



Rep. Daniel J. Burke

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LRB096 10283 RCE 30653 a

1 AMENDMENT TO SENATE BILL 1514

2 AMENDMENT NO. _____. Amend Senate Bill 1514, AS AMENDED,
3 by replacing everything after the enacting clause with the
4 following:

5 "Section 5. The General Obligation Bond Act is amended by
6 changing Sections 8, 9, 14, and 15 as follows:

7 (30 ILCS 330/8) (from Ch. 127, par. 658)

8 Sec. 8. Bond sale expenses.

9 (a) An amount not to exceed 0.5 percent of the principal
10 amount of the proceeds of sale of each bond sale is authorized
11 to be used to pay the reasonable costs of issuance and sale,
12 including, without limitation, underwriter's discounts and
13 fees, but excluding bond insurance, of State of Illinois
14 general obligation bonds authorized and sold pursuant to this
15 Act, provided that no salaries of State employees or other
16 State office operating expenses shall be paid out of

1 non-appropriated proceeds, provided further that the percent
2 shall be 1.0% for each sale of "Build America Bonds" or
3 "Qualified School Construction Bonds" as defined in
4 subsections (d) and (e) of Section 9, respectively. The
5 Governor's Office of Management and Budget shall compile a
6 summary of all costs of issuance on each sale (including both
7 costs paid out of proceeds and those paid out of appropriated
8 funds) and post that summary on its web site within 20 business
9 days after the issuance of the Bonds. The summary shall
10 include, as applicable, the respective percentages of
11 participation and compensation of each underwriter that is a
12 member of the underwriting syndicate, legal counsel, financial
13 advisors, and other professionals for the bond issue and an
14 identification of all costs of issuance paid to minority owned
15 businesses, female owned businesses, and businesses owned by
16 persons with disabilities. The terms "minority owned
17 businesses", "female owned businesses", and "business owned by
18 a person with a disability" have the meanings given to those
19 terms in the Business Enterprise for Minorities, Females, and
20 Persons with Disabilities Act. That posting shall be maintained
21 on the web site for a period of at least 30 days. In addition,
22 the Governor's Office of Management and Budget shall provide a
23 written copy of each summary of costs to the Speaker and
24 Minority Leader of the House of Representatives, the President
25 and Minority Leader of the Senate, and the Commission on
26 Government Forecasting and Accountability within 20 business

1 days after each issuance of the Bonds. In addition, the
2 Governor's Office of Management and Budget shall provide copies
3 of all contracts under which any costs of issuance are paid or
4 to be paid to the Commission on Government Forecasting and
5 Accountability within 20 business days after the issuance of
6 Bonds for which those costs are paid or to be paid. Instead of
7 filing a second or subsequent copy of the same contract, the
8 Governor's Office of Management and Budget may file a statement
9 that specified costs are paid under specified contracts filed
10 earlier with the Commission.

11 (b) The Director of the Governor's Office of Management and
12 Budget shall not, in connection with the issuance of Bonds,
13 contract with any underwriter, financial advisor, or attorney
14 unless that underwriter, financial advisor, or attorney
15 certifies that the underwriter, financial advisor, or attorney
16 has not and will not pay a contingent fee, whether directly or
17 indirectly, to a third party for having promoted the selection
18 of the underwriter, financial advisor, or attorney for that
19 contract. In the event that the Governor's Office of Management
20 and Budget determines that an underwriter, financial advisor,
21 or attorney has filed a false certification with respect to the
22 payment of contingent fees, the Governor's Office of Management
23 and Budget shall not contract with that underwriter, financial
24 advisor, or attorney, or with any firm employing any person who
25 signed false certifications, for a period of 2 calendar years,
26 beginning with the date the determination is made. The validity

1 of Bonds issued under such circumstances of violation pursuant
2 to this Section shall not be affected.

3 (Source: P.A. 93-2, eff. 4-7-03; 93-839, eff. 7-30-04; 93-1067,
4 eff. 1-15-05.)

5 (30 ILCS 330/9) (from Ch. 127, par. 659)

6 Sec. 9. Conditions for Issuance and Sale of Bonds -
7 Requirements for Bonds.

8 (a) Except as otherwise provided in this subsection, Bonds
9 shall be issued and sold from time to time, in one or more
10 series, in such amounts and at such prices as may be directed
11 by the Governor, upon recommendation by the Director of the
12 Governor's Office of Management and Budget. Bonds shall be in
13 such form (either coupon, registered or book entry), in such
14 denominations, payable within 25 years from their date, subject
15 to such terms of redemption with or without premium, bear
16 interest payable at such times and at such fixed or variable
17 rate or rates, and be dated as shall be fixed and determined by
18 the Director of the Governor's Office of Management and Budget
19 in the order authorizing the issuance and sale of any series of
20 Bonds, which order shall be approved by the Governor and is
21 herein called a "Bond Sale Order"; provided however, that
22 interest payable at fixed or variable rates shall not exceed
23 that permitted in the Bond Authorization Act, as now or
24 hereafter amended. Bonds shall be payable at such place or
25 places, within or without the State of Illinois, and may be

1 made registrable as to either principal or as to both principal
2 and interest, as shall be specified in the Bond Sale Order.
3 Bonds may be callable or subject to purchase and retirement or
4 tender and remarketing as fixed and determined in the Bond Sale
5 Order. Bonds, other than Bonds issued under Section 3 of this
6 Act for the costs associated with the purchase and
7 implementation of information technology, (i) except for
8 refunding Bonds satisfying the requirements of Section 16 of
9 this Act and sold during fiscal year 2009, 2010, or 2011, must
10 be issued with principal or mandatory redemption amounts in
11 equal amounts, with the first maturity issued occurring within
12 the fiscal year in which the Bonds are issued or within the
13 next succeeding fiscal year and (ii) must mature or be subject
14 to mandatory redemption each fiscal year thereafter up to 25
15 years, except for refunding Bonds satisfying the requirements
16 of Section 16 of this Act and sold during fiscal year 2009,
17 2010, or 2011 which must mature or be subject to mandatory
18 redemption each fiscal year thereafter up to 16 years. Bonds
19 issued under Section 3 of this Act for the costs associated
20 with the purchase and implementation of information technology
21 must be issued with principal or mandatory redemption amounts
22 in equal amounts, with the first maturity issued occurring with
23 the fiscal year in which the respective bonds are issued or
24 with the next succeeding fiscal year, with the respective bonds
25 issued maturing or subject to mandatory redemption each fiscal
26 year thereafter up to 10 years. Notwithstanding any provision

1 of this Act to the contrary, the Bonds authorized by Public Act
2 96-43 ~~this amendatory Act of the 96th General Assembly~~ shall be
3 payable within 5 years from their date and must be issued with
4 principal or mandatory redemption amounts in equal amounts,
5 with payment of principal or mandatory redemption beginning in
6 the first fiscal year following the fiscal year in which the
7 Bonds are issued.

8 In the case of any series of Bonds bearing interest at a
9 variable interest rate ("Variable Rate Bonds"), in lieu of
10 determining the rate or rates at which such series of Variable
11 Rate Bonds shall bear interest and the price or prices at which
12 such Variable Rate Bonds shall be initially sold or remarketed
13 (in the event of purchase and subsequent resale), the Bond Sale
14 Order may provide that such interest rates and prices may vary
15 from time to time depending on criteria established in such
16 Bond Sale Order, which criteria may include, without
17 limitation, references to indices or variations in interest
18 rates as may, in the judgment of a remarketing agent, be
19 necessary to cause Variable Rate Bonds of such series to be
20 remarketable from time to time at a price equal to their
21 principal amount, and may provide for appointment of a bank,
22 trust company, investment bank, or other financial institution
23 to serve as remarketing agent in that connection. The Bond Sale
24 Order may provide that alternative interest rates or provisions
25 for establishing alternative interest rates, different
26 security or claim priorities, or different call or amortization

1 provisions will apply during such times as Variable Rate Bonds
2 of any series are held by a person providing credit or
3 liquidity enhancement arrangements for such Bonds as
4 authorized in subsection (b) of this Section. The Bond Sale
5 Order may also provide for such variable interest rates to be
6 established pursuant to a process generally known as an auction
7 rate process and may provide for appointment of one or more
8 financial institutions to serve as auction agents and
9 broker-dealers in connection with the establishment of such
10 interest rates and the sale and remarketing of such Bonds.

11 (b) In connection with the issuance of any series of Bonds,
12 the State may enter into arrangements to provide additional
13 security and liquidity for such Bonds, including, without
14 limitation, bond or interest rate insurance or letters of
15 credit, lines of credit, bond purchase contracts, or other
16 arrangements whereby funds are made available to retire or
17 purchase Bonds, thereby assuring the ability of owners of the
18 Bonds to sell or redeem their Bonds. The State may enter into
19 contracts and may agree to pay fees to persons providing such
20 arrangements, but only under circumstances where the Director
21 of the Governor's Office of Management and Budget certifies
22 that he or she reasonably expects the total interest paid or to
23 be paid on the Bonds, together with the fees for the
24 arrangements (being treated as if interest), would not, taken
25 together, cause the Bonds to bear interest, calculated to their
26 stated maturity, at a rate in excess of the rate that the Bonds

1 would bear in the absence of such arrangements.

2 The State may, with respect to Bonds issued or anticipated
3 to be issued, participate in and enter into arrangements with
4 respect to interest rate protection or exchange agreements,
5 guarantees, or financial futures contracts for the purpose of
6 limiting, reducing, or managing interest rate exposure. The
7 authority granted under this paragraph, however, shall not
8 increase the principal amount of Bonds authorized to be issued
9 by law. The arrangements may be executed and delivered by the
10 Director of the Governor's Office of Management and Budget on
11 behalf of the State. Net payments for such arrangements shall
12 constitute interest on the Bonds and shall be paid from the
13 General Obligation Bond Retirement and Interest Fund. The
14 Director of the Governor's Office of Management and Budget
15 shall at least annually certify to the Governor and the State
16 Comptroller his or her estimate of the amounts of such net
17 payments to be included in the calculation of interest required
18 to be paid by the State.

19 (c) Prior to the issuance of any Variable Rate Bonds
20 pursuant to subsection (a), the Director of the Governor's
21 Office of Management and Budget shall adopt an interest rate
22 risk management policy providing that the amount of the State's
23 variable rate exposure with respect to Bonds shall not exceed
24 20%. This policy shall remain in effect while any Bonds are
25 outstanding and the issuance of Bonds shall be subject to the
26 terms of such policy. The terms of this policy may be amended

1 from time to time by the Director of the Governor's Office of
2 Management and Budget but in no event shall any amendment cause
3 the permitted level of the State's variable rate exposure with
4 respect to Bonds to exceed 20%.

5 (d) "Build America Bonds" in this Section means Bonds
6 authorized by Section 54AA of the Internal Revenue Code of
7 1986, as amended ("Internal Revenue Code"), and bonds issued
8 from time to time to refund or continue to refund "Build
9 America Bonds".

10 (e) Notwithstanding any other provision of this Section,
11 Qualified School Construction Bonds shall be issued and sold
12 from time to time, in one or more series, in such amounts and
13 at such prices as may be directed by the Governor, upon
14 recommendation by the Director of the Governor's Office of
15 Management and Budget. Qualified School Construction Bonds
16 shall be in such form (either coupon, registered or book
17 entry), in such denominations, payable within 25 years from
18 their date, subject to such terms of redemption with or without
19 premium, and if the Qualified School Construction Bonds are
20 issued with a supplemental coupon, bear interest payable at
21 such times and at such fixed or variable rate or rates, and be
22 dated as shall be fixed and determined by the Director of the
23 Governor's Office of Management and Budget in the order
24 authorizing the issuance and sale of any series of Qualified
25 School Construction Bonds, which order shall be approved by the
26 Governor and is herein called a "Bond Sale Order"; except that

1 interest payable at fixed or variable rates, if any, shall not
2 exceed that permitted in the Bond Authorization Act, as now or
3 hereafter amended. Qualified School Construction Bonds shall
4 be payable at such place or places, within or without the State
5 of Illinois, and may be made registrable as to either principal
6 or as to both principal and interest, as shall be specified in
7 the Bond Sale Order. Qualified School Construction Bonds may be
8 callable or subject to purchase and retirement or tender and
9 remarketing as fixed and determined in the Bond Sale Order.
10 Qualified School Construction Bonds must be issued with
11 principal or mandatory redemption amounts or sinking fund
12 payments into the General Obligation Bond Retirement and
13 Interest Fund (or subaccount therefor) in equal amounts, with
14 the first maturity issued, mandatory redemption payment or
15 sinking fund payment occurring within the fiscal year in which
16 the Qualified School Construction Bonds are issued or within
17 the next succeeding fiscal year, with Qualified School
18 Construction Bonds issued maturing or subject to mandatory
19 redemption or with sinking fund payments thereof deposited each
20 fiscal year thereafter up to 25 years. Sinking fund payments
21 set forth in this subsection shall be permitted only to the
22 extent authorized in Section 54F of the Internal Revenue Code
23 or as otherwise determined by the Director of the Governor's
24 Office of Management and Budget. "Qualified School
25 Construction Bonds" in this subsection means Bonds authorized
26 by Section 54F of the Internal Revenue Code and for bonds

1 issued from time to time to refund or continue to refund such
2 "Qualified School Construction Bonds".

3 (Source: P.A. 96-18, eff. 6-26-09; 96-37, eff. 7-13-09; 96-43,
4 eff. 7-15-09; revised 8-20-09.)

5 (30 ILCS 330/14) (from Ch. 127, par. 664)

6 Sec. 14. Repayment.

7 (a) To provide for the manner of repayment of Bonds, the
8 Governor shall include an appropriation in each annual State
9 Budget of monies in such amount as shall be necessary and
10 sufficient, for the period covered by such budget, to pay the
11 interest, as it shall accrue, on all Bonds issued under this
12 Act, to pay and discharge the principal of such Bonds as shall,
13 by their terms, fall due during such period, ~~and~~ to pay a
14 premium, if any, on Bonds to be redeemed prior to the maturity
15 date, and to pay sinking fund payments in connection with
16 Qualified School Construction Bonds authorized by subsection
17 (e) of Section 9. Amounts included in such appropriations for
18 the payment of interest on variable rate bonds shall be the
19 maximum amounts of interest that may be payable for the period
20 covered by the budget, after taking into account any credits
21 permitted in the related indenture or other instrument against
22 the amount of such interest required to be appropriated for
23 such period. Amounts included in such appropriations for the
24 payment of interest shall include the amounts certified by the
25 Director of the Governor's Office of Management and Budget

1 under subsection (b) of Section 9 of this Act.

2 (b) A separate fund in the State Treasury called the
3 "General Obligation Bond Retirement and Interest Fund" is
4 hereby created.

5 (c) The General Assembly shall annually make
6 appropriations to pay the principal of, interest on, and
7 premium, if any, on Bonds sold under this Act from the General
8 Obligation Bond Retirement and Interest Fund. Amounts included
9 in such appropriations for the payment of interest on variable
10 rate bonds shall be the maximum amounts of interest that may be
11 payable during the fiscal year, after taking into account any
12 credits permitted in the related indenture or other instrument
13 against the amount of such interest required to be appropriated
14 for such period. Amounts included in such appropriations for
15 the payment of interest shall include the amounts certified by
16 the Director of the Governor's Office of Management and Budget
17 under subsection (b) of Section 9 of this Act.

18 If for any reason there are insufficient funds in either
19 the General Revenue Fund or the Road Fund to make transfers to
20 the General Obligation Bond Retirement and Interest Fund as
21 required by Section 15 of this Act, or if for any reason the
22 General Assembly fails to make appropriations sufficient to pay
23 the principal of, interest on, and premium, if any, on the
24 Bonds, as the same by their terms shall become due, this Act
25 shall constitute an irrevocable and continuing appropriation
26 of all amounts necessary for that purpose, and the irrevocable

1 and continuing authority for and direction to the State
2 Treasurer and the Comptroller to make the necessary transfers,
3 as directed by the Governor, out of and disbursements from the
4 revenues and funds of the State.

5 (d) If, because of insufficient funds in either the General
6 Revenue Fund or the Road Fund, monies have been transferred to
7 the General Obligation Bond Retirement and Interest Fund, as
8 required by subsection (c) of this Section, this Act shall
9 constitute the irrevocable and continuing authority for and
10 direction to the State Treasurer and Comptroller to reimburse
11 these funds of the State from the General Revenue Fund or the
12 Road Fund, as appropriate, by transferring, at such times and
13 in such amounts, as directed by the Governor, an amount to
14 these funds equal to that transferred from them.

15 (Source: P.A. 93-9, eff. 6-3-03; 94-793, eff. 5-19-06.)

16 (30 ILCS 330/15) (from Ch. 127, par. 665)

17 Sec. 15. Computation of Principal and Interest; transfers.

18 (a) Upon each delivery of Bonds authorized to be issued
19 under this Act, the Comptroller shall compute and certify to
20 the Treasurer the total amount of principal of, interest on,
21 and premium, if any, on Bonds issued that will be payable in
22 order to retire such Bonds, ~~and~~ the amount of principal of,
23 interest on and premium, if any, on such Bonds that will be
24 payable on each payment date according to the tenor of such
25 Bonds during the then current and each succeeding fiscal year, ~~and~~

1 and the amount of sinking fund payments needed to be deposited
2 in connection with Qualified School Construction Bonds
3 authorized by subsection (e) of Section 9. With respect to the
4 interest payable on variable rate bonds, such certifications
5 shall be calculated at the maximum rate of interest that may be
6 payable during the fiscal year, after taking into account any
7 credits permitted in the related indenture or other instrument
8 against the amount of such interest required to be appropriated
9 for such period pursuant to subsection (c) of Section 14 of
10 this Act. With respect to the interest payable, such
11 certifications shall include the amounts certified by the
12 Director of the Governor's Office of Management and Budget
13 under subsection (b) of Section 9 of this Act.

14 On or before the last day of each month the State Treasurer
15 and Comptroller shall transfer from (1) the Road Fund with
16 respect to Bonds issued under paragraph (a) of Section 4 of
17 this Act or Bonds issued for the purpose of refunding such
18 bonds, and from (2) the General Revenue Fund, with respect to
19 all other Bonds issued under this Act, to the General
20 Obligation Bond Retirement and Interest Fund an amount
21 sufficient to pay the aggregate of the principal of, interest
22 on, and premium, if any, on Bonds payable, by their terms on
23 the next payment date divided by the number of full calendar
24 months between the date of such Bonds and the first such
25 payment date, and thereafter, divided by the number of months
26 between each succeeding payment date after the first. Such

1 computations and transfers shall be made for each series of
2 Bonds issued and delivered. Interest payable on variable rate
3 bonds shall be calculated at the maximum rate of interest that
4 may be payable for the relevant period, after taking into
5 account any credits permitted in the related indenture or other
6 instrument against the amount of such interest required to be
7 appropriated for such period pursuant to subsection (c) of
8 Section 14 of this Act. Computations of interest shall include
9 the amounts certified by the Director of the Governor's Office
10 of Management and Budget under subsection (b) of Section 9 of
11 this Act. Interest for which moneys have already been deposited
12 into the capitalized interest account within the General
13 Obligation Bond Retirement and Interest Fund shall not be
14 included in the calculation of the amounts to be transferred
15 under this subsection. Notwithstanding any other provision in
16 this Section, the transfer provisions provided in this
17 paragraph shall not apply to transfers made in fiscal year 2010
18 with respect to Bonds issued in fiscal year 2010 pursuant to
19 Section 7.2 of this Act. In the case of transfers made in
20 fiscal year 2010 with respect to the Bonds issued in fiscal
21 year 2010 pursuant to Section 7.2 of this Act, on or before the
22 15th day of the month prior to the required debt service
23 payment, the State Treasurer and Comptroller shall transfer
24 from the General Revenue Fund to the General Obligation Bond
25 Retirement and Interest Fund an amount sufficient to pay the
26 aggregate of the principal of, interest on, and premium, if

1 any, on the Bonds payable in that next month.

2 The transfer of monies herein and above directed is not
3 required if monies in the General Obligation Bond Retirement
4 and Interest Fund are more than the amount otherwise to be
5 transferred as herein above provided, and if the Governor or
6 his authorized representative notifies the State Treasurer and
7 Comptroller of such fact in writing.

8 (b) After the effective date of this Act, the balance of,
9 and monies directed to be included in the Capital Development
10 Bond Retirement and Interest Fund, Anti-Pollution Bond
11 Retirement and Interest Fund, Transportation Bond, Series A
12 Retirement and Interest Fund, Transportation Bond, Series B
13 Retirement and Interest Fund, and Coal Development Bond
14 Retirement and Interest Fund shall be transferred to and
15 deposited in the General Obligation Bond Retirement and
16 Interest Fund. This Fund shall be used to make debt service
17 payments on the State's general obligation Bonds heretofore
18 issued which are now outstanding and payable from the Funds
19 herein listed as well as on Bonds issued under this Act.

20 (c) The unused portion of federal funds received for a
21 capital facilities project, as authorized by Section 3 of this
22 Act, for which monies from the Capital Development Fund have
23 been expended shall be deposited upon completion of the project
24 in the General Obligation Bond Retirement and Interest Fund.
25 Any federal funds received as reimbursement for the completed
26 construction of a capital facilities project, as authorized by

1 Section 3 of this Act, for which monies from the Capital
2 Development Fund have been expended shall be deposited in the
3 General Obligation Bond Retirement and Interest Fund.

4 (Source: P.A. 96-43, eff. 7-15-09.)

5 Section 10. The Build Illinois Bond Act is amended by
6 changing Sections 5 and 6 as follows:

7 (30 ILCS 425/5) (from Ch. 127, par. 2805)

8 Sec. 5. Bond Sale Expenses.

9 (a) An amount not to exceed 0.5% of the principal amount of
10 the proceeds of the sale of each bond sale is authorized to be
11 used to pay reasonable costs of each issuance and sale of Bonds
12 authorized and sold pursuant to this Act, including, without
13 limitation, underwriter's discounts and fees, but excluding
14 bond insurance, advertising, printing, bond rating, travel of
15 outside vendors, security, delivery, legal and financial
16 advisory services, initial fees of trustees, registrars,
17 paying agents and other fiduciaries, initial costs of credit or
18 liquidity enhancement arrangements, initial fees of indexing
19 and remarketing agents, and initial costs of interest rate
20 swaps, guarantees or arrangements to limit interest rate risk,
21 as determined in the related Bond Sale Order, from the proceeds
22 of each Bond sale, provided that no salaries of State employees
23 or other State office operating expenses shall be paid out of
24 non-appropriated proceeds, and provided further that the

1 percent shall be 1.0% for each sale of "Build America Bonds" as
2 defined in subsection (c) of Section 6. The Governor's Office
3 of Management and Budget shall compile a summary of all costs
4 of issuance on each sale (including both costs paid out of
5 proceeds and those paid out of appropriated funds) and post
6 that summary on its web site within 20 business days after the
7 issuance of the bonds. That posting shall be maintained on the
8 web site for a period of at least 30 days. In addition, the
9 Governor's Office of Management and Budget shall provide a
10 written copy of each summary of costs to the Speaker and
11 Minority Leader of the House of Representatives, the President
12 and Minority Leader of the Senate, and the Commission on
13 Government Forecasting and Accountability within 20 business
14 days after each issuance of the bonds. This summary shall
15 include, as applicable, the respective percentage of
16 participation and compensation of each underwriter that is a
17 member of the underwriting syndicate, legal counsel, financial
18 advisors, and other professionals for the Bond issue, and an
19 identification of all costs of issuance paid to minority owned
20 businesses, female owned businesses, and businesses owned by
21 persons with disabilities. The terms "minority owned
22 businesses", "female owned businesses", and "business owned by
23 a person with a disability" have the meanings given to those
24 terms in the Business Enterprise for Minorities, Females, and
25 Persons with Disabilities Act. In addition, the Governor's
26 Office of Management and Budget shall provide copies of all

1 contracts under which any costs of issuance are paid or to be
2 paid to the Commission on Government Forecasting and
3 Accountability within 20 business days after the issuance of
4 Bonds for which those costs are paid or to be paid. Instead of
5 filing a second or subsequent copy of the same contract, the
6 Governor's Office of Management and Budget may file a statement
7 that specified costs are paid under specified contracts filed
8 earlier with the Commission.

9 (b) The Director of the Governor's Office of Management and
10 Budget shall not, in connection with the issuance of Bonds,
11 contract with any underwriter, financial advisor, or attorney
12 unless that underwriter, financial advisor, or attorney
13 certifies that the underwriter, financial advisor, or attorney
14 has not and will not pay a contingent fee, whether directly or
15 indirectly, to any third party for having promoted the
16 selection of the underwriter, financial advisor, or attorney
17 for that contract. In the event that the Governor's Office of
18 Management and Budget determines that an underwriter,
19 financial advisor, or attorney has filed a false certification
20 with respect to the payment of contingent fees, the Governor's
21 Office of Management and Budget shall not contract with that
22 underwriter, financial advisor, or attorney, or with any firm
23 employing any person who signed false certifications, for a
24 period of 2 calendar years, beginning with the date the
25 determination is made. The validity of Bonds issued under such
26 circumstances of violation pursuant to this Section shall not

1 be affected.

2 (Source: P.A. 93-839, eff. 7-30-04; 93-1067, eff. 1-15-05.)

3 (30 ILCS 425/6) (from Ch. 127, par. 2806)

4 Sec. 6. Conditions for Issuance and Sale of Bonds -
5 Requirements for Bonds - Master and Supplemental Indentures -
6 Credit and Liquidity Enhancement.

7 (a) Bonds shall be issued and sold from time to time, in
8 one or more series, in such amounts and at such prices as
9 directed by the Governor, upon recommendation by the Director
10 of the Governor's Office of Management and Budget. Bonds shall
11 be payable only from the specific sources and secured in the
12 manner provided in this Act. Bonds shall be in such form, in
13 such denominations, mature on such dates within 25 years from
14 their date of issuance, be subject to optional or mandatory
15 redemption, bear interest payable at such times and at such
16 rate or rates, fixed or variable, and be dated as shall be
17 fixed and determined by the Director of the Governor's Office
18 of Management and Budget in an order authorizing the issuance
19 and sale of any series of Bonds, which order shall be approved
20 by the Governor and is herein called a "Bond Sale Order";
21 provided, however, that interest payable at fixed rates shall
22 not exceed that permitted in "An Act to authorize public
23 corporations to issue bonds, other evidences of indebtedness
24 and tax anticipation warrants subject to interest rate
25 limitations set forth therein", approved May 26, 1970, as now

1 or hereafter amended, and interest payable at variable rates
2 shall not exceed the maximum rate permitted in the Bond Sale
3 Order. Said Bonds shall be payable at such place or places,
4 within or without the State of Illinois, and may be made
5 registrable as to either principal only or as to both principal
6 and interest, as shall be specified in the Bond Sale Order.
7 Bonds may be callable or subject to purchase and retirement or
8 remarketing as fixed and determined in the Bond Sale Order.
9 Bonds (i) except for refunding Bonds satisfying the
10 requirements of Section 15 of this Act and sold during fiscal
11 year 2009, 2010, or 2011, must be issued with principal or
12 mandatory redemption amounts in equal amounts, with the first
13 maturity issued occurring within the fiscal year in which the
14 Bonds are issued or within the next succeeding fiscal year and
15 (ii) must mature or be subject to mandatory redemption each
16 fiscal year thereafter up to 25 years, except for refunding
17 Bonds satisfying the requirements of Section 16 of this Act and
18 sold during fiscal year 2009, 2010, or 2011 which must mature
19 or be subject to mandatory redemption each fiscal year
20 thereafter up to 16 years.

21 All Bonds authorized under this Act shall be issued
22 pursuant to a master trust indenture ("Master Indenture")
23 executed and delivered on behalf of the State by the Director
24 of the Governor's Office of Management and Budget, such Master
25 Indenture to be in substantially the form approved in the Bond
26 Sale Order authorizing the issuance and sale of the initial

1 series of Bonds issued under this Act. Such initial series of
2 Bonds may, and each subsequent series of Bonds shall, also be
3 issued pursuant to a supplemental trust indenture
4 ("Supplemental Indenture") executed and delivered on behalf of
5 the State by the Director of the Governor's Office of
6 Management and Budget, each such Supplemental Indenture to be
7 in substantially the form approved in the Bond Sale Order
8 relating to such series. The Master Indenture and any
9 Supplemental Indenture shall be entered into with a bank or
10 trust company in the State of Illinois having trust powers and
11 possessing capital and surplus of not less than \$100,000,000.
12 Such indentures shall set forth the terms and conditions of the
13 Bonds and provide for payment of and security for the Bonds,
14 including the establishment and maintenance of debt service and
15 reserve funds, and for other protections for holders of the
16 Bonds. The term "reserve funds" as used in this Act shall
17 include funds and accounts established under indentures to
18 provide for the payment of principal of and premium and
19 interest on Bonds, to provide for the purchase, retirement or
20 defeasance of Bonds, to provide for fees of trustees,
21 registrars, paying agents and other fiduciaries and to provide
22 for payment of costs of and debt service payable in respect of
23 credit or liquidity enhancement arrangements, interest rate
24 swaps or guarantees or financial futures contracts and indexing
25 and remarketing agents' services.

26 In the case of any series of Bonds bearing interest at a

1 variable interest rate ("Variable Rate Bonds"), in lieu of
2 determining the rate or rates at which such series of Variable
3 Rate Bonds shall bear interest and the price or prices at which
4 such Variable Rate Bonds shall be initially sold or remarketed
5 (in the event of purchase and subsequent resale), the Bond Sale
6 Order may provide that such interest rates and prices may vary
7 from time to time depending on criteria established in such
8 Bond Sale Order, which criteria may include, without
9 limitation, references to indices or variations in interest
10 rates as may, in the judgment of a remarketing agent, be
11 necessary to cause Bonds of such series to be remarketable from
12 time to time at a price equal to their principal amount (or
13 compound accreted value in the case of original issue discount
14 Bonds), and may provide for appointment of indexing agents and
15 a bank, trust company, investment bank or other financial
16 institution to serve as remarketing agent in that connection.
17 The Bond Sale Order may provide that alternative interest rates
18 or provisions for establishing alternative interest rates,
19 different security or claim priorities or different call or
20 amortization provisions will apply during such times as Bonds
21 of any series are held by a person providing credit or
22 liquidity enhancement arrangements for such Bonds as
23 authorized in subsection (b) of Section 6 of this Act.

24 (b) In connection with the issuance of any series of Bonds,
25 the State may enter into arrangements to provide additional
26 security and liquidity for such Bonds, including, without

1 limitation, bond or interest rate insurance or letters of
2 credit, lines of credit, bond purchase contracts or other
3 arrangements whereby funds are made available to retire or
4 purchase Bonds, thereby assuring the ability of owners of the
5 Bonds to sell or redeem their Bonds. The State may enter into
6 contracts and may agree to pay fees to persons providing such
7 arrangements, but only under circumstances where the Director
8 of the Bureau of the Budget (now Governor's Office of
9 Management and Budget) certifies that he reasonably expects the
10 total interest paid or to be paid on the Bonds, together with
11 the fees for the arrangements (being treated as if interest),
12 would not, taken together, cause the Bonds to bear interest,
13 calculated to their stated maturity, at a rate in excess of the
14 rate which the Bonds would bear in the absence of such
15 arrangements. Any bonds, notes or other evidences of
16 indebtedness issued pursuant to any such arrangements for the
17 purpose of retiring and discharging outstanding Bonds shall
18 constitute refunding Bonds under Section 15 of this Act. The
19 State may participate in and enter into arrangements with
20 respect to interest rate swaps or guarantees or financial
21 futures contracts for the purpose of limiting or restricting
22 interest rate risk; provided that such arrangements shall be
23 made with or executed through banks having capital and surplus
24 of not less than \$100,000,000 or insurance companies holding
25 the highest policyholder rating accorded insurers by A.M. Best
26 & Co. or any comparable rating service or government bond

1 dealers reporting to, trading with, and recognized as primary
2 dealers by a Federal Reserve Bank and having capital and
3 surplus of not less than \$100,000,000, or other persons whose
4 debt securities are rated in the highest long-term categories
5 by both Moody's Investors' Services, Inc. and Standard & Poor's
6 Corporation. Agreements incorporating any of the foregoing
7 arrangements may be executed and delivered by the Director of
8 the Governor's Office of Management and Budget on behalf of the
9 State in substantially the form approved in the Bond Sale Order
10 relating to such Bonds.

11 (c) "Build America Bonds" in this Section means Bonds
12 authorized by Section 54AA of the Internal Revenue Code of
13 1986, as amended ("Internal Revenue Code"), and bonds issued
14 from time to time to refund or continue to refund "Build
15 America Bonds".

16 (Source: P.A. 96-18, eff. 6-26-09.)

17 Section 15. The Downstate Forest Preserve District Act is
18 amended by changing Section 13 as follows:

19 (70 ILCS 805/13) (from Ch. 96 1/2, par. 6323)

20 Sec. 13. Bonds; limitation on indebtedness. The board of
21 any forest preserve district organized hereunder may, for any
22 of the purposes enumerated in this Act, borrow money upon the
23 faith and credit of such district, and may issue bonds
24 therefor. However, a district with a population of less than

1 3,000,000 may not become indebted in any manner or for any
2 purpose to an amount including existing indebtedness in the
3 aggregate exceeding 2.3% of the assessed value of the taxable
4 property therein, as ascertained by the last equalized
5 assessment for State and county purposes. No district may incur
6 (i) indebtedness in excess of .3% of the assessed value of
7 taxable property in the district, as ascertained by the last
8 equalized assessment for State and county purposes, for the
9 development of forest preserve lands held by the district, or
10 (ii) indebtedness for any other purpose except the acquisition
11 of land including acquiring lands in fee simple along or
12 enclosing water courses, drainage ways, lakes, ponds, planned
13 impoundments or elsewhere which are required to store flood
14 waters or control other drainage and water conditions necessary
15 for the preservation and management of the water resources of
16 the District, unless the proposition to issue bonds or
17 otherwise incur indebtedness is certified by the board to the
18 proper election officials who shall submit the proposition at
19 an election in accordance with the general election law, and
20 approved by a majority of those voting upon the proposition. No
21 district containing fewer than 3,000,000 inhabitants may incur
22 indebtedness for the acquisition of land or lands for any
23 purpose in excess of 55,000 acres, including all lands
24 theretofore acquired, unless the proposition to issue bonds or
25 otherwise incur indebtedness is first submitted to the voters
26 of the district at a referendum in accordance with the general

1 election law and approved by a majority of those voting upon
2 the proposition. Before or at the time of issuing bonds, the
3 board shall provide by ordinance for the collection of an
4 annual tax sufficient to pay the interest on the bonds as it
5 falls due, and to pay the bonds as they mature. All bonds
6 issued by any forest preserve district must be divided into
7 series, the first of which matures not later than 5 years after
8 the date of issue and the last of which matures not later than
9 20 years after the date of issue, or for bonds issued prior to
10 January 1, 2011, commonly known as "Build America Bonds" as
11 authorized by Section 54AA of the Internal Revenue Code of
12 1986, as amended, and for bonds issued from time to time to
13 refund "Build America Bonds", not later than 25 years after the
14 date of issue.

15 This Section does not apply to a forest preserve district
16 created under Section 18.5 of the Conservation District Act.

17 (Source: P.A. 94-617, eff. 8-18-05.)

18 Section 20. The Metropolitan Water Reclamation District
19 Act is amended by changing Section 9.6a as follows:

20 (70 ILCS 2605/9.6a) (from Ch. 42, par. 328.6a)

21 Sec. 9.6a. The corporate authorities of a sanitary
22 district, in order to provide funds required for the replacing,
23 remodeling, completing, altering, constructing and enlarging
24 of sewage treatment works, water quality improvement projects,

1 or flood control facilities, and additions therefor, pumping
2 stations, tunnels, conduits, intercepting sewers and outlet
3 sewers, together with the equipment, including air pollution
4 equipment, and appurtenances thereto, to acquire property,
5 real, personal or mixed, necessary for said purposes, for costs
6 and expenses for the acquisition of the sites and rights-of-way
7 necessary thereto, and for engineering expenses for designing
8 and supervising the construction of such works, may issue on or
9 before December 31, 2016, in addition to all other obligations
10 heretofore or herein authorized, bonds, notes or other
11 evidences of indebtedness for such purposes in an aggregate
12 amount at any one time outstanding not to exceed 3.35% of the
13 equalized assessed valuation of all taxable property within the
14 sanitary district, to be ascertained by the last assessment for
15 State and local taxes previous to the issuance of any such
16 obligations. Such obligations shall be issued without
17 submitting the question of such issuance to the legal voters of
18 such sanitary district for approval.

19 The corporate authorities may sell such obligations at
20 private or public sale and enter into any contract or agreement
21 necessary, appropriate or incidental to the exercise of the
22 powers granted by this Act, including, without limitation,
23 contracts or agreements for the sale and purchase of such
24 obligations and the payment of costs and expenses incident
25 thereto. The corporate authorities may pay such costs and
26 expenses, in whole or in part, from the corporate fund.

1 Such obligations shall be issued from time to time only in
2 amounts as may be required for such purposes but the amount of
3 such obligations issued during any one budget year shall not
4 exceed \$150,000,000 plus the amount of any obligations
5 authorized by this Act to be issued during the 3 budget years
6 next preceding the year of issuance but which were not issued,
7 provided, however, that this limitation shall not be applicable
8 (i) to the issuance of obligations to refund bonds, notes or
9 other evidences of indebtedness, (ii) ~~nor~~ to obligations issued
10 to provide for the repayment of money received from the Water
11 Pollution Control Revolving Fund for the construction or repair
12 of wastewater treatment works, and (iii) to obligations issued
13 as part of the American Recovery and Reinvestment Act of 2009,
14 issued prior to January 1, 2011, that are commonly known as
15 "Build America Bonds" as authorized by Section 54AA of the
16 Internal Revenue Code of 1986, as amended. Each ordinance
17 authorizing the issuance of the obligations shall state the
18 general purpose or purposes for which they are to be issued,
19 and the corporate authorities may at any time thereafter pass
20 supplemental appropriations ordinances appropriating the
21 proceeds from the sale of such obligations for such purposes.

22 The corporate authorities may issue bonds, notes or other
23 evidences of indebtedness in an amount necessary to provide
24 funds to refund outstanding obligations issued pursuant to this
25 Section, including interest accrued or to accrue thereon.

26 (Source: P.A. 95-125, eff. 8-13-07; 95-412, eff. 8-24-07.)

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