



Rep. Elaine Nekritz

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1 AMENDMENT TO SENATE BILL 941

2 AMENDMENT NO. _____. Amend Senate Bill 941, AS AMENDED, by
3 replacing everything after the enacting clause with the
4 following:

5 "Section 5. The Regional Transportation Authority Act is
6 amended by changing Section 4.04 as follows:

7 (70 ILCS 3615/4.04) (from Ch. 111 2/3, par. 704.04)

8 Sec. 4.04. Issuance and Pledge of Bonds and Notes.

9 (a) The Authority shall have the continuing power to borrow
10 money and to issue its negotiable bonds or notes as provided in
11 this Section. Unless otherwise indicated in this Section, the
12 term "notes" also includes bond anticipation notes, which are
13 notes which by their terms provide for their payment from the
14 proceeds of bonds thereafter to be issued. Bonds or notes of
15 the Authority may be issued for any or all of the following
16 purposes: to pay costs to the Authority or a Service Board of

1 constructing or acquiring any public transportation facilities
2 (including funds and rights relating thereto, as provided in
3 Section 2.05 of this Act); to repay advances to the Authority
4 or a Service Board made for such purposes; to pay other
5 expenses of the Authority or a Service Board incident to or
6 incurred in connection with such construction or acquisition;
7 to provide funds for any transportation agency to pay principal
8 of or interest or redemption premium on any bonds or notes,
9 whether as such amounts become due or by earlier redemption,
10 issued prior to the date of this amendatory Act by such
11 transportation agency to construct or acquire public
12 transportation facilities or to provide funds to purchase such
13 bonds or notes; and to provide funds for any transportation
14 agency to construct or acquire any public transportation
15 facilities, to repay advances made for such purposes, and to
16 pay other expenses incident to or incurred in connection with
17 such construction or acquisition; and to provide funds for
18 payment of obligations, including the funding of reserves,
19 under any self-insurance plan or joint self-insurance pool or
20 entity.

21 In addition to any other borrowing as may be authorized by
22 this Section, the Authority may issue its notes, from time to
23 time, in anticipation of tax receipts of the Authority or of
24 other revenues or receipts of the Authority, in order to
25 provide money for the Authority or the Service Boards to cover
26 any cash flow deficit which the Authority or a Service Board

1 anticipates incurring. Any such notes are referred to in this
2 Section as "Working Cash Notes". No Working Cash Notes shall be
3 issued for a term of longer than 24 months. Proceeds of Working
4 Cash Notes may be used to pay day to day operating expenses of
5 the Authority or the Service Boards, consisting of wages,
6 salaries and fringe benefits, professional and technical
7 services (including legal, audit, engineering and other
8 consulting services), office rental, furniture, fixtures and
9 equipment, insurance premiums, claims for self-insured amounts
10 under insurance policies, public utility obligations for
11 telephone, light, heat and similar items, travel expenses,
12 office supplies, postage, dues, subscriptions, public hearings
13 and information expenses, fuel purchases, and payments of
14 grants and payments under purchase of service agreements for
15 operations of transportation agencies, prior to the receipt by
16 the Authority or a Service Board from time to time of funds for
17 paying such expenses. In addition to any Working Cash Notes
18 that the Board of the Authority may determine to issue, the
19 Suburban Bus Board, the Commuter Rail Board or the Board of the
20 Chicago Transit Authority may demand and direct that the
21 Authority issue its Working Cash Notes in such amounts and
22 having such maturities as the Service Board may determine.

23 Notwithstanding any other provision of this Act, any
24 amounts necessary to pay principal of and interest on any
25 Working Cash Notes issued at the demand and direction of a
26 Service Board or any Working Cash Notes the proceeds of which

1 were used for the direct benefit of a Service Board or any
2 other Bonds or Notes of the Authority the proceeds of which
3 were used for the direct benefit of a Service Board shall
4 constitute a reduction of the amount of any other funds
5 provided by the Authority to that Service Board. The Authority
6 shall, after deducting any costs of issuance, tender the net
7 proceeds of any Working Cash Notes issued at the demand and
8 direction of a Service Board to such Service Board as soon as
9 may be practicable after the proceeds are received. The
10 Authority may also issue notes or bonds to pay, refund or
11 redeem any of its notes and bonds, including to pay redemption
12 premiums or accrued interest on such bonds or notes being
13 renewed, paid or refunded, and other costs in connection
14 therewith. The Authority may also utilize the proceeds of any
15 such bonds or notes to pay the legal, financial, administrative
16 and other expenses of such authorization, issuance, sale or
17 delivery of bonds or notes or to provide or increase a debt
18 service reserve fund with respect to any or all of its bonds or
19 notes. The Authority may also issue and deliver its bonds or
20 notes in exchange for any public transportation facilities,
21 (including funds and rights relating thereto, as provided in
22 Section 2.05 of this Act) or in exchange for outstanding bonds
23 or notes of the Authority, including any accrued interest or
24 redemption premium thereon, without advertising or submitting
25 such notes or bonds for public bidding.

26 (b) The ordinance providing for the issuance of any such

1 bonds or notes shall fix the date or dates of maturity, the
2 dates on which interest is payable, any sinking fund account or
3 reserve fund account provisions and all other details of such
4 bonds or notes and may provide for such covenants or agreements
5 necessary or desirable with regard to the issue, sale and
6 security of such bonds or notes. The rate or rates of interest
7 on its bonds or notes may be fixed or variable and the
8 Authority shall determine or provide for the determination of
9 the rate or rates of interest of its bonds or notes issued
10 under this Act in an ordinance adopted by the Authority prior
11 to the issuance thereof, none of which rates of interest shall
12 exceed that permitted in the Bond Authorization Act. Interest
13 may be payable at such times as are provided for by the Board.
14 Bonds and notes issued under this Section may be issued as
15 serial or term obligations, shall be of such denomination or
16 denominations and form, including interest coupons to be
17 attached thereto, be executed in such manner, shall be payable
18 at such place or places and bear such date as the Authority
19 shall fix by the ordinance authorizing such bond or note and
20 shall mature at such time or times, within a period not to
21 exceed forty years from the date of issue, and may be
22 redeemable prior to maturity with or without premium, at the
23 option of the Authority, upon such terms and conditions as the
24 Authority shall fix by the ordinance authorizing the issuance
25 of such bonds or notes. No bond anticipation note or any
26 renewal thereof shall mature at any time or times exceeding 5

1 years from the date of the first issuance of such note. The
2 Authority may provide for the registration of bonds or notes in
3 the name of the owner as to the principal alone or as to both
4 principal and interest, upon such terms and conditions as the
5 Authority may determine. The ordinance authorizing bonds or
6 notes may provide for the exchange of such bonds or notes which
7 are fully registered, as to both principal and interest, with
8 bonds or notes which are registerable as to principal only. All
9 bonds or notes issued under this Section by the Authority other
10 than those issued in exchange for property or for bonds or
11 notes of the Authority shall be sold at a price which may be at
12 a premium or discount but such that the interest cost
13 (excluding any redemption premium) to the Authority of the
14 proceeds of an issue of such bonds or notes, computed to stated
15 maturity according to standard tables of bond values, shall not
16 exceed that permitted in the Bond Authorization Act. The
17 Authority shall notify the Governor's Office of Management and
18 Budget and the State Comptroller at least 30 days before any
19 bond sale and shall file with the Governor's Office of
20 Management and Budget and the State Comptroller a certified
21 copy of any ordinance authorizing the issuance of bonds at or
22 before the issuance of the bonds. After December 31, 1994, any
23 such bonds or notes shall be sold to the highest and best
24 bidder on sealed bids as the Authority shall deem. As such
25 bonds or notes are to be sold the Authority shall advertise for
26 proposals to purchase the bonds or notes which advertisement

1 shall be published at least once in a daily newspaper of
2 general circulation published in the metropolitan region at
3 least 10 days before the time set for the submission of bids.
4 The Authority shall have the right to reject any or all bids.
5 Notwithstanding any other provisions of this Section, Working
6 Cash Notes or bonds or notes to provide funds for
7 self-insurance or a joint self-insurance pool or entity may be
8 sold either upon competitive bidding or by negotiated sale
9 (without any requirement of publication of intention to
10 negotiate the sale of such Notes), as the Board shall determine
11 by ordinance adopted with the affirmative votes of at least 9
12 Directors. In case any officer whose signature appears on any
13 bonds, notes or coupons authorized pursuant to this Section
14 shall cease to be such officer before delivery of such bonds or
15 notes, such signature shall nevertheless be valid and
16 sufficient for all purposes, the same as if such officer had
17 remained in office until such delivery. Neither the Directors
18 of the Authority nor any person executing any bonds or notes
19 thereof shall be liable personally on any such bonds or notes
20 or coupons by reason of the issuance thereof.

21 (c) All bonds or notes of the Authority issued pursuant to
22 this Section shall be general obligations of the Authority to
23 which shall be pledged the full faith and credit of the
24 Authority, as provided in this Section. Such bonds or notes
25 shall be secured as provided in the authorizing ordinance,
26 which may, notwithstanding any other provision of this Act,

1 include in addition to any other security, a specific pledge or
2 assignment of and lien on or security interest in any or all
3 tax receipts of the Authority and on any or all other revenues
4 or moneys of the Authority from whatever source, which may by
5 law be utilized for debt service purposes and a specific pledge
6 or assignment of and lien on or security interest in any funds
7 or accounts established or provided for by the ordinance of the
8 Authority authorizing the issuance of such bonds or notes. Any
9 such pledge, assignment, lien or security interest for the
10 benefit of holders of bonds or notes of the Authority shall be
11 valid and binding from the time the bonds or notes are issued
12 without any physical delivery or further act and shall be valid
13 and binding as against and prior to the claims of all other
14 parties having claims of any kind against the Authority or any
15 other person irrespective of whether such other parties have
16 notice of such pledge, assignment, lien or security interest.
17 The obligations of the Authority incurred pursuant to this
18 Section shall be superior to and have priority over any other
19 obligations of the Authority.

20 The Authority may provide in the ordinance authorizing the
21 issuance of any bonds or notes issued pursuant to this Section
22 for the creation of, deposits in, and regulation and
23 disposition of sinking fund or reserve accounts relating to
24 such bonds or notes. The ordinance authorizing the issuance of
25 any bonds or notes pursuant to this Section may contain
26 provisions as part of the contract with the holders of the

1 bonds or notes, for the creation of a separate fund to provide
2 for the payment of principal and interest on such bonds or
3 notes and for the deposit in such fund from any or all the tax
4 receipts of the Authority and from any or all such other moneys
5 or revenues of the Authority from whatever source which may by
6 law be utilized for debt service purposes, all as provided in
7 such ordinance, of amounts to meet the debt service
8 requirements on such bonds or notes, including principal and
9 interest, and any sinking fund or reserve fund account
10 requirements as may be provided by such ordinance, and all
11 expenses incident to or in connection with such fund and
12 accounts or the payment of such bonds or notes. Such ordinance
13 may also provide limitations on the issuance of additional
14 bonds or notes of the Authority. No such bonds or notes of the
15 Authority shall constitute a debt of the State of Illinois.
16 Nothing in this Act shall be construed to enable the Authority
17 to impose any ad valorem tax on property.

18 (d) The ordinance of the Authority authorizing the issuance
19 of any bonds or notes may provide additional security for such
20 bonds or notes by providing for appointment of a corporate
21 trustee (which may be any trust company or bank having the
22 powers of a trust company within the state) with respect to
23 such bonds or notes. The ordinance shall prescribe the rights,
24 duties and powers of the trustee to be exercised for the
25 benefit of the Authority and the protection of the holders of
26 such bonds or notes. The ordinance may provide for the trustee

1 to hold in trust, invest and use amounts in funds and accounts
2 created as provided by the ordinance with respect to the bonds
3 or notes. The ordinance may provide for the assignment and
4 direct payment to the trustee of any or all amounts produced
5 from the sources provided in Section 4.03 and Section 4.09 of
6 this Act and provided in Section 6z-17 of "An Act in relation
7 to State finance", approved June 10, 1919, as amended. Upon
8 receipt of notice of any such assignment, the Department of
9 Revenue and the Comptroller of the State of Illinois shall
10 thereafter, notwithstanding the provisions of Section 4.03 and
11 Section 4.09 of this Act and Section 6z-17 of "An Act in
12 relation to State finance", approved June 10, 1919, as amended,
13 provide for such assigned amounts to be paid directly to the
14 trustee instead of the Authority, all in accordance with the
15 terms of the ordinance making the assignment. The ordinance
16 shall provide that amounts so paid to the trustee which are not
17 required to be deposited, held or invested in funds and
18 accounts created by the ordinance with respect to bonds or
19 notes or used for paying bonds or notes to be paid by the
20 trustee to the Authority.

21 (e) Any bonds or notes of the Authority issued pursuant to
22 this Section shall constitute a contract between the Authority
23 and the holders from time to time of such bonds or notes. In
24 issuing any bond or note, the Authority may include in the
25 ordinance authorizing such issue a covenant as part of the
26 contract with the holders of the bonds or notes, that as long

1 as such obligations are outstanding, it shall make such
2 deposits, as provided in paragraph (c) of this Section. It may
3 also so covenant that it shall impose and continue to impose
4 taxes, as provided in Section 4.03 of this Act and in addition
5 thereto as subsequently authorized by law, sufficient to make
6 such deposits and pay the principal and interest and to meet
7 other debt service requirements of such bonds or notes as they
8 become due. A certified copy of the ordinance authorizing the
9 issuance of any such obligations shall be filed at or prior to
10 the issuance of such obligations with the Comptroller of the
11 State of Illinois and the Illinois Department of Revenue.

12 (f) The State of Illinois pledges to and agrees with the
13 holders of the bonds and notes of the Authority issued pursuant
14 to this Section that the State will not limit or alter the
15 rights and powers vested in the Authority by this Act so as to
16 impair the terms of any contract made by the Authority with
17 such holders or in any way impair the rights and remedies of
18 such holders until such bonds and notes, together with interest
19 thereon, with interest on any unpaid installments of interest,
20 and all costs and expenses in connection with any action or
21 proceedings by or on behalf of such holders, are fully met and
22 discharged. In addition, the State pledges to and agrees with
23 the holders of the bonds and notes of the Authority issued
24 pursuant to this Section that the State will not limit or alter
25 the basis on which State funds are to be paid to the Authority
26 as provided in this Act, or the use of such funds, so as to

1 impair the terms of any such contract. The Authority is
2 authorized to include these pledges and agreements of the State
3 in any contract with the holders of bonds or notes issued
4 pursuant to this Section.

5 (g) (1) Except as provided in subdivisions (g)(2) and
6 (g)(3) of Section 4.04 of this Act, the Authority shall not
7 at any time issue, sell or deliver any bonds or notes
8 (other than Working Cash Notes) pursuant to this Section
9 4.04 which will cause it to have issued and outstanding at
10 any time in excess of \$800,000,000 of such bonds and notes
11 (other than Working Cash Notes). The Authority shall not ~~at~~
12 ~~any time~~ issue, sell, or deliver any Working Cash Notes
13 pursuant to this Section that will cause it to have issued
14 and outstanding at any time in excess of \$100,000,000.
15 However, the Authority may issue, sell, and deliver
16 additional Working Cash Notes before July 1, 2012 that are
17 over and above and in addition to the \$100,000,000
18 authorization such that the outstanding amount of these
19 additional Working Cash Notes does not exceed at any time
20 \$300,000,000. ~~Notwithstanding the foregoing, before July~~
21 ~~1, 2009, the Authority may issue, sell, and deliver an~~
22 ~~additional \$300,000,000 in Working Cash Notes, provided~~
23 ~~that any such additional notes shall mature on or before~~
24 ~~June 30, 2011.~~ Bonds or notes which are being paid or
25 retired by such issuance, sale or delivery of bonds or
26 notes, and bonds or notes for which sufficient funds have

1 been deposited with the paying agency of such bonds or
2 notes to provide for payment of principal and interest
3 thereon or to provide for the redemption thereof, all
4 pursuant to the ordinance authorizing the issuance of such
5 bonds or notes, shall not be considered to be outstanding
6 for the purposes of ~~the first two sentences of this~~
7 subsection.

8 (2) In addition to the authority provided by paragraphs
9 (1) and (3), the Authority is authorized to issue, sell and
10 deliver bonds or notes for Strategic Capital Improvement
11 Projects approved pursuant to Section 4.13 as follows:

12 \$100,000,000 is authorized to be issued on or after
13 January 1, 1990;

14 an additional \$100,000,000 is authorized to be issued
15 on or after January 1, 1991;

16 an additional \$100,000,000 is authorized to be issued
17 on or after January 1, 1992;

18 an additional \$100,000,000 is authorized to be issued
19 on or after January 1, 1993;

20 an additional \$100,000,000 is authorized to be issued
21 on or after January 1, 1994; and

22 the aggregate total authorization of bonds and notes
23 for Strategic Capital Improvement Projects as of January 1,
24 1994, shall be \$500,000,000.

25 The Authority is also authorized to issue, sell, and
26 deliver bonds or notes in such amounts as are necessary to

1 provide for the refunding or advance refunding of bonds or
2 notes issued for Strategic Capital Improvement Projects
3 under this subdivision (g)(2), provided that no such
4 refunding bond or note shall mature later than the final
5 maturity date of the series of bonds or notes being
6 refunded, and provided further that the debt service
7 requirements for such refunding bonds or notes in the
8 current or any future fiscal year shall not exceed the debt
9 service requirements for that year on the refunded bonds or
10 notes.

11 (3) In addition to the authority provided by paragraphs
12 (1) and (2), the Authority is authorized to issue, sell,
13 and deliver bonds or notes for Strategic Capital
14 Improvement Projects approved pursuant to Section 4.13 as
15 follows:

16 \$260,000,000 is authorized to be issued on or after
17 January 1, 2000;

18 an additional \$260,000,000 is authorized to be issued
19 on or after January 1, 2001;

20 an additional \$260,000,000 is authorized to be issued
21 on or after January 1, 2002;

22 an additional \$260,000,000 is authorized to be issued
23 on or after January 1, 2003;

24 an additional \$260,000,000 is authorized to be issued
25 on or after January 1, 2004; and

26 the aggregate total authorization of bonds and notes

1 for Strategic Capital Improvement Projects pursuant to
2 this paragraph (3) as of January 1, 2004 shall be
3 \$1,300,000,000.

4 The Authority is also authorized to issue, sell, and
5 deliver bonds or notes in such amounts as are necessary to
6 provide for the refunding or advance refunding of bonds or
7 notes issued for Strategic Capital Improvement projects
8 under this subdivision (g)(3), provided that no such
9 refunding bond or note shall mature later than the final
10 maturity date of the series of bonds or notes being
11 refunded, and provided further that the debt service
12 requirements for such refunding bonds or notes in the
13 current or any future fiscal year shall not exceed the debt
14 service requirements for that year on the refunded bonds or
15 notes.

16 (h) The Authority, subject to the terms of any agreements
17 with noteholders or bond holders as may then exist, shall have
18 power, out of any funds available therefor, to purchase notes
19 or bonds of the Authority, which shall thereupon be cancelled.

20 (i) In addition to any other authority granted by law, the
21 State Treasurer may, with the approval of the Governor, invest
22 or reinvest, at a price not to exceed par, any State money in
23 the State Treasury which is not needed for current expenditures
24 due or about to become due in Working Cash Notes.

25 (Source: P.A. 94-793, eff. 5-19-06; 95-708, eff. 1-18-08.)

1 Section 99. Effective date. This Act takes effect upon
2 becoming law.".