



96TH GENERAL ASSEMBLY

State of Illinois

2009 and 2010

SB1983

Introduced 2/20/2009, by Sen. Dan Cronin

SYNOPSIS AS INTRODUCED:

20 ILCS 3501/801-10
20 ILCS 3501/801-15
20 ILCS 3501/801-20 new
20 ILCS 3501/801-25
20 ILCS 3501/845-5
20 ILCS 3501/845-10
20 ILCS 3501/845-40
20 ILCS 3501/845-45
20 ILCS 3501/845-50

Amends the Illinois Finance Authority Act. Replaces the existing governing board of the Authority with 4 new governing boards, appointed by the Governor with the advice and consent of the Senate. Gives each new governing board jurisdiction over certain specified programs of the Authority. Provides that certain actions affecting more than one governing board must be taken by the affected boards acting jointly. Replaces the Executive Director of the Authority with 4 new executive directors, one appointed by each of the governing boards. Contains provisions relating to officers, employees, finance, and the issuance of bonds. Provides that the change in governing boards does not affect any existing obligation of the Authority, or any existing bond or other instrument of indebtedness of the Authority or any of its Predecessor Authorities, or the rights of any bondholder. Includes other conforming and savings provisions. Effective January 1, 2010.

LRB096 08368 EFG 18480 b

FISCAL NOTE ACT
MAY APPLY

A BILL FOR

1 AN ACT concerning the Illinois Finance Authority.

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, 801-15, 801-25, 845-5, 845-10,
6 845-40, 845-45, and 845-50 and by adding Section 801-20 as
7 follows:

8 (20 ILCS 3501/801-10)

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

13 (a) The term "Authority" means (1) with respect to the
14 governmental entity created by this Act, the Illinois Finance
15 Authority; and (2) with respect to the governing body that
16 controls and administers the Illinois Finance Authority, (i)
17 until January 1, 2010, the governing body created in subsection
18 (b) of Section 801-15; and (ii) beginning January 1, 2010, the
19 appropriate governing board or combination of governing
20 boards, as provided in Section 801-20 ~~created by this Act.~~

21 (a-5) The term "governing board" refers to one or more of
22 the boards created in Section 801-20 to govern the Authority.

23 (b) The term "project" means an industrial project,

1 conservation project, housing project, public purpose project,
2 higher education project, health facility project, cultural
3 institution project, agricultural facility or agribusiness,
4 and "project" may include any combination of one or more of the
5 foregoing undertaken jointly by any person with one or more
6 other persons.

7 (c) The term "public purpose project" means any project or
8 facility including without limitation land, buildings,
9 structures, machinery, equipment and all other real and
10 personal property, which is authorized or required by law to be
11 acquired, constructed, improved, rehabilitated, reconstructed,
12 replaced or maintained by any unit of government or any other
13 lawful public purpose which is authorized or required by law to
14 be undertaken by any unit of government.

15 (d) The term "industrial project" means the acquisition,
16 construction, refurbishment, creation, development or
17 redevelopment of any facility, equipment, machinery, real
18 property or personal property for use by any instrumentality of
19 the State or its political subdivisions, for use by any person
20 or institution, public or private, for profit or not for
21 profit, or for use in any trade or business including, but not
22 limited to, any industrial, manufacturing or commercial
23 enterprise and which is (1) a capital project including but not
24 limited to: (i) land and any rights therein, one or more
25 buildings, structures or other improvements, machinery and
26 equipment, whether now existing or hereafter acquired, and

1 whether or not located on the same site or sites; (ii) all
2 appurtenances and facilities incidental to the foregoing,
3 including, but not limited to utilities, access roads, railroad
4 sidings, track, docking and similar facilities, parking
5 facilities, dockage, wharfage, railroad roadbed, track,
6 trestle, depot, terminal, switching and signaling or related
7 equipment, site preparation and landscaping; and (iii) all
8 non-capital costs and expenses relating thereto or (2) any
9 addition to, renovation, rehabilitation or improvement of a
10 capital project or (3) any activity or undertaking which the
11 Authority determines will aid, assist or encourage economic
12 growth, development or redevelopment within the State or any
13 area thereof, will promote the expansion, retention or
14 diversification of employment opportunities within the State
15 or any area thereof or will aid in stabilizing or developing
16 any industry or economic sector of the State economy. The term
17 "industrial project" also means the production of motion
18 pictures.

19 (e) The term "bond" or "bonds" shall include bonds, notes
20 (including bond, grant or revenue anticipation notes),
21 certificates and/or other evidences of indebtedness
22 representing an obligation to pay money, including refunding
23 bonds.

24 (f) The terms "lease agreement" and "loan agreement" shall
25 mean: (i) an agreement whereby a project acquired by the
26 Authority by purchase, gift or lease is leased to any person,

1 corporation or unit of local government which will use or cause
2 the project to be used as a project as heretofore defined upon
3 terms providing for lease rental payments at least sufficient
4 to pay when due all principal of, interest and premium, if any,
5 on any bonds of the Authority issued with respect to such
6 project, providing for the maintenance, insuring and operation
7 of the project on terms satisfactory to the Authority,
8 providing for disposition of the project upon termination of
9 the lease term, including purchase options or abandonment of
10 the premises, and such other terms as may be deemed desirable
11 by the Authority, or (ii) any agreement pursuant to which the
12 Authority agrees to loan the proceeds of its bonds issued with
13 respect to a project or other funds of the Authority to any
14 person which will use or cause the project to be used as a
15 project as heretofore defined upon terms providing for loan
16 repayment installments at least sufficient to pay when due all
17 principal of, interest and premium, if any, on any bonds of the
18 Authority, if any, issued with respect to the project, and
19 providing for maintenance, insurance and other matters as may
20 be deemed desirable by the Authority.

21 (g) The term "financial aid" means the expenditure of
22 Authority funds or funds provided by the Authority through the
23 issuance of its bonds, notes or other evidences of indebtedness
24 or from other sources for the development, construction,
25 acquisition or improvement of a project.

26 (h) The term "person" means an individual, corporation,

1 unit of government, business trust, estate, trust, partnership
2 or association, 2 or more persons having a joint or common
3 interest, or any other legal entity.

4 (i) The term "unit of government" means the federal
5 government, the State or unit of local government, a school
6 district, or any agency or instrumentality, office, officer,
7 department, division, bureau, commission, college or
8 university thereof.

9 (j) The term "health facility" means: (a) any public or
10 private institution, place, building, or agency required to be
11 licensed under the Hospital Licensing Act; (b) any public or
12 private institution, place, building, or agency required to be
13 licensed under the Nursing Home Care Act; (c) any public or
14 licensed private hospital as defined in the Mental Health and
15 Developmental Disabilities Code; (d) any such facility
16 exempted from such licensure when the Director of Public Health
17 attests that such exempted facility meets the statutory
18 definition of a facility subject to licensure; (e) any other
19 public or private health service institution, place, building,
20 or agency which the Director of Public Health attests is
21 subject to certification by the Secretary, U.S. Department of
22 Health and Human Services under the Social Security Act, as now
23 or hereafter amended, or which the Director of Public Health
24 attests is subject to standard-setting by a recognized public
25 or voluntary accrediting or standard-setting agency; (f) any
26 public or private institution, place, building or agency

1 engaged in providing one or more supporting services to a
2 health facility; (g) any public or private institution, place,
3 building or agency engaged in providing training in the healing
4 arts, including but not limited to schools of medicine,
5 dentistry, osteopathy, optometry, podiatry, pharmacy or
6 nursing, schools for the training of x-ray, laboratory or other
7 health care technicians and schools for the training of
8 para-professionals in the health care field; (h) any public or
9 private congregate, life or extended care or elderly housing
10 facility or any public or private home for the aged or infirm,
11 including, without limitation, any Facility as defined in the
12 Life Care Facilities Act; (i) any public or private mental,
13 emotional or physical rehabilitation facility or any public or
14 private educational, counseling, or rehabilitation facility or
15 home, for those persons with a developmental disability, those
16 who are physically ill or disabled, the emotionally disturbed,
17 those persons with a mental illness or persons with learning or
18 similar disabilities or problems; (j) any public or private
19 alcohol, drug or substance abuse diagnosis, counseling
20 treatment or rehabilitation facility, (k) any public or private
21 institution, place, building or agency licensed by the
22 Department of Children and Family Services or which is not so
23 licensed but which the Director of Children and Family Services
24 attests provides child care, child welfare or other services of
25 the type provided by facilities subject to such licensure; (l)
26 any public or private adoption agency or facility; and (m) any

1 public or private blood bank or blood center. "Health facility"
2 also means a public or private structure or structures suitable
3 primarily for use as a laboratory, laundry, nurses or interns
4 residence or other housing or hotel facility used in whole or
5 in part for staff, employees or students and their families,
6 patients or relatives of patients admitted for treatment or
7 care in a health facility, or persons conducting business with
8 a health facility, physician's facility, surgicenter,
9 administration building, research facility, maintenance,
10 storage or utility facility and all structures or facilities
11 related to any of the foregoing or required or useful for the
12 operation of a health facility, including parking or other
13 facilities or other supporting service structures required or
14 useful for the orderly conduct of such health facility.

15 (k) The term "participating health institution" means a
16 private corporation or association or public entity of this
17 State, authorized by the laws of this State to provide or
18 operate a health facility as defined in this Act and which,
19 pursuant to the provisions of this Act, undertakes the
20 financing, construction or acquisition of a project or
21 undertakes the refunding or refinancing of obligations, loans,
22 indebtedness or advances as provided in this Act.

23 (l) The term "health facility project", means a specific
24 health facility work or improvement to be financed or
25 refinanced (including without limitation through reimbursement
26 of prior expenditures), acquired, constructed, enlarged,

1 remodeled, renovated, improved, furnished, or equipped, with
2 funds provided in whole or in part hereunder, any accounts
3 receivable, working capital, liability or insurance cost or
4 operating expense financing or refinancing program of a health
5 facility with or involving funds provided in whole or in part
6 hereunder, or any combination thereof.

7 (m) The term "bond resolution" means the resolution or
8 resolutions authorizing the issuance of, or providing terms and
9 conditions related to, bonds issued under this Act and
10 includes, where appropriate, any trust agreement, trust
11 indenture, indenture of mortgage or deed of trust providing
12 terms and conditions for such bonds.

13 (n) The term "property" means any real, personal or mixed
14 property, whether tangible or intangible, or any interest
15 therein, including, without limitation, any real estate,
16 leasehold interests, appurtenances, buildings, easements,
17 equipment, furnishings, furniture, improvements, machinery,
18 rights of way, structures, accounts, contract rights or any
19 interest therein.

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

23 (p) The term "higher education project" means, in the case
24 of a private institution of higher education, an educational
25 facility to be acquired, constructed, enlarged, remodeled,
26 renovated, improved, furnished, or equipped, or any

1 combination thereof.

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

6 (r) The term "educational facility" means any property
7 located within the State constructed or acquired before or
8 after the effective date of this Act, which is or will be, in
9 whole or in part, suitable for the instruction, feeding,
10 recreation or housing of students, the conducting of research
11 or other work of a private institution of higher education, the
12 use by a private institution of higher education in connection
13 with any educational, research or related or incidental
14 activities then being or to be conducted by it, or any
15 combination of the foregoing, including, without limitation,
16 any such property suitable for use as or in connection with any
17 one or more of the following: an academic facility,
18 administrative facility, agricultural facility, assembly hall,
19 athletic facility, auditorium, boating facility, campus,
20 communication facility, computer facility, continuing
21 education facility, classroom, dining hall, dormitory,
22 exhibition hall, fire fighting facility, fire prevention
23 facility, food service and preparation facility, gymnasium,
24 greenhouse, health care facility, hospital, housing,
25 instructional facility, laboratory, library, maintenance
26 facility, medical facility, museum, offices, parking area,

1 physical education facility, recreational facility, research
2 facility, stadium, storage facility, student union, study
3 facility, theatre or utility.

4 (s) The term "cultural facility" means any property located
5 within the State constructed or acquired before or after the
6 effective date of this Act, which is or will be, in whole or in
7 part, suitable for the particular purposes or needs of a
8 cultural institution, including, without limitation, any such
9 property suitable for use as or in connection with any one or
10 more of the following: an administrative facility, aquarium,
11 assembly hall, auditorium, botanical garden, exhibition hall,
12 gallery, greenhouse, library, museum, scientific laboratory,
13 theater or zoological facility, and shall also include, without
14 limitation, books, works of art or music, animal, plant or
15 aquatic life or other items for display, exhibition or
16 performance. The term "cultural facility" includes buildings
17 on the National Register of Historic Places which are owned or
18 operated by nonprofit entities.

19 (t) "Private institution of higher education" means a
20 not-for-profit educational institution which is not owned by
21 the State or any political subdivision, agency,
22 instrumentality, district or municipality thereof, which is
23 authorized by law to provide a program of education beyond the
24 high school level and which:

25 (1) Admits as regular students only individuals having
26 a certificate of graduation from a high school, or the

1 recognized equivalent of such a certificate;

2 (2) Provides an educational program for which it awards
3 a bachelor's degree, or provides an educational program,
4 admission into which is conditioned upon the prior
5 attainment of a bachelor's degree or its equivalent, for
6 which it awards a postgraduate degree, or provides not less
7 than a 2-year program which is acceptable for full credit
8 toward such a degree, or offers a 2-year program in
9 engineering, mathematics, or the physical or biological
10 sciences which is designed to prepare the student to work
11 as a technician and at a semiprofessional level in
12 engineering, scientific, or other technological fields
13 which require the understanding and application of basic
14 engineering, scientific, or mathematical principles or
15 knowledge;

16 (3) Is accredited by a nationally recognized
17 accrediting agency or association or, if not so accredited,
18 is an institution whose credits are accepted, on transfer,
19 by not less than 3 institutions which are so accredited,
20 for credit on the same basis as if transferred from an
21 institution so accredited, and holds an unrevoked
22 certificate of approval under the Private College Act from
23 the Board of Higher Education, or is qualified as a "degree
24 granting institution" under the Academic Degree Act; and

25 (4) Does not discriminate in the admission of students
26 on the basis of race or color. "Private institution of

1 higher education" also includes any "academic
2 institution".

3 (u) The term "academic institution" means any
4 not-for-profit institution which is not owned by the State or
5 any political subdivision, agency, instrumentality, district
6 or municipality thereof, which institution engages in, or
7 facilitates academic, scientific, educational or professional
8 research or learning in a field or fields of study taught at a
9 private institution of higher education. Academic institutions
10 include, without limitation, libraries, archives, academic,
11 scientific, educational or professional societies,
12 institutions, associations or foundations having such
13 purposes.

14 (v) The term "cultural institution" means any
15 not-for-profit institution which is not owned by the State or
16 any political subdivision, agency, instrumentality, district
17 or municipality thereof, which institution engages in the
18 cultural, intellectual, scientific, educational or artistic
19 enrichment of the people of the State. Cultural institutions
20 include, without limitation, aquaria, botanical societies,
21 historical societies, libraries, museums, performing arts
22 associations or societies, scientific societies and zoological
23 societies.

24 (w) The term "affiliate" means, with respect to financing
25 of an agricultural facility or an agribusiness, any lender, any
26 person, firm or corporation controlled by, or under common

1 control with, such lender, and any person, firm or corporation
2 controlling such lender.

3 (x) The term "agricultural facility" means land, any
4 building or other improvement thereon or thereto, and any
5 personal properties deemed necessary or suitable for use,
6 whether or not now in existence, in farming, ranching, the
7 production of agricultural commodities (including, without
8 limitation, the products of aquaculture, hydroponics and
9 silviculture) or the treating, processing or storing of such
10 agricultural commodities when such activities are customarily
11 engaged in by farmers as a part of farming.

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

24 (z) The term "agribusiness" means any sole proprietorship,
25 limited partnership, co-partnership, joint venture,
26 corporation or cooperative which operates or will operate a

1 facility located within the State of Illinois that is related
2 to the processing of agricultural commodities (including,
3 without limitation, the products of aquaculture, hydroponics
4 and silviculture) or the manufacturing, production or
5 construction of agricultural buildings, structures, equipment,
6 implements, and supplies, or any other facilities or processes
7 used in agricultural production. Agribusiness includes but is
8 not limited to the following:

9 (1) grain handling and processing, including grain
10 storage, drying, treatment, conditioning, mailing and
11 packaging;

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

13 (3) fruit and vegetable processing, including
14 preparation, canning and packaging;

15 (4) processing of livestock and livestock products,
16 dairy products, poultry and poultry products, fish or
17 apiarian products, including slaughter, shearing,
18 collecting, preparation, canning and packaging;

19 (5) fertilizer and agricultural chemical
20 manufacturing, processing, application and supplying;

21 (6) farm machinery, equipment and implement
22 manufacturing and supplying;

23 (7) manufacturing and supplying of agricultural
24 commodity processing machinery and equipment, including
25 machinery and equipment used in slaughter, treatment,
26 handling, collecting, preparation, canning or packaging of

1 agricultural commodities;

2 (8) farm building and farm structure manufacturing,
3 construction and supplying;

4 (9) construction, manufacturing, implementation,
5 supplying or servicing of irrigation, drainage and soil and
6 water conservation devices or equipment;

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

9 (11) facilities and equipment for processing and
10 packaging agricultural commodities specifically for
11 export;

12 (12) facilities and equipment for forestry product
13 processing and supplying, including sawmilling operations,
14 wood chip operations, timber harvesting operations, and
15 manufacturing of prefabricated buildings, paper, furniture
16 or other goods from forestry products;

17 (13) facilities and equipment for research and
18 development of products, processes and equipment for the
19 production, processing, preparation or packaging of
20 agricultural commodities and byproducts.

21 (aa) The term "asset" with respect to financing of any
22 agricultural facility or any agribusiness, means, but is not
23 limited to the following: cash crops or feed on hand; livestock
24 held for sale; breeding stock; marketable bonds and securities;
25 securities not readily marketable; accounts receivable; notes
26 receivable; cash invested in growing crops; net cash value of

1 life insurance; machinery and equipment; cars and trucks; farm
2 and other real estate including life estates and personal
3 residence; value of beneficial interests in trusts; government
4 payments or grants; and any other assets.

5 (bb) The term "liability" with respect to financing of any
6 agricultural facility or any agribusiness shall include, but
7 not be limited to the following: accounts payable; notes or
8 other indebtedness owed to any source; taxes; rent; amounts
9 owed on real estate contracts or real estate mortgages;
10 judgments; accrued interest payable; and any other liability.

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

13 (dd) The term "housing project" means a specific work or
14 improvement undertaken to provide residential dwelling
15 accommodations, including the acquisition, construction or
16 rehabilitation of lands, buildings and community facilities
17 and in connection therewith to provide nonhousing facilities
18 which are part of the housing project, including land,
19 buildings, improvements, equipment and all ancillary
20 facilities for use for offices, stores, retirement homes,
21 hotels, financial institutions, service, health care,
22 education, recreation or research establishments, or any other
23 commercial purpose which are or are to be related to a housing
24 development.

25 (ee) The term "conservation project" means any project
26 including the acquisition, construction, rehabilitation,

1 maintenance, operation, or upgrade that is intended to create
2 or expand open space or to reduce energy usage through
3 efficiency measures. For the purpose of this definition, "open
4 space" has the definition set forth under Section 10 of the
5 Illinois Open Land Trust Act.

6 (Source: P.A. 95-697, eff. 11-6-07.)

7 (20 ILCS 3501/801-15)

8 Sec. 801-15. Authority created; executive director;
9 advisory councils.

10 (a) There is hereby created a body politic and corporate to
11 be known as the Illinois Finance Authority. The exercise of the
12 powers conferred by law shall be an essential public function.

13 (b) Until January 1, 2010:

14 The governing body of the Authority shall consist of 15
15 members, who shall be appointed by the Governor, with the
16 advice and consent of the Senate. Upon the appointment of the
17 Board and every 2 years thereafter, the chairperson of the
18 Authority shall be selected by the Governor to serve as
19 chairperson for two years. Appointments to the Authority shall
20 be persons of recognized ability and experience in one or more
21 of the following areas: economic development, finance,
22 banking, industrial development, small business management,
23 real estate development, housing, health facilities financing,
24 local government financing, community development, venture
25 finance, construction and labor relations. At the time of

1 appointment, the Governor shall designate 5 members to serve
2 until the third Monday in July 2005, 5 members to serve until
3 the third Monday in July 2006 and 5 members to serve until the
4 third Monday in July 2007. Thereafter, appointments shall be
5 for 3-year terms. A member shall serve until his or her
6 successor shall be appointed and have qualified for office by
7 filing the oath and bond. Members of the Authority shall not be
8 entitled to compensation for their services as members, but
9 shall be entitled to reimbursement for all necessary expenses
10 incurred in connection with the performance of their duties as
11 members. The Governor may remove any member of the Authority in
12 case of incompetence, neglect of duty, or malfeasance in
13 office, after service on him of a copy of the written charges
14 against him and an opportunity to be publicly heard in person
15 or by counsel in his own defense upon not less than 10 days'
16 notice.

17 The terms of all members then serving under this subsection
18 (b) shall terminate on January 1, 2010, and on that date the
19 governing body created under this subsection (b) is terminated
20 and superseded by the governing boards created under Section
21 801-20 of this Act.

22 (c) From nominations received from the Governor, the
23 members of each governing board ~~the Authority~~ shall appoint an
24 Executive Director, who shall be a person knowledgeable in the
25 areas of financial markets and instruments and in the matters
26 within the governing board's jurisdiction, to hold office for a

1 one-year term. The 4 Executive Directors ~~Executive Director~~
2 shall be the chief administrative and operational officers
3 ~~officer~~ of the Authority and shall direct and supervise its
4 administrative affairs and general management and perform such
5 other duties as may be prescribed from time to time by the
6 members of their respective governing boards and shall receive
7 compensation fixed by their respective governing boards ~~the~~
8 ~~Authority~~. The Executive Director or any committee of the
9 members of a governing board may carry out such
10 responsibilities of the members as the members by resolution
11 may delegate. The Executive Director shall attend all meetings
12 of the governing board ~~Authority~~; however, no action of the
13 governing board ~~Authority~~ shall be invalid on account of the
14 absence of the Executive Director from a meeting.

15 The governing board ~~Authority~~ may engage the services of
16 such other agents and employees, including attorneys,
17 appraisers, engineers, accountants, credit analysts and other
18 consultants, as it may deem advisable and may prescribe their
19 duties and fix their compensation.

20 The term of the Executive Director serving on January 1,
21 2010 shall terminate on that date, regardless of whether his or
22 her successors have been appointed. Whenever this Act or any
23 rule, contract, or other document or process requires action by
24 (or grants a right, power, or duty to) the Executive Director
25 of the Authority, that action may be done (or that right,
26 power, or duty may be exercised) by the Executive Director of

1 the governing board having jurisdiction over that matter, or if
2 the matter involves the jurisdiction of more than one governing
3 board, then by the Executive Directors of all of the affected
4 governing boards, acting jointly, or by any one of them to whom
5 the others have delegated the authority to act on that matter.

6 (d) The governing boards ~~Authority~~ may appoint Advisory
7 Councils to (1) assist in the formulation of policy goals and
8 objectives, (2) assist in the coordination of the delivery of
9 services, (3) assist in establishment of funding priorities for
10 the various activities of the Authority, and (4) target the
11 activities of the Authority to specific geographic regions.
12 There may be an Advisory Council on Economic Development. An
13 ~~The~~ Advisory Council shall consist of no more than 12 members,
14 who shall serve at the pleasure of the appointing governing
15 board ~~Authority~~. Members of the Advisory Council shall receive
16 no compensation for their services, but may be reimbursed for
17 expenses incurred with their service on the Advisory Council.

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

19 (20 ILCS 3501/801-20 new)

20 Sec. 801-20. Governing boards; transition provisions.

21 (a) Beginning January 1, 2010, the Authority shall be
22 governed by 4 governing boards, which are hereby created:

23 (1) The Economic Development Finance Board, which
24 shall have jurisdiction over matters relating to the
25 programs under Articles 805 and 810 of this Act.

1 (2) The Agricultural Development Finance Board, which
2 shall have jurisdiction over matters relating to the
3 programs under Articles 815 and 830 of this Act.

4 (3) The Local Government Development Finance Board,
5 which shall have jurisdiction over matters relating to the
6 programs under Articles 820 and 825 of this Act.

7 (4) The Health Facilities Development Finance Board,
8 which shall have jurisdiction over matters relating to the
9 programs under Article 840 of this Act.

10 Each governing board shall have jurisdiction over the specified
11 programs and Articles of this Act, and any other matters
12 specifically allocated to it by this Act or by agreement among
13 the affected governing boards. The 4 governing boards, acting
14 jointly, shall have jurisdiction over all general and other
15 matters that have not been allocated to the jurisdiction of one
16 or more particular governing boards.

17 (b) Each governing board shall consist of 8 members, who
18 shall be appointed by the Governor with the advice and consent
19 of the Senate. Appointments shall be for 3-year terms ending on
20 the third Monday in July, except that of the initial
21 appointments to each governing board, 3 shall expire in July of
22 2011, 3 shall expire in July of 2012, and 2 shall expire in
23 July of 2013. A member shall serve until his or her successor
24 is appointed and has qualified for office by filing the oath
25 and bond.

26 At least 4 of the members of a governing board shall be

1 persons of recognized ability and experience in the specific
2 matters that comprise the jurisdiction of that governing board,
3 and the remaining members shall be persons of recognized
4 ability and experience in one or more of the following areas:
5 economic development, finance, banking, industrial
6 development, small business management, real estate
7 development, housing, health facilities financing, local
8 government financing, community development, venture finance,
9 construction, and labor relations.

10 The Governor may remove any member of a governing board in
11 case of incompetence, neglect of duty, or malfeasance in
12 office, after service on the member of a copy of the written
13 charges and an opportunity to be publicly heard in person or by
14 counsel upon not less than 10 days' notice.

15 Members of a governing board shall not be entitled to
16 compensation for their services as members, but shall be
17 entitled to reimbursement for all necessary expenses incurred
18 in connection with the performance of their duties as members.

19 (c) The members of each governing board shall annually
20 choose one of the members of that governing board to serve as
21 chairperson. Whenever this Act or any rule, contract, or other
22 document or process requires action by (or grants a right,
23 power, or duty to) the Chairperson of the Authority, that
24 action may be done (or that right, power, or duty may be
25 exercised) by the chairperson of the governing board having
26 jurisdiction over that matter, or if the matter involves the

1 jurisdiction of more than one governing board, then by the
2 chairpersons of all the affected governing boards, acting
3 jointly, or by any one of them to whom the others have
4 delegated the authority to act on that matter.

5 (d) Each of the 4 governing boards shall have rulemaking
6 authority with respect to the matters and programs under its
7 jurisdiction. Rules of the Authority in existence on January 1,
8 2010 shall continue in effect as rules of the Authority as a
9 whole, and they may be amended, repealed, added to, or
10 partitioned among the various governing boards by the 4
11 governing boards, acting jointly.

12 (e) This amendatory Act of 2009, which changes the
13 governing body of the Authority from a single governing board
14 to 4 separate governing boards, does not affect the continuing
15 existence of the Illinois Finance Authority. Except as
16 specifically provided with respect to the change in governing
17 boards, all of the powers, duties, rights, obligations,
18 contracts, employees and agents, property, appropriations, and
19 programs of the Illinois Finance Authority in existence on the
20 effective date of this amendatory Act are unaffected by this
21 amendatory Act, but may be allocated among the various
22 governing boards by the 4 governing boards, acting jointly.

23 (f) The termination of the governing body created under
24 subsection (b) of Section 801-15 and its replacement by the 4
25 governing boards created under this Section do not and shall
26 not be deemed to affect any existing obligation of the

1 Authority, or any existing bond or other instrument of
2 indebtedness of the Authority or any of its Predecessor
3 Authorities, or the rights of any bondholder.
4

5 (20 ILCS 3501/801-25)

6 Sec. 801-25. Quorum; audits.

7 (a) All official acts of the Authority shall require the
8 approval of at least 5 members of the appropriate governing
9 board, or at least 5 members of each governing board when the
10 governing boards are acting jointly ~~at least 8 members~~. All
11 meetings of the governing boards ~~Authority~~ and the Advisory
12 Councils shall be conducted in accordance with the Open
13 Meetings Act. Five ~~Eight~~ members of a governing board ~~the~~
14 ~~Authority~~ shall constitute a quorum. All meetings shall be
15 conducted at a single location within this State with a quorum
16 of members physically present at this location. Other members
17 who are not physically present at this location may participate
18 in the meeting and vote on all matters by means of a video or
19 audio conference.

20 (b) The Auditor General shall conduct financial audits and
21 program audits of the Authority, in accordance with the
22 Illinois State Auditing Act.

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

24 (20 ILCS 3501/845-5)

1 Sec. 845-5. Bond limitations.

2 (a) The Authority may not have outstanding at any one time
3 bonds for any of its corporate purposes in an aggregate
4 principal amount exceeding \$28,150,000,000, excluding bonds
5 issued to refund the bonds of the Authority or bonds of the
6 Predecessor Authorities.

7 (b) The Authority may not have outstanding at any one time
8 revenue bonds in an aggregate principal amount exceeding
9 \$4,000,000,000 on behalf of the Illinois Power Agency as set
10 forth in Section 825-90. Any such revenue bonds issued on
11 behalf of the Illinois Power Agency pursuant to this Act shall
12 not be counted against the bond authorization limit set forth
13 in subsection (a).

14 (c) If 2 or more governing boards individually propose to
15 issue bonds within the same fiscal year, and those proposals
16 would together result in reducing the available unused bonding
17 authorization of the Authority to less than 5% of the total
18 authorization under this Section, then the joint action of all
19 4 governing boards is required for each of those bond issues,
20 notwithstanding that the action of a single governing board
21 would otherwise be sufficient.

22 (Source: P.A. 94-1068, eff. 8-1-06; 95-481, eff. 8-28-07;
23 95-697, eff. 11-6-07; 95-876, eff. 8-21-08; 95-879, eff.
24 8-21-08.)

25 (20 ILCS 3501/845-10)

1 Sec. 845-10. Bond issues for multiple projects; joint
2 action.

3 (a) The Authority may issue a single bond issue pursuant to
4 this Act for a group of industrial projects, a group of
5 corporations or a group of business entities, a group of units
6 of local government or other borrowers or any combination
7 thereof. A bond issue for multiple projects as provided in this
8 Section shall be subject to all requirements for bond issues as
9 established by this Act.

10 (b) Action by a single governing board is sufficient to
11 authorize the issuance of bonds for one or more projects within
12 the jurisdiction of that governing board, except as required
13 under Section 845-5. Joint action by all affected governing
14 boards is required to authorize the issuance of bonds for one
15 or more projects that are within the jurisdictions of 2 or more
16 governing boards.

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

18 (20 ILCS 3501/845-40)

19 Sec. 845-40. Officers; funds; investments.

20 (a) The 4 governing boards, acting jointly, Authority shall
21 appoint a secretary and treasurer of the Authority, who may,
22 but need not, be a member or members of a governing board, the
23 Authority to hold office during the pleasure of the 4 governing
24 boards Authority. The change in governing boards made by this
25 amendatory Act of 2009 does not affect the secretary and

1 treasurer serving on January 1, 2010, who shall continue to
2 serve at the pleasure of the governing boards.

3 Before entering upon the duties of the respective offices
4 such person or persons shall take and subscribe to the
5 constitutional oath of office, and the treasurer shall execute
6 a bond with corporate sureties to be approved by the Authority.
7 The bond shall be payable to the Authority in whatever penal
8 sum may be directed by the Authority conditioned upon the
9 faithful performance of the duties of the office and the
10 payment of all money received by him according to law and the
11 orders of the Authority. The Authority may, at any time,
12 require a new bond from the treasurer in such penal sum as may
13 then be determined by the Authority. The obligation of the
14 sureties shall not extend to any loss sustained by the
15 insolvency, failure or closing of any savings and loan
16 association or national or state bank wherein the treasurer has
17 deposited funds if the bank or savings and loan association has
18 been approved by the Authority as a depository for these funds.
19 The oaths of office and the treasurer's bond shall be filed in
20 the principal office of the Authority.

21 (b) All funds of the Authority, including without
22 limitation, grants or loans from the federal government, the
23 State or any agency or instrumentality thereof, fees, service
24 charges, interest or other investment earnings on its funds,
25 payments of principal of and interest on loans of its funds and
26 revenue from any other source, except funds the application of

1 which is otherwise specifically provided for by appropriation,
2 resolution, grant agreement, lease agreement, loan agreement,
3 indenture, mortgage or trust agreement or other agreement, may
4 be held by the Authority in its treasury and be generally
5 available for expenditure by the Authority for any of the
6 purposes authorized by this Act. The change to 4 separate
7 governing boards made by this amendatory Act of 2009 does not
8 require the funds of the Authority to be segregated into
9 different accounts reflecting the different jurisdictions of
10 the governing boards; however, the 4 governing boards, acting
11 jointly, may in their discretion direct the secretary and
12 treasurer to institute accounting or other procedures for that
13 purpose, to the extent permissible under applicable law,
14 contract, and generally accepted accounting procedures.

15 (c) In addition to investments authorized by Section 2 of
16 the Public Funds Investment Act, funds of the Authority may be
17 invested in (a) obligations issued by any State, unit of local
18 government or school district which obligations are rated at
19 the time of purchase by a national rating service within the
20 two highest rating classifications without regard to any rating
21 refinement or gradation by numerical or other modifier, or (b)
22 equity securities of an investment company registered under the
23 Investment Company Act of 1940 whose sole assets, other than
24 cash and other temporary investments, are obligations which are
25 eligible investments for the Authority, provided that not more
26 than 20% of the assets of the investment company may consist of

1 unrated obligations of the type described in clause (a) which
2 the Board of Directors of the investment company has determined
3 to be of comparable quality to rated obligations described in
4 clause (a). Funds appropriated by the General Assembly to the
5 Authority shall be held in the State treasury unless this Act
6 or the Act making the appropriation specifically states that
7 the monies are to be held in or appropriated to the Authority's
8 treasury. Such funds as are authorized to be held in the
9 Authority's treasury and deposited in any bank or savings and
10 loan association and placed in the name of the Authority shall
11 be withdrawn or paid out only by check or draft upon the bank
12 or savings and loan association, signed by the treasurer and
13 countersigned by the Chairperson of the Authority. The
14 Authority may designate any of its members or any officer or
15 employee of the Authority to affix the signature of the
16 Chairperson and another to affix the signature of the treasurer
17 to any check or draft for payment of salaries or wages and for
18 payment of any other obligations of not more than \$2,500. In
19 case any officer whose signature appears upon any check or
20 draft, issued pursuant to this Act, ceases to hold his office
21 before the delivery thereof to the payee, his signature
22 nevertheless shall be valid and sufficient for all purposes
23 with the same effect as if he had remained in office until
24 delivery thereof. No bank or savings and loan association shall
25 receive public funds as permitted by this Section, unless it
26 has complied with the requirements established pursuant to

1 Section 6 of the Public Funds Investment Act.

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

3 (20 ILCS 3501/845-45)

4 Sec. 845-45. Conflict of interest.

5 (a) No member, officer, agent, or employee of the Authority
6 or any of its governing boards shall, in his or her own name or
7 in the name of a nominee, be an officer or director or hold an
8 ownership interest of more than 7 1/2% in any person,
9 association, trust, corporation, partnership, or other entity
10 that is, in its own name or in the name of a nominee, a party to
11 a contract or agreement upon which the member, officer, agent,
12 or employee may be called upon to act or vote.

13 (b) With respect to any direct or any indirect interest,
14 other than an interest prohibited in subsection (a), in a
15 contract or agreement upon which the member, officer, agent, or
16 employee may be called upon to act or vote, a member, officer,
17 agent, or employee of the Authority or any of its governing
18 boards shall disclose the interest to the secretary of the
19 Authority before the taking of final action by the Authority or
20 any of its governing boards concerning the contract or
21 agreement and shall so disclose the nature and extent of the
22 interest and his or her acquisition of it, and those
23 disclosures shall be publicly acknowledged by the Authority and
24 entered upon the minutes of the Authority. If a member,
25 officer, agent, or employee of the Authority or any of its

1 governing boards holds such an interest, then he or she shall
2 refrain from any further official involvement in regard to the
3 contract or agreement, from voting on any matter pertaining to
4 the contract or agreement, and from communicating with other
5 members of the Authority or any of its governing boards or its
6 officers, agents, and employees concerning the contract or
7 agreement. Notwithstanding any other provision of law, any
8 contract or agreement entered into in conformity with this
9 subsection (b) shall not be void or invalid by reason of the
10 interest described in this subsection, nor shall any person so
11 disclosing the interest and refraining from further official
12 involvement as provided in this subsection be guilty of an
13 offense, be removed from office, or be subject to any other
14 penalty on account of that interest.

15 (c) Any contract or agreement made in violation of
16 paragraphs (a) or (b) of this Section shall be null and void
17 and give rise to no action against the Authority.

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

19 (20 ILCS 3501/845-50)

20 Sec. 845-50. Fiscal year; annual report. The fiscal year
21 for the Authority shall commence on the first of July. As soon
22 after the end of each fiscal year as may be expedient, the
23 Authority shall cause to be prepared and printed a complete
24 report and financial statement of its operations and of its
25 assets and liabilities. The report and financial statement

1 shall cover the Authority as a whole, but shall include a
2 separate treatment of the programs governed by each of the
3 governing boards. A reasonably sufficient number of copies of
4 such report shall be printed for distribution to persons
5 interested, upon request, and a copy thereof shall be filed
6 with the Governor, the Secretary of State, the State
7 Comptroller, the Secretary of the Senate and the Chief Clerk of
8 the House of Representatives.

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

10 Section 99. Effective date. This Act takes effect January
11 1, 2010.