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AN ACT concerning local government.

## 2 Be it enacted by the People of the State of Illinois, 3 represented in the General Assembly:

Section 5. The Upper Illinois River Valley Development
Authority Act is amended by changing Section 7 and by adding
Section 7.1 as follows:

- 7 (70 ILCS 530/7) (from Ch. 85, par. 7157)
- 8 Sec. 7. Bonds.

9 (a) The Authority, with the written approval of the Governor, shall have the continuing power to issue bonds, 10 notes, or other evidences of indebtedness in an aggregate 11 amount outstanding not to exceed \$500,000,000 \$250,000,000 for 12 the purpose of developing, constructing, acquiring or 13 14 improving projects, including those established by business entities locating or expanding property within the territorial 15 16 jurisdiction of the Authority, for entering into venture 17 capital agreements with businesses locating or expanding within the territorial jurisdiction of the Authority, for 18 19 acquiring and improving any property necessary and useful in 20 connection therewith and for the purposes of the Employee 21 Ownership Assistance Act. For the purpose of evidencing the 22 obligations of the Authority to repay any money borrowed, the Authority may, pursuant to resolution, from time to time issue 23

and dispose of its interest bearing revenue bonds, notes or 1 2 other evidences of indebtedness and may also from time to time 3 issue and dispose of such bonds, notes or other evidences of indebtedness to refund, at maturity, at a redemption date or in 4 5 advance of either, any bonds, notes or other evidences of indebtedness pursuant to redemption provisions or at any time 6 before maturity. All such bonds, notes or other evidences of 7 8 indebtedness shall be payable solely and only from the revenues 9 or income to be derived from loans made with respect to 10 projects, from the leasing or sale of the projects or from any 11 other funds available to the Authority for such purposes. The 12 bonds, notes or other evidences of indebtedness may bear such date or dates, may mature at such time or times not exceeding 13 14 40 years from their respective dates, may bear interest at such 15 rate or rates not exceeding the maximum rate permitted by "An 16 Act to authorize public corporations to issue bonds, other 17 evidences of indebtedness and tax anticipation warrants subject to interest rate limitations set forth therein", 18 19 approved May 26, 1970, as amended, may be in such form, may carry such registration privileges, may be executed in such 20 21 manner, may be payable at such place or places, may be made 22 subject to redemption in such manner and upon such terms, with 23 or without premium as is stated on the face thereof, may be 24 authenticated in such manner and may contain such terms and 25 covenants as may be provided by an applicable resolution.

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(b-1) The holder or holders of any bonds, notes or other

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evidences of indebtedness issued by the Authority may bring 1 2 suits at law or proceedings in equity to compel the performance 3 and observance by any corporation or person or by the Authority or any of its agents or employees of any contract or covenant 4 5 made with the holders of such bonds, notes or other evidences of indebtedness, to compel such corporation, person, 6 the 7 Authority and any of its agents or employees to perform any 8 duties required to be performed for the benefit of the holders 9 of any such bonds, notes or other evidences of indebtedness by 10 the provision of the resolution authorizing their issuance and 11 to enjoin such corporation, person, the Authority and any of 12 its agents or employees from taking any action in conflict with any such contract or covenant. 13

(b-2) If the Authority fails to pay the principal of or 14 15 interest on any of the bonds or premium, if any, as the same 16 become due, a civil action to compel payment may be instituted 17 in the appropriate circuit court by the holder or holders of the bonds on which such default of payment exists or by an 18 19 indenture trustee acting on behalf of such holders. Delivery of 20 a summons and a copy of the complaint to the Chairman of the Board shall constitute sufficient service to give the circuit 21 22 court jurisdiction of the subject matter of such a suit and 23 jurisdiction over the Authority and its officers named as 24 defendants for the purpose of compelling such payment. Any 25 case, controversy or cause of action concerning the validity of this Act relates to the revenue of the State of Illinois. 26

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(c) Notwithstanding the form and tenor of any such bonds, 1 2 notes or other evidences of indebtedness and in the absence of 3 express recital on the face thereof that it is any non-negotiable, all such bonds, notes and other evidences of 4 5 indebtedness shall be negotiable instruments. Pending the preparation and execution of any such bonds, notes or other 6 evidences of indebtedness, temporary bonds, notes or evidences 7 8 of indebtedness may be issued as provided by ordinance.

9 (d) To secure the payment of any or all of such bonds, 10 notes or other evidences of indebtedness, the revenues to be 11 received by the Authority from a lease agreement or loan 12 agreement shall be pledged, and, for the purpose of setting 13 forth the covenants and undertakings of the Authority in connection with the issuance thereof and the issuance of any 14 additional bonds, notes or other evidences of indebtedness 15 16 payable from such revenues, income or other funds to be derived 17 from projects, the Authority may execute and deliver a mortgage or trust agreement. A remedy for any breach or default of the 18 19 terms of any such mortgage or trust agreement by the Authority 20 may be by mandamus proceedings in the appropriate circuit court 21 to compel the performance and compliance therewith, but the 22 trust agreement may prescribe by whom or on whose behalf such 23 action may be instituted.

(e) Such bonds or notes shall be secured as provided in the
 authorizing ordinance which may, notwithstanding any other
 provision of this Act, include in addition to any other

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security a specific pledge or assignment of and lien on or security interest in any or all revenues or money of the Authority from whatever source which may by law be used for debt service purposes and a specific pledge or assignment of and lien on or security interest in any funds or accounts established or provided for by ordinance of the Authority authorizing the issuance of such bonds or notes.

8 (f) In the event that the Authority determines that monies 9 of the Authority will not be sufficient for the payment of the 10 principal of and interest on its bonds during the next State 11 fiscal year, the Chairman, as soon as practicable, shall 12 certify to the Governor the amount required by the Authority to enable it to pay such principal of and interest on the bonds. 13 14 The Governor shall submit the amount so certified to the General Assembly as soon as practicable, but no later than the 15 16 end of the current State fiscal year. This Section shall not 17 apply to any bonds or notes as to which the Authority shall have determined, in the resolution authorizing the issuance of 18 19 the bonds or notes, that this Section shall not apply. Whenever 20 the Authority makes such a determination, that fact shall be 21 plainly stated on the face of the bonds or notes and that fact 22 shall also be reported to the Governor.

In the event of a withdrawal of moneys from a reserve fund established with respect to any issue or issues of bonds of the Authority to pay principal or interest on those bonds, the Chairman of the Authority, as soon as practicable, shall HB1866 Enrolled - 6 - LRB097 09118 RLJ 49253 b

certify to the Governor the amount required to restore the 1 2 reserve fund to the level required in the resolution or 3 indenture securing those bonds. The Governor shall submit the amount so certified to the General Assembly as soon as 4 practicable, but no later than the end of the current State 5 6 fiscal year. This subsection (f) shall not apply to any bond issued on or after the effective date of this amendatory Act of 7 8 the 97th General Assembly.

9 (g) The State of Illinois pledges to and agrees with the 10 holders of the bonds and notes of the Authority issued pursuant 11 to this Section that the State will not limit or alter the 12 rights and powers vested in the Authority by this Act so as to 13 impair the terms of any contract made by the Authority with 14 such holders or in any way impair the rights and remedies of 15 such holders until such bonds and notes, together with interest 16 thereon, with interest on any unpaid installments of interest, 17 and all costs and expenses in connection with any action or proceedings by or on behalf of such holders, are fully met and 18 19 discharged. In addition, the State pledges to and agrees with 20 the holders of the bonds and notes of the Authority issued pursuant to this Section that the State will not limit or alter 21 22 the basis on which State funds are to be paid to the Authority 23 as provided in this Act, or the use of such funds, so as to 24 impair the terms of any such contract. The Authority is 25 authorized to include these pledges and agreements of the State in any contract with the holders of bonds or notes issued 26

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1 pursuant to this Section.

2 (h) Not less than 30 days prior to the commitment to issue 3 bonds, notes, or other evidences of indebtedness for the 4 purpose of developing, constructing, acquiring or improving 5 housing or residential projects, as defined in Section 3, the 6 Authority shall provide notice to the Executive Director of the 7 Illinois Housing Development Authority. Within 30 days after notice is provided, the Illinois Housing Development Authority 8 9 shall either in writing express interest in financing the 10 project or notify the Authority that it is not interested in 11 providing such financing and the Authority may finance the 12 project or seek alternative financing.

13 (Source: P.A. 91-905, eff. 7-7-00.)

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(70 ILCS 530/7.1 new)

15 Sec. 7.1. Bonds and notes; exemption from taxation. The 16 creation of the Authority is in all respects for the benefit of the people of Illinois and for the improvement of their health, 17 safety, welfare, comfort, and security, and its purposes are 18 19 public purposes. In consideration thereof, the notes and bonds 20 of the Authority issued pursuant to this Act and the income 21 from these notes and bonds may be free from all taxation by the 22 State or its political subdivisions, except for estate, 23 transfer, and inheritance taxes. The exemption from taxation 24 set forth in this Section shall apply to the income on any notes or bonds of the Authority only if the Authority in its 25

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1 sole judgment determines that the exemption enhances the marketability of the bonds or notes or reduces the interest 2 rates that would otherwise be borne by the bonds or notes. For 3 4 purposes of Section 250 of the Illinois Income Tax Act, the 5 exemption of the Authority shall terminate after all of the 6 bonds have been paid. The amount of the income that shall be added and then subtracted on the Illinois income tax return of 7 a taxpayer, subject to Section 203 of the Illinois Income Tax 8 9 Act, from federal adjusted gross income or federal taxable 10 income in computing Illinois base income shall be the interest 11 net of any bond premium amortization.

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