The term "affiliate" means, with respect to financing
16 of an agricultural facility or an agribusiness, any lender, any
17 person, firm or corporation controlled by, or under common
18 control with, such lender, and any person, firm or corporation
19 controlling such lender.

20 (x) The term "agricultural facility" means land, any
21 building or other improvement thereon or thereto, and any
22 personal properties deemed necessary or suitable for use,
23 whether or not now in existence, in farming, ranching, the
24 production of agricultural commodities (including, without
25 limitation, the products of aquaculture, hydroponics and
26 silviculture) or the treating, processing or storing of such

1 agricultural commodities when such activities are customarily
2 engaged in by farmers as a part of farming.

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

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

26 (1) grain handling and processing, including grain

1 storage, drying, treatment, conditioning, mailing and
2 packaging;

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

4 (3) fruit and vegetable processing, including
5 preparation, canning and packaging;

6 (4) processing of livestock and livestock products,
7 dairy products, poultry and poultry products, fish or
8 apiarian products, including slaughter, shearing,
9 collecting, preparation, canning and packaging;

10 (5) fertilizer and agricultural chemical
11 manufacturing, processing, application and supplying;

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

14 (7) manufacturing and supplying of agricultural
15 commodity processing machinery and equipment, including
16 machinery and equipment used in slaughter, treatment,
17 handling, collecting, preparation, canning or packaging of
18 agricultural commodities;

19 (8) farm building and farm structure manufacturing,
20 construction and supplying;

21 (9) construction, manufacturing, implementation,
22 supplying or servicing of irrigation, drainage and soil and
23 water conservation devices or equipment;

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

26 (11) facilities and equipment for processing and

1 packaging agricultural commodities specifically for
2 export;

3 (12) facilities and equipment for forestry product
4 processing and supplying, including sawmilling operations,
5 wood chip operations, timber harvesting operations, and
6 manufacturing of prefabricated buildings, paper, furniture
7 or other goods from forestry products;

8 (13) facilities and equipment for research and
9 development of products, processes and equipment for the
10 production, processing, preparation or packaging of
11 agricultural commodities and byproducts.

12 (aa) The term "asset" with respect to financing of any
13 agricultural facility or any agribusiness, means, but is not
14 limited to the following: cash crops or feed on hand; livestock
15 held for sale; breeding stock; marketable bonds and securities;
16 securities not readily marketable; accounts receivable; notes
17 receivable; cash invested in growing crops; net cash value of
18 life insurance; machinery and equipment; cars and trucks; farm
19 and other real estate including life estates and personal
20 residence; value of beneficial interests in trusts; government
21 payments or grants; and any other assets.

22 (bb) The term "liability" with respect to financing of any
23 agricultural facility or any agribusiness shall include, but
24 not be limited to the following: accounts payable; notes or
25 other indebtedness owed to any source; taxes; rent; amounts
26 owed on real estate contracts or real estate mortgages;

1 judgments; accrued interest payable; and any other liability.

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

4 (dd) The term "housing project" means a specific work or
5 improvement undertaken to provide residential dwelling
6 accommodations, including the acquisition, construction or
7 rehabilitation of lands, buildings and community facilities
8 and in connection therewith to provide nonhousing facilities
9 which are part of the housing project, including land,
10 buildings, improvements, equipment and all ancillary
11 facilities for use for offices, stores, retirement homes,
12 hotels, financial institutions, service, health care,
13 education, recreation or research establishments, or any other
14 commercial purpose which are or are to be related to a housing
15 development.

16 (ee) The term "conservation project" means any project
17 including the acquisition, construction, rehabilitation,
18 maintenance, operation, or upgrade that is intended to create
19 or expand open space or to reduce energy usage through
20 efficiency measures. For the purpose of this definition, "open
21 space" has the definition set forth under Section 10 of the
22 Illinois Open Land Trust Act.

23 (Source: P.A. 93-205, eff. 1-1-04; 93-1101, eff. 3-31-05.)

24 (20 ILCS 3501/825-12 new)

25 Sec. 825-12. Conservation projects.

1 (a) The Authority may develop a program to provide
2 low-interest loans and other financing to individuals,
3 business entities, private organizations, and units of local
4 government for conservation projects in the State of Illinois.

5 (b) Projects under this Section may include, without
6 limitation, the acquisition of land for open-space projects,
7 preservation or recreation measures for open spaces, and energy
8 conservation or efficiency projects that are intended to reduce
9 energy usage and costs.

10 (c) The Authority, in cooperation with the Department of
11 Natural Resources and the Department of Commerce and Economic
12 Opportunity, may adopt any rules necessary for the
13 administration of this Section. The Authority must include any
14 information concerning the program under this Section on its
15 Internet website.

16 (20 ILCS 3501/830-50)

17 Sec. 830-50. Specialized Livestock Guarantee Program.

18 (a) The Authority is authorized to issue State Guarantees
19 to lenders for loans to finance or refinance debts for
20 specialized livestock operations that are or will be located in
21 Illinois. For purposes of this Section, a "specialized
22 livestock operation" includes, but is not limited to, dairy,
23 beef, and swine enterprises. For purposes of this Section, a
24 specialized livestock operation also includes livestock
25 operations using anaerobic digestors to generate electricity.

1 (b) Lenders shall apply for the State Guarantees on forms
2 provided by the Authority and certify that the application and
3 any other documents submitted are true and correct. The lender
4 or borrower, or both in combination, shall pay an
5 administrative fee as determined by the Authority. The
6 applicant shall be responsible for paying any fee or charge
7 involved in recording mortgages, releases, financing
8 statements, insurance for secondary market issues, and any
9 other similar fee or charge that the Authority may require. The
10 application shall, at a minimum, contain the farmer's name,
11 address, present credit and financial information, including
12 cash flow statements, financial statements, balance sheets,
13 and any other information pertinent to the application, and the
14 collateral to be used to secure the State Guarantee. In
15 addition, the borrower must certify to the Authority that, at
16 the time the State Guarantee is provided, the borrower will not
17 be delinquent in the repayment of any debt. The lender must
18 agree to charge a fixed or adjustable interest rate that the
19 Authority determines to be below the market rate of interest
20 generally available to the borrower. If both the lender and
21 applicant agree, the interest rate on the State guaranteed loan
22 can be converted to a fixed interest rate at any time during
23 the term of the loan.

24 (c) State Guarantees provided under this Section (i) shall
25 not exceed \$1,000,000 per applicant, (ii) shall be no longer
26 than 15 years in duration, and (iii) shall be subject to an

1 annual review and renewal by the lender and the Authority. An
2 applicant may use this program more than once, provided that
3 the aggregate principal amount of State Guarantees under this
4 Section to that applicant does not exceed \$1,000,000. A State
5 Guarantee shall not be revoked by the Authority without a
6 90-day notice, in writing, to all parties.

7 (d) The Authority shall provide or renew a State Guarantee
8 to a lender if: (i) The lender pays a fee equal to 25 basis
9 points on the loan to the Authority on an annual basis. (ii)
10 The application provides collateral acceptable to the
11 Authority that is at least equal to the State Guarantee. (iii)
12 The lender assumes all responsibility and costs for pursuing
13 legal action on collecting any loan that is delinquent or in
14 default. (iv) The lender is at risk for the first 15% of the
15 outstanding principal of the note for which the State Guarantee
16 is provided.

17 (e) The Illinois Farmer and Agribusiness Loan Guarantee
18 Fund may be used to secure State Guarantees issued under this
19 Section as provided in Section 830-35.

20 (f) Notwithstanding the provisions of this Section 830-50
21 with respect to the specialized livestock operations and
22 lenders who may obtain State Guarantees, the Authority may
23 promulgate rules establishing the eligibility of specialized
24 livestock operations and lenders to participate in the State
25 Guarantee program and the terms, standards, and procedures that
26 will apply, when the Authority finds that emergency conditions

1 in Illinois agriculture have created the need for State
2 Guarantees pursuant to terms, standards, and procedures other
3 than those specified in this Section.

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

5 (20 ILCS 3501/845-5)

6 Sec. 845-5. The Authority may not have outstanding at any
7 one time bonds for any of its corporate purposes in an
8 aggregate principal amount exceeding \$26,650,000,000
9 ~~\$25,200,000,000~~, excluding bonds issued to refund the bonds of
10 the Authority or bonds of the Predecessor Authorities.

11 (Source: P.A. 93-205, eff. 1-1-04; 93-1101, eff. 3-31-05;
12 94-1068, eff. 8-1-06.)

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