

1 AN ACT concerning consolidation of authorities.

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

4 ARTICLE 1

5 GENERAL PROVISIONS

6 Section 1-1. Short Title. This Act may be cited as the
7 Illinois State Finance Authority Act.

8 Section 1-5. Findings and declaration of policy. The
9 General Assembly hereby finds, determines and declares:

10 (a) that there are a number of existing State
11 authorities authorized to issue bonds to alleviate the
12 conditions and promote the objectives set forth below; and to
13 provide a stronger, better coordinated development effort, it
14 is determined to be in the interest of promoting the health,
15 safety, morals and general welfare of all the people of the
16 State to consolidate certain of such existing authorities
17 into one finance authority;

18 (b) that involuntary unemployment affects the health,
19 safety, morals and general welfare of the people of the State
20 of Illinois;

21 (c) that the economic burdens resulting from involuntary
22 unemployment fall in part upon the State in the form of
23 public assistance and reduced tax revenues, and in the event
24 the unemployed worker and his family migrate elsewhere to
25 find work, may also fall upon the municipalities and other
26 taxing districts within the areas of unemployment in the form
27 of reduced tax revenues, thereby endangering their financial
28 ability to support necessary governmental services for their
29 remaining inhabitants;

30 (d) that a vigorous growing economy is the basic source

1 of job opportunities;

2 (e) that protection against involuntary unemployment,
3 its economic burdens and the spread of economic stagnation
4 can best be provided by promoting, attracting, stimulating
5 and revitalizing industry, manufacturing and commerce in the
6 State;

7 (f) that the State has a responsibility to help create a
8 favorable climate for new and improved job opportunities for
9 its citizens by encouraging the development of commercial
10 businesses and industrial and manufacturing plants within the
11 State;

12 (g) that increased availability of funds for
13 construction of new facilities and the expansion and
14 improvement of existing facilities for industrial, commercial
15 and manufacturing facilities will provide for new and
16 continued employment in the construction industry and
17 alleviate the burden of unemployment.

18 (h) that as a result of public actions involving
19 highways, public facilities and urban renewal projects and as
20 a result of the spread of slum conditions and blight to
21 formerly sound neighborhoods and as a result of high costs of
22 heating dwelling units, and as a result of the shortage of
23 and high cost of financing for housing, there exists within
24 Illinois a serious shortage, of decent, safe, and sanitary
25 housing available at low and moderate rentals to persons and
26 families of low and moderate income. This shortage is
27 inimical to the safety, health, morals and welfare of the
28 residents of this State and the sound growth of its
29 communities. Private enterprise and investment, without the
30 assistance contemplated in this Act, is not disposed to nor
31 can it economically achieve the needed construction of
32 decent, safe and sanitary housing at rentals which persons
33 and families of low and moderate income can afford, nor is it
34 disposed nor can it so achieve the urgently needed

1 rehabilitation of existing housing or the provision of
2 existing housing to those persons and families at those
3 rentals. It is, therefore, imperative that the cost of
4 mortgage financing, a major factor materially affecting
5 rental levels in housing built by private enterprise, be made
6 lower in order to reduce rental levels for low and moderate
7 income persons and families; that the supply of housing for
8 persons and families displaced by public action or natural
9 disaster be increased; and that private enterprise be
10 encouraged to acquire, build and rehabilitate housing which
11 will help prevent the recurrence of slum conditions and
12 assist in their permanent elimination by housing persons of
13 varied economic means in the same structures and
14 neighborhoods.

15 (i) that the serious shortage of decent, safe and
16 sanitary housing in the State of Illinois is in large measure
17 caused by recurring critical shortages of funds in private
18 lending institutions available for residential mortgages at
19 reasonable interest rates. These shortages have contributed
20 to serious reductions in construction starts of new
21 residential units and in rehabilitation of existing housing.
22 The unaided operations of private enterprise have not met and
23 cannot consistently meet the need for increased funds for
24 residential mortgage financing.

25 (j) that urban growth in this State is not taking place
26 in an efficient and well-planned manner. Many existing and
27 planned industrial and commercial facilities are not easily
28 accessible to the places of residence of substantial numbers
29 of unemployed persons. The unaided efforts of private
30 enterprise have not met and cannot meet the needs of
31 providing residential dwellings in conjunction with or easily
32 accessible to such industrial and commercial facilities due
33 to problems encountered in assembling suitable building
34 sites, the lack of adequate public services, the

1 unavailability of private capital for development in such
2 areas, and the inability of private enterprise alone to plan,
3 finance and coordinate industrial and commercial development
4 with residential development for persons and families of low
5 and moderate income and with public services and mass
6 transportation facilities.

7 (k) that the development and provision of decent, safe
8 and sanitary housing available at low and moderate rentals to
9 persons and families of low and moderate income is being
10 adversely affected, in various areas, by the failure of those
11 areas to have adequate commercial facilities to serve the
12 areas in which such housing may be provided under this Act.
13 It is further found and declared that the coordinated
14 development of commercial facilities in conjunction with
15 housing facilities can assist in providing decent, safe and
16 sanitary housing available at low and moderate rentals to
17 persons and families of low and moderate income. Moreover,
18 the provision of housing related commercial facilities will
19 serve to provide employment, which is needed in the State
20 because of the serious and long standing level of
21 unemployment in the State, with the consequential reduction
22 of public revenues and increased costs of public services.

23 (l) that in the absence of direct governmental subsidies
24 the unaided operations of private enterprise do not provide
25 sufficient resources for residential construction,
26 rehabilitation, rental or purchase, and that support from
27 housing related commercial facilities is one means of
28 stimulating residential construction, rehabilitation, rental
29 and purchase.

30 (m) that cost-effective construction materials and
31 techniques can significantly reduce normal heating costs, but
32 that the bargaining power of prospective low and moderate
33 income tenants or owners of housing developed under this Act
34 is insufficient to assure the utilization of such materials

1 and techniques, and thus to assure affordable heat to those
2 who are the intended beneficiaries of this Act.

3 (n) that demolition and conversion of single room
4 occupancy hotels has exacerbated the shortage of affordable
5 housing for low-income persons.

6 (o) that the supply of decent, safe and sanitary housing
7 available at low and moderate rentals to persons and families
8 of low and moderate income is threatened by the potential
9 prepayment of federally subsidized mortgages.

10 (p) that it is in the public interest and the policy of
11 this State to foster and promote by all reasonable means the
12 provision of adequate capital markets and facilities for
13 borrowing money by units of local government, and for the
14 financing of their respective public improvements and other
15 governmental purposes within the State from proceeds of bonds
16 or notes issued by those governmental units; and to assist
17 local governmental units in fulfilling their needs for those
18 purposes by use of creation of indebtedness;

19 (q) that it is in the public interest and the policy of
20 this State to the extent possible, to reduce the costs of
21 indebtedness to taxpayers and residents of this State and to
22 encourage continued investor interest in the purchase of
23 bonds or notes of governmental units as sound and preferred
24 securities for investment; and to encourage governmental
25 units to continue their independent undertakings of public
26 improvements and other governmental purposes and the
27 financing thereof, and to assist them in those activities by
28 making funds available at reduced interest costs for orderly
29 financing of those purposes, especially during periods of
30 restricted credit or money supply, and particularly for those
31 governmental units not otherwise able to borrow for those
32 purposes.

33 (r) that in this State the following conditions exist:

34 (i) an inadequate supply of funds at interest rates

1 sufficiently low to enable persons engaged in agriculture in
2 this State to pursue agricultural operations at present
3 levels; (ii) that such inability to pursue agricultural
4 operations lessens the supply of agricultural commodities
5 available to fulfill the needs of the citizens of this State;
6 (iii) that such inability to continue operations decreases
7 available employment in the agricultural sector of the State
8 and results in unemployment and its attendant problems; (iv)
9 that such conditions prevent the acquisition of an adequate
10 capital stock of farm equipment and machinery, much of which
11 is manufactured in this State, therefore impairing the
12 productivity of agricultural land and, further, causing
13 unemployment or lack of appropriate increase in employment in
14 such manufacturing; (v) that such conditions are conducive to
15 consolidation of acreage of agricultural land with fewer
16 individuals living and farming on the traditional family
17 farm; (vi) that these conditions result in a loss in
18 population, unemployment and movement of persons from rural
19 to urban areas accompanied by added costs to communities for
20 creation of new public facilities and services; (vii) that
21 there have been recurrent shortages of funds for agricultural
22 purposes from private market sources at reasonable rates of
23 interest; (viii) that these shortages have made the sale and
24 purchase of agricultural land to family farmers a virtual
25 impossibility in many parts of the State; (ix) that the
26 ordinary operations of private enterprise have not in the
27 past corrected these conditions; and (x) that a stable supply
28 of adequate funds for agricultural financing is required to
29 encourage family farmers in an orderly and sustained manner
30 and to reduce the problems described above.

31 (s) that the provision of a higher education for all
32 residents of this State who desire a higher education and are
33 properly qualified for higher education is important to the
34 welfare and security of this State and Nation and,

1 consequently, is an important public purpose, and

2 (t) that many qualified students are deterred by
3 financial considerations from completing their education,
4 with a consequent irreparable loss to the State and nation of
5 talents vital to welfare and security. The number of
6 qualified persons who desire a higher education is increasing
7 rapidly, and the physical facilities, faculties, and staffs
8 of the institutions of higher learning operated by, within
9 and for the residents of the State will have to be expanded
10 greatly to accommodate those persons, with an attendant sharp
11 increase in the cost of educating them. A system of
12 financial assistance of scholarships, grants, and loans for
13 qualified residents of college age will enable them to attend
14 qualified institutions of their choice in the State, public
15 or private. The adoption of new federal student loan
16 legislation necessitates that the State update and broaden
17 its system of financial student assistance. As market
18 conditions permit, reasonable and affordable supplemental or
19 alternative educational loans may be offered to students who
20 seek to obtain these loans, and as part of these alternative
21 or supplemental direct lending initiatives, priority
22 consideration may be given to students assisted by need-based
23 programs.

24 (u) that for the benefit of the people of the State of
25 Illinois, the conduct and increase of their commerce, the
26 protection and enhancement of their welfare, the development
27 of continued prosperity and the improvement of their health
28 and living conditions it is essential that all the people of
29 the State be given the fullest opportunity to learn and to
30 develop their intellectual and mental capacities and skills;
31 that to achieve these end it is of the utmost importance that
32 private institutions of higher education within the State be
33 provided with appropriate additional means to assist the
34 people of the State in achieving the required levels of

1 learning and development of their intellectual and mental
2 capacities and skills and that cultural institutions within
3 the State be provided with appropriate additional means to
4 expand the services and resources which they offer for the
5 cultural, intellectual, scientific, educational and artistic
6 enrichment of the people of the State;

7 (v) that in order to foster civic and neighborhood
8 pride, citizens require access to facilities such as
9 educational institutions, recreation, parks and open spaces,
10 entertainment and sports, a reliable transportation network,
11 cultural facilities and theaters and other facilities as
12 authorized by this Act, and that it is the best interests of
13 the State to lower the costs of all such facilities by
14 providing financing through the State;

15 (w) that to preserve and protect the health of the
16 citizens of the State, and lower the costs of health care,
17 that financing for health facilities should be provided
18 through the State; and

19 It is hereby declared to be the policy of the State, in
20 the interest of promoting the health, safety, morals and
21 general welfare of all the people of the State, to address
22 the conditions noted above, to increase job opportunities and
23 to retain existing jobs in the State, by making available
24 through the Illinois State Finance Authority, hereinafter
25 created, funds for the development, improvement and creation
26 of industrial, housing, local government, educational,
27 health, public purpose and other projects; and to grant the
28 powers to the Illinois State Finance Authority to issue notes
29 and bonds in order to make loans for the acquisition,
30 construction and rehabilitation of housing, community
31 facilities and housing related commercial facilities, acquire
32 and develop land for large-scale planned developments and new
33 communities and, as a means of encouraging home ownership,
34 make loans to and purchase residential mortgages from private

1 lending institutions; and to borrow money; to issue its bonds
2 and notes to make funds at reduced rates and on more
3 favorable terms for borrowing by local governmental units
4 through the purchase of the bonds or notes of the
5 governmental units; and to make or acquire loans for the
6 acquisition and development of agricultural facilities; to
7 provide financing for private institutions of higher
8 education, cultural institutions, health facilities and other
9 facilities and projects as authorized by this Act; and to
10 grant broad powers to Illinois State Finance Authority to
11 accomplish and to carry out these policies of the State which
12 are in the public interest of the State and of its taxpayers
13 and residents.

14 Section 1-10. Definitions. The following terms,
15 whenever used or referred to in this Act, shall have the
16 following meanings, except in such instances where the
17 context may clearly indicate otherwise:

18 (a) The term "Authority" means the Illinois State
19 Finance Authority created by this Act.

20 (b) The term "project" means an industrial project,
21 housing project, public purpose project, higher education
22 project, health facility project, cultural institution
23 project, agricultural facility or agribusiness, and "project"
24 may include any combination of one or more of the foregoing
25 undertaken jointly by any person with one or more other
26 persons, but "project" shall not include any facility used or
27 to be used for sectarian instruction or as a place of
28 religious worship nor any facility which is used or to be
29 used primarily in connection with any part of the program of
30 a school or department of divinity for any religious
31 denomination or the training of ministers, priests, rabbis
32 or other professional persons in the field of religion.

33 (c) The term "public purpose project" means any project

1 or facility including without limitation land, buildings,
2 structures, machinery, equipment and all other real and
3 personal property, which is authorized or required by law to
4 be acquired, constructed, improved, rehabilitated,
5 reconstructed, replaced or maintained by any unit of
6 government or any other lawful public purpose which is
7 authorized or required by law to be undertaken by any unit of
8 government.

9 (d) The term "industrial project" means the acquisition,
10 construction, refurbishment, creation, development or
11 redevelopment of any facility, equipment, machinery, real
12 property or personal property for use by any instrumentality
13 of the State or its political subdivisions, for use by any
14 person or institution, public or private, for profit or not
15 for profit, or for use in any trade or business including,
16 but not limited to, any industrial, manufacturing or
17 commercial enterprise and which is (1) a capital project
18 including but not limited to: (i) land and any rights
19 therein, one or more buildings, structures or other
20 improvements, machinery and equipment, whether now existing
21 or hereafter acquired, and whether or not located on the same
22 site or sites; (ii) all appurtenances and facilities
23 incidental to the foregoing, including, but not limited to
24 utilities, access roads, railroad sidings, track, docking and
25 similar facilities, parking facilities, dockage, wharfage,
26 railroad roadbed, track, trestle, depot, terminal, switching
27 and signaling or related equipment, site preparation and
28 landscaping; and (iii) all non-capital costs and expenses
29 relating thereto or (2) any addition to, renovation,
30 rehabilitation or improvement of a capital project or (3) any
31 activity or undertaking which the Authority determines will
32 aid, assist or encourage economic growth, development or
33 redevelopment within the State or any area thereof, will
34 promote the expansion, retention or diversification of

1 employment opportunities within the State or any area thereof
2 or will aid in stabilizing or developing any industry or
3 economic sector of the State economy. The term "industrial
4 project" also means the production of motion pictures.

5 (e) The term "bond" or "bonds" shall include bonds,
6 notes (including bond, grant or revenue anticipation notes),
7 certificates and or other evidences of indebtedness
8 representing an obligation to pay money, including refunding
9 bonds.

10 (f) The terms "lease agreement" and "loan agreement"
11 shall mean: (i) an agreement whereby a project acquired by
12 the Authority by purchase, gift or lease is leased to any
13 person, corporation or unit of local government which will
14 use or cause the project to be used as a project as
15 heretofore defined upon terms providing for lease rental
16 payments at least sufficient to pay when due all principal
17 of, interest and premium, if any, on any bonds of the
18 Authority issued with respect to such project, providing for
19 the maintenance, insuring and operation of the project on
20 terms satisfactory to the Authority, providing for
21 disposition of the project upon termination of the lease
22 term, including purchase options or abandonment of the
23 premises, and such other terms as may be deemed desirable by
24 the Authority, or (ii) any agreement pursuant to which the
25 Authority agrees to loan the proceeds of its bonds issued
26 with respect to a project or other funds of the Authority to
27 any person which will use or cause the project to be used as
28 a project as heretofore defined upon terms providing for loan
29 repayment installments at least sufficient to pay when due
30 all principal of, interest and premium, if any, on any bonds
31 of the Authority, if any, issued with respect to the project,
32 and providing for maintenance, insurance and other matters as
33 may be deemed desirable by the Authority.

34 (g) The term "financial aid" means the expenditure of

1 Authority funds or funds provided by the Authority through
2 the issuance of its bonds, notes or other evidences of
3 indebtedness or from other sources for the development,
4 construction, acquisition or improvement of a project.

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

9 (i) The term "unit of government" means the federal
10 government, the State or unit of local government, a school
11 district, or any agency or instrumentality, office, officer,
12 department, division, bureau, commission, college or
13 university thereof.

14 (j) The term "development costs" means the costs
15 approved by the Authority as appropriate expenditures which
16 may be incurred prior to commitment and initial closing of
17 assisted mortgage financing or of housing related commercial
18 facilities, including but not limited to: (1) payments for
19 options to purchase properties for the proposed development
20 or facilities, deposits on contracts of purchase, or, with
21 the prior approval of the Authority, payments for the
22 purchases of such properties; (2) legal, organizational and
23 consultants' expenses; (3) payment of fees for preliminary
24 feasibility studies and engineering and architectural work;
25 (4) necessary application and other fees to federal, State
26 and local government agencies; and (5) such other expenses as
27 the Authority may deem appropriate to effectuate the purposes
28 of this Act.

29 (k) The term "assisted mortgage financing" means a below
30 market interest rate mortgage insured or purchased, or a loan
31 made, by the Secretary of the United States Department of
32 Housing and Urban Development or by any other federal agency
33 or governmental corporation or by any political subdivision
34 of the State of Illinois or by any Illinois public

1 corporation; a market interest rate mortgage insured or
2 purchased, or a loan made in combination with, or as
3 augmented by, a program of rent supplements, interest
4 subsidies, leasing, contributions or grants, or other
5 programs as are now or hereafter authorized by federal law to
6 serve low or moderate income persons; a mortgage or loan made
7 pursuant to this Act; or a mortgage or loan from any private
8 or public source with an interest rate and terms satisfactory
9 to the Authority and which will meet the requirements and
10 purposes of this Act.

11 (l) The term "lending institution" means, with respect
12 to housing financing, any bank, trust company, savings bank,
13 savings and loan association, credit union, national banking
14 association, mortgage banking association, federal savings
15 and loan association or federal credit unit maintaining an
16 office in the State, any insurance company or any other
17 entity or organization which makes or acquires loans secured
18 by real property.

19 (m) The term "residential mortgage" means a loan owed to
20 a lending institution, to the Authority or to a trustee for
21 holders of bonds or notes of the Authority or to a trustee
22 for owners of pools of mortgages, and secured by a lien on
23 real property located in the State and improved by a
24 residential structure or a mixed residential and commercial
25 structure, or unimproved if the proceeds of such loan shall
26 be used for the erection of a residential structure or a
27 mixed residential and commercial structure thereon, whether
28 or not such loan is insured or guaranteed by the United
29 States of America or any agency or corporation thereof.

30 (n) The term "development" with respect to housing means
31 a specific work or improvement undertaken to provide dwelling
32 accommodations, including the acquisition, construction or
33 rehabilitation of lands, buildings and community facilities
34 and in connection therewith to provide nonhousing facilities

1 which are a part of a planned large-scale project or new
2 community.

3 (o) The term "persons and families of low and moderate
4 income" and "low income or moderate income persons" means
5 families and persons who cannot afford to pay the amounts at
6 which private enterprise, without assisted mortgage
7 financing, is providing a substantial supply of decent, safe
8 and sanitary housing. The income limits for the admission of
9 such families and persons to developments shall be those
10 established pursuant to the rules applicable to the assisted
11 mortgage financing program under which such developments are
12 financed.

13 (p) The term "moderate rentals" means rent charges less
14 than those rents generally charged for new dwelling units of
15 comparable size and location built by the unassisted efforts
16 of private enterprise and financed at then current market
17 interest rates.

18 (q) The term "low rentals" means rent charges at least
19 10% lower than moderate rentals.

20 (r) The term "rents" or "rentals" shall mean fees or
21 charges paid for use of a development under this Act, whether
22 the development is operated on a landlord-tenant basis or as
23 a condominium or cooperative.

24 (s) The term "limited-profit entity" means any
25 individual, joint venture, partnership, limited partnership,
26 trust or corporation organized or existing under the laws of
27 the State of Illinois or authorized to do business in this
28 State and having articles of incorporation or comparable
29 documents of organization or a written agreement with the
30 Authority which, in addition to other requirements of law,
31 provided (1) that if the limited-profit entity receives any
32 loan from the Authority as provided for in this Act, it shall
33 be authorized to enter into an agreement with the Authority
34 providing for regulations with respect to rents, profits,

1 dividends and disposition of property or franchises; and (2)
2 that if the limited-profit entity receives a loan, as
3 provided for in this Act, the Chairperson of the Authority,
4 acting with the prior approval of the Authority, shall have
5 the power, if he determines that any such loan is in jeopardy
6 of not being repaid, or that the proposed development for
7 which such loan was made is in jeopardy of not being
8 constructed, or the limited-profit entity is otherwise in
9 violation of rules and regulations promulgated by the
10 Authority, to appoint to the board of directors or other
11 comparable controlling body of such limited-profit entity a
12 number of new directors or persons, which number shall be
13 sufficient to constitute a voting majority of such board or
14 controlling body, notwithstanding any other provisions of the
15 limited-profit entity's articles of incorporation or other
16 documents of organization, or of any other provisions of law,
17 provided that this requirement set forth in this paragraph
18 (2) is not mandatory in the case of loans made solely with
19 monies from the Authority's administrative fund.

20 (t) The term "land development" means the process of
21 clearing and grading land, making, installing, or
22 constructing waterlines and water supply installations, sewer
23 lines and sewage disposal installations, steam, gas, and
24 electric lines and installations, roads, streets, curbs,
25 gutters, sidewalks, storm drainage facilities, and other
26 installations or work, whether on or off the site, necessary
27 or desirable to prepare land for residential, commercial,
28 industrial, or other uses, or to provide facilities for
29 public or common use.

30 (u) "Nonprofit corporation", with respect to financing
31 of housing, means a nonprofit corporation incorporated
32 pursuant to the provisions of the Illinois General Not For
33 Profit Corporation Act or the State Housing Act of 1933 and
34 having articles of incorporation which, in addition to other

1 requirements of law, provide:

2 (1) that the corporation has been organized to
3 provide housing facilities for persons of low and
4 moderate income;

5 (2) that all income and earnings of the corporation
6 shall be used exclusively for corporation purposes and
7 that no part of the net income or net earnings of the
8 corporation shall inure to the benefit or profit of any
9 private individual, firm, corporation, partnership, or
10 association;

11 (3) that the corporation is in no manner controlled
12 or under the direction or acting in the substantial
13 interest of private individuals, firms, corporations,
14 partnerships, or associations seeking to derive profit or
15 gain therefrom or seeking to eliminate or minimize losses
16 in any dealings or transactions therewith;

17 (4) that if the corporation receives any loan or
18 advance from the Authority as provided for in this Act,
19 it shall be authorized to enter into an agreement with
20 the Authority providing for regulation with respect to
21 rents, profits, dividends, and disposition of property or
22 franchises;

23 (5) that if the corporation receives a loan or
24 advance, as provided for in this Act, the chairperson of
25 the Authority, acting with the prior approval of the
26 majority of the members of the Authority, shall have the
27 power if he determines that any such loan or advance is
28 in jeopardy of not being repaid, or that the proposed
29 development for which such loan or advance was made is in
30 jeopardy of not being constructed, or that some part of
31 the net income or net earnings of the corporation is
32 inuring to the benefit of any private individual, firm,
33 corporation, partnership, or association, or that the
34 corporation is in some manner controlled or under the

1 direction of or acting in the substantial interest of any
2 private individual, firm, corporation, partnership, or
3 association seeking to derive benefit or gain therefrom
4 or seeking to eliminate or minimize losses in any
5 dealings or transactions therewith, or is in violation of
6 rules and regulations promulgated by the Authority to
7 appoint to the board of directors of such corporation a
8 number of new directors, which number shall be sufficient
9 to constitute a majority of such board, notwithstanding
10 any other provisions of such articles of incorporation or
11 of any other provisions of law; and

12 (6) that each development of such corporation shall
13 be operated exclusively for the benefit of the persons
14 who are housed in such development which shall include
15 families or persons of low or moderate income as required
16 by this Act, and that such development shall reserve for
17 families or persons of low or moderate income the number
18 and types of dwelling units required by applicable
19 federal or State law. The requirements contained in
20 paragraphs (2), (3), (5) and (6) are not mandatory in the
21 case of loans made solely from the Authority's
22 administrative fund.

23 (v) The term "State" means the State of Illinois.

24 (w) The term "housing" means relating to shelter and
25 related facilities for single or multiple families or
26 individuals, and includes housing-related commercial
27 facilities.

28 (x) The term "housing related commercial facilities"
29 means commercial facilities which are or are to be related to
30 a development. Commercial facilities are related to a
31 development if they are, in the sole judgment of the
32 Authority, located in the same area as the development and
33 (i) necessary or desirable in order to provide services for
34 residents of that area in which the development is located;

1 or (ii) a portion of the revenues of the commercial
2 facilities are to be used to provide funds for paying costs
3 of construction, acquisition, rehabilitation, operation,
4 maintenance of or payment of debt service on the development
5 or (iii) necessary or desirable in order to make the
6 development successful, such as, without limitation,
7 eliminating or preventing slum or blighted conditions,
8 preserving historic structures or ensuring that facilities
9 are not inconsistent with the development. For purposes of
10 this Section, "commercial facilities" includes land,
11 buildings, improvements, equipment and all ancillary
12 facilities for use for offices, stores, retirement homes,
13 hotels, financial institutions, service health care,
14 education, recreation or research establishments or any other
15 commercial purpose.

16 (y) The term "affordable housing program trust fund
17 bonds or notes" means bonds or notes issued by the Authority
18 pursuant to the provisions of this Act for the purposes of
19 providing affordable housing to low and very low income
20 persons as provided in the Illinois Affordable Housing Act
21 through the use or pledge, in whole or in part, of Trust Fund
22 Moneys dedicated or otherwise made available to the
23 Authority.

24 (z) The term "trust fund moneys" has the meaning given
25 to that term in Section 3 of the Illinois Affordable Housing
26 Act.

27 (aa) The term "health facility" means: (a) any public
28 or private institution, place, building, or agency required
29 to be licensed under the Hospital Licensing Act; (b) any
30 public or private institution, place, building, or agency
31 required to be licensed under the Nursing Home Care Act, as
32 now or hereafter amended; (c) any public or licensed private
33 hospital as defined in the Mental Health and Developmental
34 Disabilities Code; (d) any such facility exempted from such

1 licensure when the Director of Public Health attests that
2 such exempted facility meets the statutory definition of a
3 facility subject to licensure; (e) any other public or
4 private health service institution, place, building, or
5 agency which the Director of Public Health attests is subject
6 to certification by the Secretary, U.S. Department of Health
7 and Human Services under the Social Security Act, as now or
8 hereafter amended, or which the Director of Public Health
9 attests is subject to standard-setting by a recognized public
10 or voluntary accrediting or standard-setting agency; (f) any
11 public or private institution, place, building or agency
12 engaged in providing one or more supporting services to a
13 health facility; (g) any public or private institution,
14 place, building or agency engaged in providing training in
15 the healing arts, including but not limited to schools of
16 medicine, dentistry, osteopathy, optometry, podiatry,
17 pharmacy or nursing, schools for the training of x-ray,
18 laboratory or other health care technicians and schools for
19 the training of para-professionals in the health care field;
20 (h) any public or private congregate, life or extended care
21 or elderly housing facility or any public or private home for
22 the aged or infirm, including, without limitation, any
23 Facility as defined in the Life Care Facilities Act; (i) any
24 public or private mental, emotional or physical
25 rehabilitation facility or any public or private
26 educational, counseling, or rehabilitation facility or home,
27 for those persons with a developmental disability, those who
28 are physically ill or disabled, the emotionally disturbed,
29 those persons with a mental illness or persons with learning
30 or similar disabilities or problems; (j) any public or
31 private alcohol, drug or substance abuse diagnosis,
32 counseling treatment or rehabilitation facility, (k) any
33 public or private institution, place, building or agency
34 licensed by the Department of Children and Family Services or

1 which is not so licensed but which the Director of Children
2 and Family Services attests provides child care, child
3 welfare or other services of the type provided by facilities
4 subject to such licensure; (l) any public or private adoption
5 agency or facility; and (m) any public or private blood bank
6 or blood center. "Health facility" also means a public or
7 private structure or structures suitable primarily for use as
8 a laboratory, laundry, nurses or interns residence or other
9 housing or hotel facility used in whole or in part for staff,
10 employees or students and their families, patients or
11 relatives of patients admitted for treatment or care in a
12 health facility, or persons conducting business with a health
13 facility, physician's facility, surgicenter, administration
14 building, research facility, maintenance, storage or utility
15 facility and all structures or facilities related to any of
16 the foregoing or required or useful for the operation of a
17 health facility, including parking or other facilities or
18 other supporting service structures required or useful for
19 the orderly conduct of such health facility.

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

28 (cc) The term "health facility project", means a
29 specific health facility work or improvement to be financed
30 or refinanced (including without limitation through
31 reimbursement of prior expenditures), acquired, constructed,
32 enlarged, remodeled, renovated, improved, furnished, or
33 equipped, with funds provided in whole or in part hereunder,
34 any accounts receivable, working capital, liability or

1 insurance cost or operating expense financing or refinancing
2 program of a health facility with or involving funds provided
3 in whole or in part hereunder, or any combination thereof.

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

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

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

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

26 (hh) The term "cultural institution project" means, in
27 the case of a cultural institution, a cultural facility to be
28 acquired, constructed, enlarged, remodeled, renovated,
29 improved, furnished, or equipped, or any combination thereof.

30 (ii) The term "educational facility" means any property
31 located within the State constructed or acquired before or
32 after the effective date of this Act, which is or will be, in
33 whole or in part, suitable for the instruction, feeding,
34 recreation or housing of students, the conducting of research

1 or other work of a private institution of higher education,
2 the use by a private institution of higher education in
3 connection with any educational, research or related or
4 incidental activities then being or to be conducted by it, or
5 any combination of the foregoing, including, without
6 limitation, any such property suitable for use as or in
7 connection with any one or more of the following: an
8 academic facility, administrative facility, agricultural
9 facility, assembly hall, athletic facility, auditorium,
10 boating facility, campus, communication facility, computer
11 facility, continuing education facility, classroom, dining
12 hall, dormitory, exhibition hall, fire fighting facility,
13 fire prevention facility, food service and preparation
14 facility, gymnasium, greenhouse, health care facility,
15 hospital, housing, instructional facility, laboratory,
16 library, maintenance facility, medical facility, museum,
17 offices, parking area, physical education facility,
18 recreational facility, research facility, stadium, storage
19 facility, student union, study facility, theatre or utility.
20 An educational facility shall not include any property used
21 or to be used for sectarian instruction or study or as a
22 place for devotional activities or religious worship nor any
23 property which is used or to be used primarily in connection
24 with any part of the program of a school or department of
25 divinity for any religious denomination.

26 (jj) The term "cultural facility" means any property
27 located within the State constructed or acquired before or
28 after the effective date of this Act, which is or will be, in
29 whole or in part, suitable for the particular purposes or
30 needs of a cultural institution, including, without
31 limitation, any such property suitable for use as or in
32 connection with any one or more of the following: an
33 administrative facility, aquarium, assembly hall, auditorium,
34 botanical garden, exhibition hall, gallery, greenhouse,

1 library, museum, scientific laboratory, theater or zoological
2 facility, and shall also include, without limitation, books,
3 works of art or music, animal, plant or aquatic life or
4 other items for display, exhibition or performance. The term
5 "cultural facility" includes buildings on the National
6 Register of Historic Places which are owned or operated by
7 nonprofit entities. A cultural facility shall not include
8 any property used or to be used for sectarian instruction or
9 study or as a place for devotional activities or religious
10 worship nor any property which is used or to be used
11 primarily in connection with any part of the program of a
12 school or department of divinity for any religious
13 denomination.

14 (kk) "Private institution of higher education" means a
15 not for profit educational institution which is not owned by
16 the State or any political subdivision, agency,
17 instrumentality, district or municipality thereof, which is
18 authorized by law to provide a program of education beyond
19 the high school level and which

20 (a) admits as regular students only individuals
21 having a certificate of graduation from a high school, or
22 the recognized equivalent of such a certificate;

23 (b) provides an educational program for which it
24 awards a bachelor's degree, or provides an educational
25 program, admission into which is conditioned upon the
26 prior attainment of a bachelor's degree or its
27 equivalent, for which it awards a postgraduate degree, or
28 provides not less than a 2-year program which is
29 acceptable for full credit toward such a degree, or
30 offers a 2-year program in engineering, mathematics, or
31 the physical or biological sciences which is designed to
32 prepare the student to work as a technician and at a
33 semiprofessional level in engineering, scientific, or
34 other technological fields which require the

1 understanding and application of basic engineering,
2 scientific, or mathematical principles or knowledge;

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

13 (d) does not discriminate in the admission of
14 students on the basis of race, color or creed. "Private
15 institution of higher education" also includes (except
16 for purposes of the definition in (kk)(a)) any "academic
17 institution".

18 (ll) The term "academic institution" means any not for
19 profit institution which is not owned by the State or any
20 political subdivision, agency, instrumentality, district or
21 municipality thereof, which institution engages in, or
22 facilitates academic, scientific, educational or professional
23 research or learning in a field or fields of study taught at
24 a private institution of higher education. Academic
25 institutions include, without limitation, libraries,
26 archives, academic, scientific, educational or professional
27 societies, institutions, associations or foundations having
28 such purposes. Academic institution does not include any
29 school or any institution primarily engaged in religious or
30 sectarian activities.

31 (mm) The term "cultural institution" means any not for
32 profit institution which is not owned by the State or any
33 political subdivision, agency, instrumentality, district or
34 municipality thereof, which institution engages in the

1 cultural, intellectual, scientific, educational or artistic
2 enrichment of the people of the State. Cultural institutions
3 include, without limitation, aquaria, botanical societies,
4 historical societies, libraries, museums, performing arts
5 associations or societies, scientific societies and
6 zoological societies. Cultural institution does not include
7 any institution primarily engaged in religious or sectarian
8 activities.

9 (nn) The term "local governmental security" means any
10 bond, note or other evidence of indebtedness which a unit of
11 local government is legally authorized to issue for the
12 purpose of financing any public purpose project or to issue
13 for any other lawful public purpose under any provision of
14 the State Constitution or laws of the State, whether such
15 obligation is payable from taxes or revenues, rates, charges,
16 assessments, appropriations, grants or any other lawful
17 source or combination thereof, and shall specifically
18 include, without limitation, obligations under any lease or
19 lease-purchase agreement lawfully entered into by the unit of
20 local government for the acquisition or use of facilities or
21 equipment..

22 (oo) The term "enrollment" means the establishment and
23 maintenance of an individual's status as a student in an
24 institution of higher learning, regardless of the terms used
25 at the institution to describe that status.

26 (pp) The term "approved high school" means any public
27 high school located in this State; and any high school,
28 located in this State or elsewhere (whether designated as a
29 high school, secondary school, academy, preparatory school,
30 or otherwise) which in the judgment of the State
31 Superintendent of Education provides a course of instruction
32 at the secondary level and maintains standards of instruction
33 substantially equivalent to those of the public high schools
34 located in this State.

1 (qq) The terms "institution of higher learning",
2 "qualified institution", or "institution" mean an educational
3 organization located in this State which:

4 (1) provides at least an organized 2-year program
5 of collegiate grade in the liberal arts or sciences, or
6 both, directly applicable toward the attainment of a
7 baccalaureate degree or a program in health education
8 directly applicable toward the attainment of a
9 certificate, diploma, or an associate degree;

10 (2) either is (i) operated by this State, or (ii)
11 operated publicly or privately, not for profit, or (iii)
12 operated for profit, provided such for profit
13 organization

14 (3) offers degree programs which have been approved
15 by the Board of Higher Education for a minimum of 3 years
16 under the Academic Degree Act, and

17 (4) enrolls a majority of its students in such
18 degree programs, and

19 (5) maintains an accredited status with the
20 Authority on Institutions of Higher Education of the
21 North Central Association of Colleges and Schools;

22 (6) in the judgment of the Authority meets
23 standards substantially equivalent to those of comparable
24 institutions operated by this State; and

25 (7) if so required by the Authority, uses the State
26 as its primary guarantor of student loans made under the
27 federal Higher Education Act of 1965. For otherwise
28 eligible educational organizations which provide academic
29 programs for incarcerated students, the terms
30 "institution of higher learning", "qualified
31 institutions", and "institution" shall specifically
32 exclude academic programs for incarcerated students.

33 (rr) The term "academic year" means a 12-month period of
34 time, normally but not exclusively, from September 1 of any

1 year through August 31 of the ensuing year.

2 (ss) The term "full-time student" means any
3 undergraduate student enrolled in 12 or more semester or
4 quarter hours of credit courses in any given semester or
5 quarter or in the equivalent number of units of registration
6 as determined by the Authority.

7 (tt) The term "part-time student" means any
8 undergraduate student, other than a full-time student,
9 enrolled in 6 or more semester or quarter hours of credit
10 courses in any given semester or quarter or in the equivalent
11 number of units of registration as determined by the
12 Authority. Beginning with fiscal year 1999, the Authority
13 may, on a program by program basis, expand this definition of
14 "part-time student" to include students who enroll in less
15 than 6 semester or quarter hours of credit courses in any
16 given semester or quarter.

17 (uu) "Purchase Program" means the Authority exercising
18 its power to establish a secondary market for certain student
19 loans of borrowers by the purchase thereof with the proceeds
20 from the sale of the bonds of the Authority issued pursuant
21 to this Act, with the earnings received by the Authority from
22 any authorized investment, or with eligible loan receipts.

23 (vv) "Eligible loans" means loans of student borrowers
24 made, purchased, or guaranteed by or transferred to the
25 Authority, including but not limited to loans on which:

26 (1) the borrower is contractually delinquent in his
27 repayment obligations within time limitations specified
28 by the Authority; or

29 (2) the borrower is temporarily unable to meet his
30 repayment obligations for reasons of unemployment, or
31 financial, medical or other hardship as determined by the
32 Authority; or

33 (3) the borrower has at least one loan held by the
34 Authority under the Purchase Program; or

1 (4) the borrower's lender, because of the
2 bankruptcy of that lender, is no longer able or the
3 Authority otherwise determines that such lender is no
4 longer able to satisfactorily service the borrower's
5 loan or fulfill the borrower's credit needs under the
6 Authority's program; or

7 (5) the borrower has defaulted on his loan, but has
8 subsequently established a satisfactory repayment history
9 under the rules of the Authority; and notwithstanding the
10 limitations of this Act, the Purchase Program shall have
11 the authority to purchase those defaulted accounts in
12 order to restore the borrower's credit rating and
13 continued eligibility for benefits under other Federal
14 student assistance programs. Nothing in this Act shall
15 be construed to prohibit the Authority from making or
16 purchasing any category of loans if the Authority
17 determines that the making or purchasing of such loans
18 would tend to make more loans available to eligible
19 borrowers. Nothing in this Act shall be construed to
20 excuse the holder of an eligible loan from exercising
21 reasonable care and diligence in the making and
22 collecting of such loans. If the Authority finds that
23 the lender has substantially failed to exercise that care
24 and diligence, the Authority shall disqualify the lender
25 from participation in Authority programs until the
26 Authority is satisfied that the lender's failure has
27 ceased and finds that there is reasonable assurance that
28 the lender will in the future exercise necessary care and
29 diligence and comply with the rules and regulations of
30 the Authority.

31 (wv) "Eligible loan receipts" means any of the
32 following:

33 (1) Principal, accrued interest, late charges and
34 other sums paid on eligible loans held by the Authority.

1 (2) Reimbursements paid by the federal government,
2 the State of Illinois, the Authority exercising its power
3 to guarantee the loans of borrowers, or any other source
4 held by the Authority.

5 (3) Accruing interest payments and special
6 allowance payments paid by the federal government
7 pursuant to the Higher Education Act of 1965 or any other
8 federal statute providing for federal payment of interest
9 and special allowances on loans or by any other source on
10 eligible loans held by the Authority.

11 (4) Any other sums paid by any source to the
12 Authority on or for eligible loans held by the Authority.

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

18 (yy) The term "agricultural facility" means land, any
19 building or other improvement thereon or thereto, and any
20 personal properties deemed necessary or suitable for use,
21 whether or not now in existence, in farming, ranching, the
22 production of agricultural commodities (including, without
23 limitation, the products of aquaculture, hydroponics and
24 silviculture) or the treating, processing or storing of such
25 agricultural commodities when such activities are customarily
26 engaged in by farmers as a part of farming.

27 (zz) The term "lender" with respect to financing of an
28 agricultural facility or an agribusiness, means any federal
29 or State chartered bank, Federal Land Bank, Production Credit
30 Association, Bank for Cooperatives, federal or State
31 chartered savings and loan association or building and loan
32 association, Small Business Investment Company or any other
33 institution qualified within this State to originate and
34 service loans, including, but without limitation to,

1 insurance companies, credit unions and mortgage loan
2 companies. "Lender" also means a wholly owned subsidiary of
3 a manufacturer, seller or distributor of goods or services
4 that makes loans to businesses or individuals, commonly known
5 as a "captive finance company".

6 (aaa) The term "agribusiness" means any sole
7 proprietorship, limited partnership, copartnership, joint
8 venture, corporation or cooperative which operates or will
9 operate a facility located within the State of Illinois that
10 is related to the processing of agricultural commodities
11 (including, without limitation, the products of aquaculture,
12 hydroponics and silviculture) or the manufacturing,
13 production or construction of agricultural buildings,
14 structures, equipment, implements, and supplies, or any other
15 facilities or processes used in agricultural production.
16 Agribusiness includes but is not limited to the following:

17 (1) grain handling and processing, including grain
18 storage, drying, treatment, conditioning, mailing and
19 packaging;

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

21 (3) fruit and vegetable processing, including
22 preparation, canning and packaging;

23 (4) processing of livestock and livestock products,
24 dairy products, poultry and poultry products, fish or
25 apiarian products, including slaughter, shearing,
26 collecting, preparation, canning and packaging;

27 (5) fertilizer and agricultural chemical
28 manufacturing, processing, application and supplying;

29 (6) farm machinery, equipment and implement
30 manufacturing and supplying;

31 (7) manufacturing and supplying of agricultural
32 commodity processing machinery and equipment, including
33 machinery and equipment used in slaughter, treatment,
34 handling, collecting, preparation, canning or packaging

1 of 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
6 and water conservation devices or equipment;

7 (10) fuel processing and development facilities
8 that produce fuel from agricultural commodities or
9 by-products;

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

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

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

22 (bbb) The term "asset" with respect to financing of any
23 agricultural facility or any agribusiness, means, but is not
24 be limited to the following: cash crops or feed on hand;
25 livestock held for sale; breeding stock; marketable bonds and
26 securities; securities not readily marketable; accounts
27 receivable; notes receivable; cash invested in growing crops;
28 net cash value of life insurance; machinery and equipment;
29 cars and trucks; farm and other real estate including life
30 estates and personal residence; value of beneficial interests
31 in trusts; government payments or grants; and any other
32 assets.

33 (ccc) The term "liability" with respect to financing of
34 any agricultural facility or any agribusiness shall include,

1 but not be limited to the following: accounts payable; notes
2 or other indebtedness owed to any source; taxes, rent;
3 amounts owed on real estate contracts or real estate
4 mortgages; judgments; accrued interest payable; and any other
5 liability.

6 (ddd) The term "Predecessor Authorities" means those
7 authorities as described in Section 50-15.

8 Section 1-15. There is hereby created a body politic and
9 corporate to be known as the Illinois State Finance
10 Authority. The exercise of the powers conferred by law shall
11 be an essential public function. The Authority shall consist
12 of 15 members, who shall be appointed by the Governor, with
13 the advice and consent of the Senate. Upon the appointment
14 of the Board and every two years thereafter, the chairperson
15 of the Authority shall be selected by the Governor to serve
16 as chairperson for 2 years.

17 Appointments to the Authority shall be persons of
18 recognized ability and experience in one or more of the
19 following areas: economic development, finance, banking,
20 industrial development, small business management, real
21 estate development, housing, health facilities financing,
22 local government financing, community development, venture
23 finance, construction and labor relations.

24 At the time of appointment, the Governor shall designate
25 5 members to serve until the third Monday in January 2003, 5
26 members to serve until the third Monday in January 2004 and 5
27 members to serve until the third Monday in January 2005.
28 Thereafter, appointments shall be for 3 year terms. A member
29 shall serve until his or her successor shall be appointed and
30 have qualified for office by filing the oath and bond.

31 Members of the Authority shall not be entitled to
32 compensation for their services as members, but shall be
33 entitled to reimbursement for all necessary expenses incurred

1 in connection with the performance of their duties as
2 members.

3 The Governor may remove any member of the Authority in
4 case of incompetency, neglect of duty, or malfeasance in
5 office, after service on him of a copy of the written charges
6 against him and an opportunity to be publicly heard in person
7 or by counsel in his own defense upon not less than 10-days
8 notice.

9 The Governor shall appoint, by and with the advice and
10 consent of the Senate, an Executive Director who shall be a
11 person knowledgeable in the areas of financial markets and
12 instruments. The initial term of the Executive Director
13 shall commence upon appointment and shall terminate upon the
14 third Monday in January 2003, or until a successor is
15 appointed and qualified. Thereafter, the Executive Director
16 shall hold office for term of 2 years from the third Monday
17 in January of each odd-numbered year and until a successor is
18 appointed and qualified. The Executive Director shall be the
19 chief administrative and operational officer of the Authority
20 and shall direct and supervise its administrative affairs and
21 general management and perform such other duties as may be
22 prescribed from time to time by the members. The Executive
23 Director shall receive an annual salary as set by the
24 Governor from time to time or an amount set by the
25 Compensation Review Board, whichever is greater. If the
26 Executive Director's salary is set by the Governor, the
27 salary may not exceed 85% of the Governor's annual salary.
28 The Executive Director or any committee of the members may
29 carry out such responsibilities of the members as the members
30 by resolution may delegate. The Executive Director shall
31 attend all meetings of the Authority; however, no action of
32 the Authority shall be invalid on account of the absence of
33 the Executive Director from a meeting. The Authority may
34 engage the services of such other agents and employees,

1 including attorneys, appraisers, engineers, accountants,
2 credit analysts and other consultants, as it may deem
3 advisable and may prescribe their duties and fix their
4 compensation.

5 The Authority may appoint Advisory Councils to (1) assist
6 in the formulation of policy goals and objectives, (2) assist
7 in the coordination of the delivery of services, (3) assist
8 in establishment of funding priorities for the various
9 activities of the Authority, and (4) target the activities of
10 the Authority to specific geographic regions.

11 At a minimum, there shall be an Advisory Council on
12 Housing, an Advisory Council on Economic Development and an
13 Advisory Council on Education. Each Advisory Council shall
14 consist of no more than 12 members, who shall serve at the
15 pleasure of the Authority. Members of the Advisory Council
16 shall receive no compensation for their services, but may be
17 reimbursed for expenses incurred with their service on the
18 Advisory Council.

19 Section 1-20. All official acts of the Authority shall
20 require the approval of at least 8 members. All meetings of
21 the Authority and the Advisory Councils shall be conducted in
22 accordance with the Open Meetings Act. All meetings shall be
23 conducted at a single location within this State among
24 members physically present at this location. The Auditor
25 General shall conduct financial audits and program audits of
26 the Authority, in accordance with the Illinois State Auditing
27 Act.

28 Section 1-25. The Authority possesses all the powers as
29 a body corporate necessary and convenient to accomplish the
30 purposes of this Act, including, without any intended
31 limitation upon the general powers hereby conferred, the
32 following:

1 (a) to enter, subject to the Illinois Procurement Code,
2 into loans, contracts, agreements and mortgages in any manner
3 connected with any of its corporate purposes and to invest
4 its funds;

5 (b) to sue and be sued;

6 (c) to employ, pursuant to the Personnel Code, agents
7 and employees and independent contractors necessary to carry
8 out its purposes and to fix their compensation, benefits and
9 terms and conditions of their employment;

10 (d) to have and use a common seal and to alter the same
11 at pleasure;

12 (e) to adopt all needful ordinances, resolutions,
13 by-laws, rules and regulations for the conduct of its
14 business and affairs and for the management and use of the
15 projects developed, constructed, acquired and improved in
16 furtherance of its purposes;

17 (f) to have and exercise all powers and be subject to
18 all duties usually incident to boards of directors of
19 corporations;

20 (g) to report, no later than September 30 of each year,
21 to the Governor and the General Assembly on the Authority's
22 operations for the preceding fiscal year, including a
23 description of all financing and other activities of the
24 Authority.

25 Section 1-30. The Authority shall not issue any bonds
26 relating to the financing of any manufacturing, solid-waste
27 or environmental project (as such projects are defined by the
28 Authority) located within the planning and subdivision
29 control jurisdiction of any municipality unless: (1) notice,
30 including a description of the proposed project and the
31 financing for the project, is submitted to the corporate
32 authorities of the municipality; and (2) the corporate
33 authorities, within 45 days after mailing of the notice, have

1 failed to notify the Authority that the municipality has
2 adopted a resolution disapproving the project or have
3 notified the Authority that the municipality has adopted a
4 resolution approving the project. This Section shall not
5 apply to any bonds issued to refund any outstanding bonds or
6 to any bonds maturing within 15 months after the date of
7 issuance. A project description shall be sufficient for
8 purposes of this Section if it describes the proposed use and
9 approximate size of the project and its general geographic
10 location by postal zip code, census tract, or other generally
11 recognized description of geographic areas. A specific
12 address shall not be required. If any of the powers set
13 forth in this Act are exercised within the jurisdictional
14 limits of any municipality, all ordinances of the
15 municipality shall remain in full force and effect and shall
16 be controlling.

17 Section 1-35. In addition to the powers otherwise
18 authorized by law and in addition to the foregoing general
19 corporate powers, the Authority shall also have the following
20 additional specific powers to be exercised in furtherance of
21 the purposes of this Act.

22 (a) The Authority shall have power (i) to accept grants,
23 loans or appropriations from the Federal government or the
24 State, or any agency or instrumentality thereof, to be used
25 for the operating expenses of the Authority, or for any
26 purposes of the Authority, including the making of direct
27 loans of such funds with respect to projects, and (ii) to
28 enter into any agreement with the Federal government or the
29 State, or any agency or instrumentality thereof, in
30 relationship to such grants, loans or appropriations.

31 (b) The Authority shall have power to procure and enter
32 into contracts for any type of insurance and indemnity
33 agreements covering loss or damage to property from any

1 cause, including loss of use and occupancy, or covering any
2 other insurable risk.

3 (c) The Authority shall have the continuing power to
4 issue bonds for its corporate purposes. Bonds may be issued
5 by the Authority in one or more series and may provide for
6 the payment of any interest deemed necessary on such bonds,
7 of the costs of issuance of such bonds, of any premium on any
8 insurance, or of the cost of any guarantees, letters of
9 credit or other similar documents, may provide for the
10 funding of the reserves deemed necessary in connection with
11 such bonds, and may provide for the refunding or advance
12 refunding of any bonds or for accounts deemed necessary in
13 connection with any purpose of the Authority. The bonds may
14 bear interest payable at any time or times and at any rate or
15 rates, notwithstanding any other provision of law to the
16 contrary, and such rate or rates may be established by an
17 index or formula which may be implemented or established by
18 persons appointed or retained therefor by the Authority, or
19 may bear no interest or may bear interest payable at maturity
20 or upon redemption prior to maturity, may bear such date or
21 dates, may be payable at such time or times and at such place
22 or places, may mature at any time or times not later than 40
23 years from the date of issuance, may be sold at public or
24 private sale at such time or times and at such price or
25 prices, may be secured by such pledges, reserves, guarantees,
26 letters of credit, insurance contracts or other similar
27 credit support or liquidity instruments, may be executed in
28 such manner, may be subject to redemption prior to maturity,
29 may provide for the registration of the bonds, and may be
30 subject to such other terms and conditions all as may be
31 provided by the resolution or indenture authorizing the
32 issuance of such bonds. The holder or holders of any bonds
33 issued by the Authority may bring suits at law or proceedings
34 in equity to compel the performance and observance by any

1 person or by the Authority or any of its agents or employees
2 of any contract or covenant made with the holders of such
3 bonds and to compel such person or the Authority and any of
4 its agents or employees to perform any duties required to be
5 performed for the benefit of the holders of any such bonds by
6 the provision of the resolution authorizing their issuance,
7 and to enjoin such person or the Authority and any of its
8 agents or employees from taking any action in conflict with
9 any such contract or covenant.

10 Notwithstanding the form and tenor of any such bonds and
11 in the absence of any express recital on the face thereof
12 that it is non-negotiable, all such bonds shall be negotiable
13 instruments. Pending the preparation and execution of any
14 such bonds, temporary bonds may be issued as provided by the
15 resolution.

16 The bonds shall be sold by the Authority in such manner
17 as it shall determine.

18 The bonds may be secured as provided in the authorizing
19 resolution by the receipts, revenues, income and other
20 available funds of the Authority and by any amounts derived
21 by the Authority from the loan agreement or lease agreement
22 with respect to the project or projects; and bonds may be
23 issued as general obligations of the Authority payable from
24 such revenues, funds and obligations of the Authority as the
25 bond resolution shall provide, or may be issued as limited
26 obligations with a claim for payment solely from such
27 revenues, funds and obligations as the bond resolution shall
28 provide. The Authority may grant a specific pledge or
29 assignment of and lien on or security interest in such
30 rights, revenues, income, or amounts and may grant a specific
31 pledge or assignment of and lien on or security interest in
32 any reserves, funds or accounts established in the resolution
33 authorizing the issuance of bonds. Any such pledge,
34 assignment, lien or security interest for the benefit of the

1 holders of the Authority's bonds shall be valid and binding
2 from the time the bonds are issued without any physical
3 delivery or further act, and shall be valid and binding as
4 against and prior to the claims of all other parties having
5 claims against the Authority or any other person irrespective
6 of whether the other parties have notice of the pledge,
7 assignment, lien or security interest. As evidence of such
8 pledge, assignment, lien and security interest, the Authority
9 may execute and deliver a mortgage, trust agreement,
10 indenture or security agreement or an assignment thereof.

11 A remedy for any breach or default of the terms of any
12 such agreement by the Authority may be by mandamus
13 proceedings in any court of competent jurisdiction to compel
14 the performance and compliance therewith, but the agreement
15 may prescribe by whom or on whose behalf such action may be
16 instituted.

17 It is expressly understood that the Authority may, but
18 need not, acquire title to any project with respect to which
19 it exercises its authority.

20 (d) With respect to the powers granted by this Act, the
21 Authority may adopt rules and regulations prescribing the
22 procedures by which persons may apply for assistance under
23 this Act. Nothing herein shall be deemed to preclude the
24 Authority, prior to the filing of any formal application,
25 from conducting preliminary discussions and investigations
26 with respect to the subject matter of any prospective
27 application.

28 (e) The Authority shall have power to acquire by
29 purchase, lease, gift or otherwise any property or rights
30 therein from any person useful for its purposes, whether
31 improved for the purposes of any prospective project, or
32 unimproved. The Authority may also accept any donation of
33 funds for its purposes from any such source. The Authority
34 shall have no independent power of condemnation but may

1 acquire any property or rights therein obtained upon
2 condemnation by any other authority, governmental entity or
3 unit of local government with such power.

4 (f) The Authority shall have power to develop, construct
5 and improve either under its own direction, or through
6 collaboration with any approved applicant, or to acquire
7 through purchase or otherwise, any project, using for such
8 purpose the proceeds derived from the sale of its bonds or
9 from governmental loans or grants, and to hold title in the
10 name of the Authority to such projects.

11 (g) The Authority shall have power to lease pursuant to
12 a lease agreement any project so developed and constructed or
13 acquired to the approved tenant on such terms and conditions
14 as may be appropriate to further the purposes of this Act and
15 to maintain the credit of the Authority. Any such lease may
16 provide for either the Authority or the approved tenant to
17 assume initially, in whole or in part, the costs of
18 maintenance, repair and improvements during the leasehold
19 period. In no case, however, shall the total rentals from
20 any project during any initial leasehold period or the total
21 loan repayments to be made pursuant to any loan agreement, be
22 less than an amount necessary to return over such lease or
23 loan period (1) all costs incurred in connection with the
24 development, construction, acquisition or improvement of the
25 project and for repair, maintenance and improvements thereto
26 during the period of the lease or loan; provided, however,
27 that the rentals or loan repayments need not include costs
28 met through the use of funds other than those obtained by the
29 Authority through the issuance of its bonds or governmental
30 loans; (2) a reasonable percentage additive to be agreed upon
31 by the Authority and the borrower or tenant to cover a
32 properly allocable portion of the Authority's general
33 expenses, including, but not limited to, administrative
34 expenses, salaries and general insurance, and (3) an amount

1 sufficient to pay when due all principal of, interest and
2 premium, if any on, any bonds issued by the Authority with
3 respect to the project. The portion of total rentals payable
4 under clause (3) of this subsection (g) shall be deposited in
5 such special accounts, including all sinking fund,
6 acquisition or construction funds, debt service and other
7 funds as provided by any resolution, mortgage or trust
8 agreement of the Authority pursuant to which any bond is
9 issued.

10 (h) The Authority has the power, upon the termination of
11 any leasehold period of any project, to sell or lease for a
12 further term or terms such project on such terms and
13 conditions as the Authority shall deem reasonable and
14 consistent with the purposes of the Act. The net proceeds
15 from all such sales and the revenues or income from such
16 leases shall be used to satisfy any indebtedness of the
17 Authority with respect to such project and any balance may be
18 used to pay any expenses of the Authority or be used for the
19 further development, construction, acquisition or improvement
20 of projects.

21 In the event any project is vacated by a tenant prior to
22 the termination of the initial leasehold period, the
23 Authority shall sell or lease the facilities of the project
24 on the most advantageous terms available. The net proceeds
25 of any such disposition shall be treated in the same manner
26 as the proceeds from sales or the revenues or income from
27 leases subsequent to the termination of any initial leasehold
28 period.

29 (i) The Authority shall have the power to make loans to
30 persons to finance a project, to enter into loan agreements
31 with respect thereto, and to accept guarantees from persons
32 of its loans or the resultant evidences of obligations of the
33 Authority.

34 (j) The Authority may fix, determine, charge and collect

1 any premiums, fees, charges, costs and expenses, including,
2 without limitation, any application fees, commitment fees,
3 program fees, financing charges or publication fees from any
4 person in connection with its activities under this Act.

5 (k) In addition to the funds established as provided
6 herein, the Authority shall have the power to create and
7 establish such reserve funds and accounts as may be necessary
8 or desirable to accomplish its purposes under this Act and to
9 deposit its available monies into the funds and accounts.

10 (l) At the request of the governing body of any unit of
11 local government, the Authority is authorized to market such
12 local government's revenue bond offerings by preparing bond
13 issues for sale, advertising for sealed bids, receiving bids
14 at its offices, making the award to the bidder that offers
15 the most favorable terms or arranging for negotiated
16 placements or underwritings of such securities. The
17 Authority may, at its discretion, offer for concurrent sale
18 the revenue bonds of several local governments. Sales by the
19 Authority of revenue bonds under this Section shall in no way
20 imply State guarantee of such debt issue. The Authority may
21 require such financial information from participating local
22 governments as it deems necessary in order to carry out the
23 purposes of this subsection (1).

24 (m) The Authority may make grants to any county to which
25 Division 5-37 of the Counties Code is applicable to assist in
26 the financing of capital development, construction and
27 renovation of new or existing facilities for hospitals and
28 health care facilities under that Act. Such grants may only
29 be made from funds appropriated for such purposes from the
30 Build Illinois Bond Fund or the Build Illinois Purposes Fund.

31 (n) The Authority may establish an urban development
32 action grant program for the purpose of assisting
33 municipalities in Illinois which are experiencing severe
34 economic distress to help stimulate economic development

1 activities needed to aid in economic recovery. The Authority
2 shall determine the types of activities and projects for
3 which the urban development action grants may be used,
4 provided that such projects and activities are broadly
5 defined to include all reasonable projects and activities the
6 primary objectives of which are the development of viable
7 urban communities, including decent housing and a suitable
8 living environment, and expansion of economic opportunity,
9 principally for persons of low and moderate incomes. The
10 Authority shall enter into grant agreements from monies
11 appropriated for such purposes from the Build Illinois Bond
12 Fund or the Build Illinois Purposes Fund. The Authority
13 shall monitor the use of the grants, and shall provide for
14 audits of the funds as well as recovery by the Authority of
15 any funds determined to have been spent in violation of this
16 subsection (n) or any rule or regulation promulgated
17 hereunder. The Authority shall provide technical assistance
18 with regard to the effective use of the urban development
19 action grants. The Authority shall file an annual report to
20 the General Assembly concerning the progress of the grant
21 program.

22 (o) The Authority may establish a Housing Partnership
23 Program whereby the Authority provides zero-interest loans to
24 municipalities for the purpose of assisting in the financing
25 of projects for the rehabilitation of affordable multi-family
26 housing for low and moderate income residents. The Authority
27 may provide such loans only upon a municipality's providing
28 evidence that it has obtained private funding for the
29 rehabilitation project. The Authority shall provide 3 State
30 dollars for every 7 dollars obtained by the municipality from
31 sources other than the State of Illinois. The loans shall be
32 made from monies appropriated for such purpose from the Build
33 Illinois Bond Fund or the Build Illinois Purposes Fund.
34 State loan monies under this subsection shall be used only

1 for the acquisition and rehabilitation of existing buildings
2 containing 4 or more dwelling units. The terms of any loan
3 made by the municipality under this subsection shall require
4 repayment of the loan to the municipality upon any sale or
5 other transfer of the project.

6 (p) The Authority may award grants to universities and
7 research institutions, research consortiums and other
8 not-for-profit entities for the purposes of: remodeling or
9 otherwise physically altering existing laboratory or research
10 facilities, expansion or physical additions to existing
11 laboratory or research facilities, construction of new
12 laboratory or research facilities or acquisition of modern
13 equipment to support laboratory or research operations
14 provided that such grants (i) be used solely in support of
15 project and equipment acquisitions which enhance technology
16 transfer, and (ii) not constitute more than 60 percent of the
17 total project or acquisition cost.

18 (q) Grants may be awarded by the Authority to units of
19 local government for the purpose of developing the
20 appropriate infrastructure or defraying other costs to the
21 local government in support of laboratory or research
22 facilities provided that such grants may not exceed 40% of
23 the cost to the unit of local government.

24 (r) The Authority may establish a Direct Loan Program to
25 make loans to individuals, partnerships or corporations for
26 the purpose of an industrial project, as defined in Section 3
27 of this Act. For the purposes of such program and not by way
28 of limitation on any other program of the Authority, the
29 Authority shall have the power to issue bonds, notes, or
30 other evidences of indebtedness including commercial paper
31 for purposes of providing a fund of capital from which it may
32 make such loans. The Authority shall have power to use any
33 appropriations from the State made especially for the
34 Authority's Direct Loan Program for additional capital to

1 make such loans or for the purposes of reserve funds or
2 pledged funds which secure the Authority's obligations of
3 repayment of any bond, note or other form of indebtedness
4 established for the purpose of providing capital for which it
5 intends to make such loans under the Direct Loan Program.
6 For the purpose of obtaining such capital, the Authority may
7 also enter into agreements with financial institutions and
8 other persons for the purpose of selling loans and developing
9 a secondary market for such loans.

10 Loans made under the Direct Loan Program may be in an
11 amount not to exceed \$300,000 and shall be made for a portion
12 of an industrial project which does not exceed 50% of the
13 total project. No loan may be made by the Authority unless
14 approved by the affirmative vote of at least 8 members of the
15 board. The Authority shall establish procedures and publish
16 rules which shall provide for the submission, review, and
17 analysis of each direct loan application and which shall
18 preserve the ability of each board member to reach an
19 individual business judgment regarding the propriety of
20 making each direct loan. The collective discretion of the
21 board to approve or disapprove each loan shall be
22 unencumbered.

23 The Authority may establish and collect such fees and
24 charges, determine and enforce such terms and conditions, and
25 charge such interest rates as it determines to be necessary
26 and appropriate to the successful administration of the
27 Direct Loan Program. The Authority may require such
28 interests in collateral and such guarantees as it determines
29 are necessary to protect the Authority's interest in the
30 repayment of the principal and interest of each loan made
31 under the Direct Loan Program.

32 (s) The Authority may guarantee private loans to third
33 parties up to a specified dollar amount in order to promote
34 economic development in this State.

1 (t) The Authority may adopt rules and regulations as may
2 be necessary or advisable to implement the powers conferred
3 by this Act.

4 (u) The Authority shall have the power to issue bonds,
5 notes or other evidences of indebtedness, which may be used
6 to make loans to units of local government which are
7 authorized to enter into loan agreements and other documents
8 and to issue bonds, notes and other evidences of indebtedness
9 for the purpose of financing the protection of storm sewer
10 outfalls, the construction of adequate storm sewer outfalls,
11 and the provision for flood protection of sanitary sewage
12 treatment plans, in counties that have established a
13 stormwater management planning committee in accordance with
14 Section 5-1062 of the Counties Code. Any such loan shall be
15 made by the Authority pursuant to the provisions of Article
16 20 of this Act. The unit of local government shall pay back
17 to the Authority the principal amount of the loan, plus
18 annual interest as determined by the Authority. The
19 Authority shall have the power, subject to appropriations by
20 the General Assembly, to subsidize or buy down a portion of
21 the interest on such loans, up to 4% per annum.

22 (v) The Authority may accept security interests as
23 provided in Sections 11-3 and 11-3.3 of the Illinois Public
24 Aid Code.

25 (w) Moral Obligation. In the event that the Authority
26 determines that monies of the Authority will not be
27 sufficient for the payment of the principal of and interest
28 on its bonds during the next State fiscal year, the
29 Chairperson, as soon as practicable, shall certify to the
30 Governor the amount required by the Authority to enable it to
31 pay such principal of and interest on the bonds. The
32 Governor shall submit the amount so certified to the General
33 Assembly as soon as practicable, but no later than the end of
34 the current State fiscal year. This subsection shall not

1 apply to any bonds or notes as to which the Authority shall
2 have determined, in the resolution authorizing the issuance
3 of the bonds or notes, that this subsection shall not apply.
4 Whenever the Authority makes such a determination, that fact
5 shall be plainly stated on the face of the bonds or notes and
6 that fact shall also be reported to the Governor. In the
7 event of a withdrawal of moneys from a reserve fund
8 established with respect to any issue or issues of bonds of
9 the Authority to pay principal or interest on those bonds,
10 the Chairperson of the Authority, as soon as practicable,
11 shall certify to the Governor the amount required to restore
12 the reserve fund to the level required in the resolution or
13 indenture securing those bonds. The Governor shall submit
14 the amount so certified to the General Assembly as soon as
15 practicable, but no later than the end of the current State
16 fiscal year. The Authority shall obtain written approval from
17 the Governor for any bonds and notes to be issued under this
18 subsection. The principal amount of Authority bonds
19 outstanding that were issued under this subsection or under
20 70 ILCS 520/7(f), 70 ILCS 530/7(f), 20 ILCS 3805/26.1, 70
21 ILCS 535/7(f), 20 ILCS 3505/7.84, 70 ILCS 510/9.1, 70 ILCS
22 515/9.1 or 30 ILCS 360/2-6 (c) which have been assumed by the
23 Authority shall not exceed \$850,000,000. In no event shall
24 the Governor approve more than \$50,000,000 in bonds issued
25 under this subsection in any fiscal year; provided that if
26 less than \$50,000,000 is approved in any fiscal year, the
27 balance shall be added to the \$50,000,000 limit for the next
28 fiscal year but in no event shall more than \$100,000,000 be
29 approved in any fiscal year.

30

ARTICLE 5

31

INDUSTRIAL REVENUE BOND INSURANCE FUND

32

Section 5-5. Findings and Declaration of Policy. It is

1 hereby found and declared that a continuing need exists to
2 maintain and develop the State's economy; that there are
3 significant barriers in the capital markets inhibiting the
4 issuance by the Authority of industrial revenue bonds to
5 assist in financing industrial projects in the State,
6 particularly for smaller firms; that the establishment of the
7 Industrial Revenue Bond Insurance Fund and the exercise by
8 the Authority of the powers granted in Article 5 of this Act
9 will promote economic development by widening the market for
10 the Authority's revenue bonds.

11 Section 5-10. Definitions. The following terms,
12 whenever used or referred to in Article 5 of this Act, shall
13 have the following meanings ascribed to them, except where
14 the context clearly requires otherwise:

15 (a) "Financial Institution" means a financial
16 institution which is a trust company, a bank, a savings bank,
17 a credit union, an investment bank, a broker, an investment
18 trust, a pension fund, a building and loan association, a
19 savings and loan association, an insurance company, or any
20 other institution acceptable to the Authority, authorized to
21 do business in the State and approved by the Authority to
22 insure bonds or loans for industrial projects authorized by
23 this Act.

24 (b) "Participating lender" means any trust company,
25 bank, savings bank, credit union, investment bank, broker,
26 investment trust, pension fund, building and loan
27 association, savings and loan association, insurance company
28 or other institution approved by the Authority which assumes
29 a portion of the risk on a loan for an industrial project as
30 provided in Article 5 of this Act.

31 Section 5-15. Industrial Project Insurance Fund. There
32 is created the Industrial Project Insurance Fund, hereafter

1 referred to in Article 5 of this Act as the "Fund." The
2 Treasurer shall have custody of the Fund, which shall be held
3 outside of the State Treasury, except that custody may be
4 transferred to and held by any bank, trust company or other
5 fiduciary with whom the Authority executes a trust agreement
6 as authorized by paragraph (h) of Section 5-20 of this Act.
7 Any portion of the Fund against which a charge has been made,
8 shall be held for the benefit of the holders of the loans or
9 bonds insured under Section 5-20 of this Act.

10 There shall be deposited in the Fund such amounts,
11 including but not limited to:

12 (a) All receipts of bond and loan insurance premiums;

13 (b) All proceeds of assets of whatever nature received
14 by the Authority as a result of default or delinquency with
15 respect to insured loans or bonds with respect to which
16 payments from the Fund have been made, including proceeds
17 from the sale, disposal, lease or rental of real or personal
18 property which the Authority may receive under the provisions
19 of Article 5 of this Act, but excluding the proceeds of
20 insurance hereunder;

21 (c) All receipts from any applicable contract or
22 agreement entered into by the Authority under paragraph (b)
23 of Section 5-20 of this Act;

24 (d) Any State appropriations, transfers of
25 appropriations, or transfers of general obligation bond
26 proceeds or other monies made available to the Fund.

27 Amounts in the Fund shall be used in accordance with the
28 provisions of Article 5 of this Act to satisfy any valid
29 insurance claim payable therefrom and may be used for any
30 other purpose determined by the Authority in accordance with
31 insurance contract or contracts with financial institutions
32 entered into pursuant to this Act, including without
33 limitation protecting the interest of the Authority in
34 industrial projects during periods of loan delinquency or

1 upon loan default through the purchase of industrial projects
2 in foreclosure proceedings or in lieu of foreclosure or
3 through any other means. Such amounts may also be used to
4 pay administrative costs and expenses reasonably allocable to
5 the activities in connection with the Fund and to pay taxes,
6 maintenance, insurance, security and any other costs and
7 expenses of bidding for, acquiring, owning, carrying and
8 disposing of industrial projects which were financed with the
9 proceeds of insured bonds or loans. In the case of a default
10 in payment with respect to any loan, mortgage or other
11 agreement so insured, the amount of the default shall
12 immediately, and at all times during the continuance of such
13 default, and to the extent provided in any applicable
14 agreement, constitute a charge on the Fund.

15 Any amounts in the Fund not currently needed to meet the
16 obligations of the Fund may be invested as provided by law in
17 obligations designated by the Authority, and all income from
18 such investments shall become part of the Fund. In making
19 such investments, the Authority shall act with the care,
20 skill, diligence and prudence under the circumstances of a
21 prudent person acting in a like capacity in the conduct of an
22 enterprise of like character and with like aims. It shall
23 diversify such investments of the Authority so as to minimize
24 the risk of large losses, unless under the circumstances it
25 is clearly not prudent to do so.

26 Any amounts in the Fund not needed to meet the
27 obligations of the Fund may be transferred to the Credit
28 Enhancement Development Fund of the Authority pursuant to
29 resolution of the members of the Authority.

30 Section 5-20. Powers and Duties; Industrial Project
31 Insurance Program. The Authority has the power:

32 (a) To insure and make advance commitments to insure all
33 or any part of the payments required on the bonds issued or a

1 loan made to finance any environmental facility under the
2 Illinois Environmental Facilities Financing Act or for any
3 industrial project upon such terms and conditions as the
4 Authority may prescribe in accordance with Article 5 of this
5 Act. The insurance provided by the Authority shall be
6 payable solely from the Fund created by Section 5-20 and
7 shall not constitute a debt or pledge of the full faith and
8 credit of the State, the Authority, or any political
9 subdivision thereof;

10 (b) To enter into insurance contracts, letters of credit
11 or any other agreements or contracts with financial
12 institutions with respect to the Fund and any bonds or loans
13 insured thereunder. Any such agreement or contract may
14 contain terms and provisions necessary or desirable in
15 connection with the program, subject to the requirements
16 established by this Act, including without limitation terms
17 and provisions relating to loan documentation, review and
18 approval procedures, origination and servicing rights and
19 responsibilities, default conditions, procedures and
20 obligations with respect to insurance contracts made under
21 this Act. The agreements or contracts may be executed on an
22 individual, group or master contract basis with financial
23 institutions;

24 (c) To charge reasonable fees to defray the cost of
25 obtaining letters of credit or other similar documents, other
26 than insurance contracts under paragraph (b). Any such fees
27 shall be payable by such person, in such amounts and at such
28 times as the Authority shall determine, and the amount of the
29 fees need not be uniform among the various bonds or loans
30 insured;

31 (d) To fix insurance premiums for the insurance of
32 payments under the provisions of Article 5 of this Act. Such
33 premiums shall be computed as determined by the Authority.
34 Any premiums for the insurance of loan payments under the

1 provisions of this Act shall be payable by such person, in
2 such amounts and at such times as the Authority shall
3 determine, and the amount of the premiums need not be uniform
4 among the various bonds or loans insured;

5 (e) To establish application fees and prescribe
6 application, notification, contract and insurance forms,
7 rules and regulations it deems necessary or appropriate;

8 (f) To make loans and to issue bonds secured by
9 insurance or other agreements authorized by paragraphs (a)
10 and (b) of this Section 5-20 and to issue bonds secured by
11 loans that are guaranteed by the federal government or
12 agencies thereof;

13 (g) To issue a single bond issue, or a series of bond
14 issues, for a group of industrial projects, a group of
15 corporations, or a group of business entities or any
16 combination thereof insured by insurance or backed by any
17 other agreement authorized by paragraphs (a) and (b) of this
18 Section 5-20 or secured by loans that are guaranteed by the
19 federal government or agencies thereof;

20 (h) To enter into trust agreements for the management of
21 the Fund created under Section 5-15 of this Act; and

22 (i) To exercise such other powers as are necessary or
23 incidental to the foregoing.

24 Section 5-25. Insurance Contracts; Claim Responsibility.
25 Any contract of insurance made by the Authority with a lender
26 or bondholder or for the benefit thereof under this Act shall
27 provide that claims payable under such contract shall be paid
28 from any amounts available in the Fund and from any amounts
29 available under the terms of any applicable contract or
30 agreement with other financial institutions, in such order of
31 priority as the Authority shall deem appropriate. The
32 obligation of the Authority to make payments under any such
33 contract shall be limited solely to the amounts provided in

1 such contract and shall not constitute a debt or liability of
2 the State, the Authority or any subdivision thereof.

3 Any insurance contract or other agreement with a lender
4 or bondholder or for the benefit thereof and any rule or
5 regulation of the Authority implementing the insurance
6 program may contain such other terms, provisions or
7 conditions as the Authority deems necessary or appropriate,
8 including, without limitation, those relating to the payment
9 of insurance premiums, the giving of notice, claim
10 procedures, the sources of payment for claims, the priority
11 of competing claims for payment, the release or termination
12 of loan security and borrower liability, the timing of
13 payment, the maintenance and disposition of industrial
14 projects and the use of amounts received during periods of
15 delinquency or upon default, and any other provisions
16 concerning the rights of insured parties or conditions to the
17 payment of insurance claims.

18 Section 5-30. Applications for Insured Industrial
19 Project Loans; Procedures. Applications received by the
20 Authority shall be forwarded to a credit review committee
21 consisting of 3 persons experienced in industrial financing
22 selected by the Authority for a review and report concerning
23 the advisability of approving the proposed insurance. The
24 review and report shall include facts about the company's
25 history, job opportunities, stability of employment,
26 financial condition and structure, income statements, market
27 prospects and management, and any other facts material to the
28 insurance request. The report shall include a reasoned
29 opinion as to whether providing the insurance would tend to
30 fulfill the purposes of the Authority and the insurance
31 program. The report shall be advisory in nature only.
32 Payment shall be made to the members of the committee
33 selected by the Authority on a reasonable consultant basis,

1 as the Authority may determine. The credit review committee
2 shall be of such composition, act for such time and have such
3 powers as shall be specified in the agreement or agreements
4 establishing its existence and, to the extent so specified,
5 shall act for the Authority in matters concerning the
6 insurance program authorized by Article 5 of this Act.

7 The Authority shall, on the basis of the application, the
8 report of the credit review committee, the information
9 provided by the local or regional industrial development
10 agency, and any other appropriate information, prepare a
11 report concerning the credit worthiness of the proposed
12 borrower, the loan record of the participating lender, the
13 financial commitment of the participating lender, the manner
14 in which the proposed industrial project will advance the
15 economy of the State and the soundness of the proposed loan.

16 The Fund, or any portion thereof against which a charge
17 has been made, shall be held for the benefit of the holders
18 of the bonds or loans insured under Section 5-20 of this Act,
19 as provided by agreement between the Authority and such
20 holders.

21 The Authority shall be satisfied that the Fund is
22 protected by adequate security on all bonds or loans insured
23 by the Authority.

24 Section 5-35. Loan Approval Standards. Before approving
25 any bond or loan insurance under this Act, the Authority
26 shall find that any loan insured by or to be made from the
27 proceeds of bonds insured by the Authority under this Act
28 shall:

29 (a) Be made for an industrial project or any
30 environmental facility under the Illinois Environmental
31 Facilities Financing Act;

32 (b) Be made to a borrower approved by the Authority as
33 responsible and creditworthy;

1 (c) Be reviewed for insurance by the credit review
2 committee established by the Authority pursuant to this Act;

3 (d) In the case of real property, be secured by a first
4 mortgage on the property, or by any other security
5 satisfactory to the Authority to secure payment of the loans,
6 and have a maturity date not later than 25 years after the
7 date of the loan;

8 (e) In the case of machinery and equipment, be secured
9 by a first security interest in the machinery and equipment,
10 or by any other security satisfactory to the Authority to
11 secure payment of the loan, and have a maturity date not
12 later than 12 years from the date of the loan;

13 (f) Contain complete amortization provisions
14 satisfactory to the Authority;

15 (g) Be in such principal amount and form, and contain
16 such terms and provisions with respect to property insurance,
17 repairs, alterations, payment of taxes and assessments,
18 delinquency charges, default remedies, additional security
19 and other matters as the Authority shall determine;

20 (h) Be made only after the Authority has made a
21 determination that, in its sole opinion, the loan has the
22 potential to provide or retain substantial employment in
23 relation to the principal amount of the loan to be insured,
24 which employment, so far as feasible, may be expected to be
25 of residents of areas of critical labor surplus as defined in
26 Section 3 of this Act;

27 (i) Be made only after the Authority has made a
28 determination that, in its sole opinion, adequate provision
29 is being or will be made to meet any increased demand upon
30 community public facilities that will likely result from the
31 project; and

32 (j) Be made only after the Authority has made a
33 determination that, in its sole opinion, the public interest
34 is adequately protected by the terms of the loan and of the

1 insurance contract or other agreements.

2 Any contract of insurance executed by the Authority under
3 this Act shall be conclusive evidence of eligibility for such
4 insurance, and the validity of any contract of insurance so
5 executed or of an advance commitment to insure shall be
6 incontestable in the hands of a borrower or bondholder from
7 the date of execution and delivery of the contract or
8 commitment, except for fraud, or misrepresentation on the
9 part of the borrower and, as to commitments to insure,
10 noncompliance with the commitment or Authority rules or
11 regulations in force at the time of issuance of the
12 commitment.

13 Nothing in this Act shall be construed as creating any
14 rights of a competitor of an approved borrower or any
15 applicant whose application is denied by the Authority to
16 challenge any application which is accepted by the Authority
17 and any loan, contract of insurance or other agreement
18 executed in connection therewith.

19 Section 5-40. Investments in Insured Debts of the
20 Authority. The State and all counties, municipalities and
21 other public corporations, political subdivisions and public
22 bodies, and public officers of any thereof, all banks,
23 bankers, trust companies, savings banks and institutions,
24 building and loan associations, savings and loan
25 associations, investment companies and other persons carrying
26 on a banking business, all insurance companies, insurance
27 associations and other persons carrying on an insurance
28 business and all executors, administrators, guardians,
29 trustees and other fiduciaries may legally invest any sinking
30 funds, moneys or other funds belonging to them or within
31 their control in any bonds, loans or extension of credit
32 which are the subject of insurance pursuant to Article 5 of
33 this Act, it being the purpose of this Section to authorize

1 the investment of such bonds, loans or extension of credit of
2 all sinking, insurance, retirement, compensation, pension and
3 trust funds, whether owned or controlled by private or public
4 persons or officers; provided, however, that nothing
5 contained in this Section may be construed as relieving any
6 persons from any duty of exercising reasonable care in
7 selecting securities for purchase or investment.

8 The bonds and any loan or extension of credit which are
9 the subject of insurance pursuant to Article 5 of this Act
10 are also hereby made securities which may properly and
11 legally be deposited with and received by all public officers
12 and bodies of the State or any agency or political
13 subdivisions thereof and all municipalities and public
14 corporations for any purpose for which the deposit of bonds
15 is now or may hereafter be authorized by law.

16 Section 5-45. Cooperation with Local Industrial
17 Development Agencies. When the Authority receives an
18 application from a potential insured loan borrower, it shall
19 promptly notify the local industrial development agency of
20 that fact in writing if such an agency exists in the
21 municipality or county where such industrial project is
22 proposed to be financed; or the corporate authorities in such
23 municipality where no such agency exists. The Authority
24 shall provide the local industrial development agency with
25 any available information that the agency needs to prepare a
26 recommendation concerning the advisability of the industrial
27 project and its impact, economic and otherwise, on the
28 community and the State. Such application shall include a
29 written authorization by the applicant that such notification
30 and information be made available to such agency or
31 municipality to the extent that such information is not
32 deemed to be confidential under Section 5-50 of this Act.
33 The Authority shall not consider any application which does

1 not include such written authorization.

2 The Authority shall encourage financial participation by
3 local industrial development agencies by giving priority
4 consideration to insured loan applicants from areas serviced
5 by those agencies that have demonstrated a commitment to
6 economic development.

7 Section 5-50. Documentary material concerning trade
8 secrets; Commercial or financial information;
9 Confidentiality. Any documentary materials or data made or
10 received by any member, agent, or employee of the Authority
11 or the credit review committees, to the extent that such
12 materials or data consist of trade secrets, commercial or
13 financial information regarding the operation of any
14 enterprise conducted by an applicant for, or recipient of,
15 any form of assistance which the Authority is empowered to
16 render under Article 5 of this Act, or regarding the
17 competitive position of such enterprise in a particular field
18 of endeavor, shall not be deemed public records.

19
20

ARTICLE 10

VENTURE INVESTMENT FUND

21 Section 10-5. Findings and Declaration of Policy. It is
22 hereby found and declared that a continuing need exists to
23 maintain and develop the State's economy; that assisting and
24 encouraging economic development through private enterprise
25 will help to create and maintain employment and governmental
26 revenues and is an important function of the State; that the
27 availability of seed capital and equity capital is an
28 important inducement to enterprises to remain, locate and
29 expand in the State; that there exists in the State gaps in
30 the availability of capital for the development and
31 exploitation of new technologies, products, processes and

1 inventions and that this shortage has resulted and will
2 continue to result in a shortfall in the development of new
3 enterprises and employment in Illinois; that the
4 establishment of the Illinois Venture Investment Fund and the
5 exercise by the Authority of the powers granted in Article 10
6 of this Act will promote economic development resulting in
7 increased employment and public revenues; and that the
8 provisions of this Act are hereby declared to be in the
9 public interest and for the public benefit.

10 Section 10-10. Definitions. The following terms,
11 whenever used or referred to in Article 10 of this Act, shall
12 have the following meanings ascribed to them, except where
13 the context clearly requires otherwise:

14 (a) "Co-venture investment" means a venture capital or
15 seed capital investment by the Authority in qualified
16 securities of an enterprise that is made after or in
17 conjunction with one or more professional investors that have
18 or are making equity investments in that enterprise, as
19 provided in this Act. A direct investment made by the
20 Authority may later be treated as a co-venture upon such
21 investment made by a professional investor.

22 (b) "Direct investment" means a venture capital or seed
23 capital investment by the Authority in qualified securities
24 of an enterprise in which no professional investor or seed
25 capital investor is also making an equity investment.

26 (c) "Enterprise" means an individual, corporation,
27 partnership, joint venture, trust, estate, or unincorporated
28 association.

29 (d) "Professional investor" means any bank, bank holding
30 company, savings institution, trust company, credit union,
31 insurance company, investment company registered under the
32 Federal Investment Company Act of 1940, pension or
33 profit-sharing trust or other financial institution or

1 institutional buyer, licensee under the Federal Small
2 Business Investment Act of 1958, or any person, partnership,
3 or other entity whose principal business is making venture
4 capital investments and whose net worth exceeds \$250,000.

5 (e) "Qualified security" means any note, stock,
6 convertible security, treasury stock, bond, debenture,
7 evidence of indebtedness, limited partnership interest,
8 certificate of interest or participation in any
9 profit-sharing agreement, preorganization certificate or
10 subscription, transferable share, investment contract,
11 certificate of deposit for a security, certificate of
12 interest or participation in a patent or application
13 therefor, or in royalty or other payments under a patent or
14 application, or, in general, any interest or instrument
15 commonly known as a "security" or any certificate for,
16 receipt for, guarantee of, or option, warrant, or right to
17 subscribe to or purchase any of the foregoing.

18 (f) "Seed capital" means financing in the form of
19 investments in qualified securities that is provided for
20 applied research, development, testing, and initial marketing
21 of a technology, product, process, or invention and
22 associated working capital.

23 (g) "Seed capital investor" means any person,
24 partnership, corporation, trust, or other entity making a
25 seed capital investment.

26 (h) "Director" means the person designated by the
27 Authority to manage the activities associated with the
28 Illinois Venture Investment Fund.

29 (i) "Venture capital" means financing in the form of
30 investments in qualified securities that is provided for the
31 capital needs of a company that is developing a new
32 technology, product, process, or invention.

33 Section 10-15. Illinois Venture Investment Fund. There

1 is created the Illinois Venture Investment Fund, hereafter
2 referred to in Article 10 of this Act as the "Fund." The
3 Treasurer of the Authority shall have custody of the Fund,
4 which shall be held outside of the State Treasury. The
5 Authority is authorized to accept any and all grants, loans,
6 including loans from State public employee pension funds, as
7 authorized by this Act or any other statute, subsidies,
8 matching funds, reimbursements, appropriations, transfers of
9 appropriations, federal grant monies, income derived from
10 investments, or other things of value from the federal or
11 state governments or any agency of any other state or from
12 any institution, person, firm or corporation, public or
13 private, for deposit in the Fund.

14 The Authority is authorized to use monies deposited in
15 the Fund expressly for the purposes specified in and
16 according to the procedures established by Sections 10-20
17 through 10-40 of this Act. The Authority may appoint a
18 Director to manage the activities associated with the Fund.
19 Such Director shall receive compensation as determined by the
20 Authority.

21 Section 10-20. Powers and Duties; Illinois Venture
22 Investment Fund Limits. The Authority shall invest and
23 reinvest the Fund and the income, thereof, in the following
24 ways:

25 (a) To make a direct investment in qualified securities
26 issued by enterprises and to dispose of those securities
27 within 10 years after the date of the direct investment as
28 determined by the Authority for the purpose of providing
29 venture capital or seed capital, provided that the investment
30 shall not exceed 49% of the estimated cost of development,
31 testing, and initial production and marketing and associated
32 working capital for the technology, product, process, or
33 invention, or \$750,000, whichever is less;

1 (b) To enter into written agreements or contracts
2 (including limited partnership agreements) with one or more
3 professional investors or one or more seed capital investors,
4 if any, for the purpose of establishing a pool of funds to be
5 used exclusively as venture capital or seed capital
6 investments. The Authority shall not invest more than
7 \$2,000,000 in a single pool of funds or affiliated pools of
8 funds.

9 The agreement or contract shall provide for the pool of
10 funds to be managed by a professional investor. The manager
11 may be the general partner of a limited partnership of which
12 the Authority is a limited partner.

13 The agreement or contract may provide for reimbursement
14 of expenses of, and payment of a fee to, the manager. The
15 agreement or contract may also provide for payment to the
16 manager of a percentage, not to exceed 40% (computed on an
17 annual basis), of cash and other property payable to the
18 Authority as its pro-rata share of distributions to investors
19 in the pool of funds, provided that (i) no amount shall be
20 received by the manager upon sale or other disposition of
21 qualified investments in enterprises until recovery by the
22 Authority of its investment and upon liquidation or
23 withdrawal of the Authority from the pool of funds, the
24 manager shall be obligated to refund any amount received by
25 it from such percentage if necessary to allow the Authority
26 to recover its investment or (ii) the terms of payment of
27 cash and other property to the Authority are no less
28 favorable to the Authority than payments to other seed
29 capital investors (other than the manager) who are parties to
30 the agreement or contract.

31 (c) To make co-venture investments by entering into
32 agreements with one or more professional investors or one or
33 more seed capital investors, if any, who have formally agreed
34 to invest at least 50% as much as the Authority invests in

1 the enterprise, for the purpose of providing venture capital
2 or seed capital; but no more than \$1,000,000 shall be
3 invested by the Authority in the qualified securities of a
4 single enterprise. A total of not more than \$1,500,000 may
5 be invested in the securities of a single enterprise, if the
6 Authority shall find, after the initial investment by the
7 Authority, that additional investments in the enterprise are
8 necessary to protect or enhance the initial investment of the
9 Authority.

10 Each co-venture investment agreement shall provide that
11 the Authority will recover its investment before or
12 simultaneously with any distribution to participating
13 professional investors or seed capital investors. The
14 Authority and participating professional investors and seed
15 capital investors shall share ratably in the profits earned
16 in any form on the co-venture investment, but the Authority
17 may, at its discretion, agree to pay to a participating
18 professional investor a percentage, not to exceed 40%
19 (computed on an annual basis), of cash and other property
20 payable to the Authority as its pro-rata share of
21 distributions to investors in the pool of funds, provided
22 that (i) no amount shall be received by the participating
23 professional investor upon sale or other disposition of
24 qualified investments in the enterprises until recovery by
25 the Authority of its investment and upon liquidation or
26 withdrawal of the Authority from the pool of funds, the
27 participating professional investor shall be obligated to
28 refund any amount received by it from such percentage if
29 necessary to allow the Authority to recover its investment or
30 (ii) the terms of payment of cash and other property to the
31 Authority are no less favorable to the Authority than
32 payments to other seed capital investors or professional
33 investors (other than the professional investor) who are
34 parties to the agreement or contract;

1 (d) To purchase qualified securities of certified
2 development corporations created under Section 503 of the
3 federal Small Business Administration Act, including the
4 Illinois Small Business Growth Corporation, for the purpose
5 of making loans to enterprises that have the potential to
6 create substantial employment within the State per dollar
7 invested by the Authority, provided that the investment does
8 not exceed 25% of the total investment in each corporation at
9 the time the investment is approved by the Authority.
10 Investment by the Authority in the Illinois Small Business
11 Growth Corporation is not limited by the foregoing provision;

12 (e) To purchase qualified securities of small business
13 investment companies and minority enterprise small business
14 investment corporations certified by the federal Small
15 Business Administration which are committed to making 60% of
16 their investments in the State, provided that investments
17 from the Fund do not exceed 25% of the total investment in
18 these entities at the time the investment is approved by the
19 Authority;

20 (f) To make the investments of any funds held in
21 reserves or sinking funds, or any funds not required for
22 immediate disbursement, as may be lawful investments for
23 fiduciaries in the State;

24 (g) To facilitate and promote the acquisition and
25 revitalization of existing manufacturing enterprises by
26 developing and maintaining a list of firms, or divisions
27 thereof, located within the State that are available for
28 purchase, merger, or acquisition. The list shall be made
29 available at such charges as the Authority may determine to
30 all interested persons and institutions upon request. No
31 firm shall appear on the list without its prior written
32 permission. The list may contain such additional financial,
33 technical, market and other information as may be supplied by
34 the listed firm. The Authority shall bear no responsibility

1 for the accuracy of the information contained on the list,
2 and each listed firm shall hold the Authority harmless
3 against any claim of inaccuracy.

4 Enterprises supported by investments from the Fund shall
5 receive consideration by the Authority in the allocation of
6 loans to be insured or loans to be made from the proceeds of
7 bonds to be insured by the Industrial Revenue Bond Insurance
8 Fund established under Sections 9 through 18 of this Act and
9 the Authority shall coordinate its activities under the 2
10 programs.

11 Section 10-25. Direct and Co-venture Investments. An
12 enterprise seeking a direct investment from the Illinois
13 Venture Investment Fund shall file an application with the
14 Authority along with an applicable fee to be determined by
15 the Authority. A valid application shall contain a business
16 plan, including a description of the enterprise and its
17 management, a statement of the amount, timing, and projected
18 use of the capital required, a statement concerning the
19 feasibility of the proposed technology, product, process, or
20 invention, its state of development and likelihood of
21 commercial success, a statement of the potential economic
22 impact of the enterprise on the State, including the number,
23 location, and types of jobs expected to be created, and such
24 other information as the Authority shall require.

25 In addition to the foregoing, the Authority shall approve
26 an application for a direct investment and shall approve a
27 co-venture investment only after it has made the following
28 findings:

- 29 (a) The enterprise has a reasonable chance of success;
- 30 (b) If the application is for a direct investment,
31 Authority participation is necessary to the success of the
32 enterprise because conventional, private funding is
33 unavailable in the traditional capital markets, or because

1 funding has been offered on terms that would substantially
2 hinder the success of the enterprise;

3 (c) The technology, product, process, or invention for
4 which the investment is being made is feasible, has the
5 potential to achieve commercial success and the enterprise
6 has the potential to create substantial employment within the
7 State per dollar invested and that this employment, so far as
8 feasible, may be expected to be for residents of areas of
9 critical labor surplus as defined in Section 3 of this Act;

10 (d) The entrepreneur, investors, shareholders, and other
11 founders of the enterprise have already made or are obligated
12 to make a substantial financial and time commitment to the
13 enterprise;

14 (e) The securities to be purchased are qualified
15 securities;

16 (f) The Authority determines that the possible gains on
17 the investment are at least commensurate with the risk of
18 loss and that there is a reasonable possibility that the
19 Authority will recoup its investment, within 10 years after
20 the investment or such other time period as negotiated by the
21 Authority, through the receipt of interest payments,
22 dividends, capital gains, or other distribution of profits,
23 or royalties on investments made by the Authority; and

24 (g) Binding commitments have been made to the Authority
25 by the enterprise for adequate reporting of financial data to
26 the Authority and any participating professional investors or
27 seed capital investors. The report shall include an annual
28 audit of the books of the enterprise by an independent
29 certified public accountant if the Authority so requires.
30 The Authority and any participating professional investors or
31 seed capital investors shall secure sufficient contractual
32 rights from the enterprise as the Authority shall consider
33 prudent to protect the investment of the Authority,
34 including, at the discretion of the Authority and without

1 limitation, a right of access to financial and other records
2 of the enterprise.

3 The Authority's interest in qualified securities from
4 investments shall not represent more than 49% of the voting
5 stock of any single enterprise at the time of purchase after
6 giving effect to the conversion of all outstanding
7 convertible securities of the enterprise. In the event of
8 severe financial difficulty that in the judgment of the
9 Authority threatens the investment of the Authority therein,
10 a greater percentage of those securities may be owned or
11 acquired by the Authority.

12 Section 10-30. Investment in Pools of Funds. Proposals
13 for the establishment of pools of funds under paragraph (b)
14 of Section 10-20 of this Act shall be submitted on a form,
15 contain the information, and be accompanied by a fee as
16 prescribed by the Authority.

17 The Authority shall not enter into any agreement or
18 contract under paragraph (b) of Section 10-20 of this Act
19 unless the agreement or contract provides that the pool of
20 funds will be invested in an enterprise only if the manager
21 finds all of the following:

22 (a) The enterprise has a reasonable chance of success.

23 (b) The technology, product, process, or invention for
24 which the investment is being made is feasible and has the
25 potential to achieve commercial success.

26 (c) The enterprise has the potential to create
27 substantial employment within the State.

28 (d) The entrepreneur, investors, shareholders, or
29 founders of the enterprise have made or are obligated to make
30 a substantial commitment of time and funds to the enterprise.

31 (e) The possible gains in the investment are at least
32 commensurable with the risk of loss and there is a reasonable
33 possibility that the investors, including the Authority, will

1 recoup their investment within 10 years after the investment,
2 through the receipt of interest, dividends, capital gains, or
3 other distributions of profit or royalties.

4 (f) The enterprise shall have made binding commitments
5 for adequate reporting of and access to financing data of the
6 enterprise.

7 Section 10-35. Documentary materials concerning trade
8 secrets; Commercial or financial information; Confidentially.
9 Any documentary materials or data made or received by any
10 member, agent or employee of the Authority, to the extent
11 that such material or data consist of trade secrets,
12 commercial or financial information regarding the operation
13 of any enterprise conducted by an applicant for, or recipient
14 of, any form of assistance which the Authority is empowered
15 to render, or regarding the competitive position of such
16 enterprise in a particular field of endeavor, shall not be
17 deemed public records; provided, however, that if the
18 Authority purchases a qualified security from such
19 enterprise, the commercial and financial information,
20 excluding trade secrets, shall be deemed to become a public
21 record of the Authority after the expiration of 3 years from
22 the date of purchase of such qualified security, or, in the
23 case of such information made or received by any member,
24 agent or employee of the Authority after the purchase of such
25 qualified security, 3 years from the date such information
26 was made or received. Any discussion or consideration of
27 such trade secrets or commercial or financial information may
28 be held by the Authority, in executive sessions closed to the
29 public, notwithstanding the provisions of the Open Meetings
30 Act; provided, however, that the purpose of any such
31 executive session shall be set forth in the official minutes
32 of the Authority and business which is not related to such
33 purpose shall not be transacted, nor shall any vote be taken

1 during such executive sessions.

2 Section 10-40. Tax Exemption. The Illinois Venture
3 Investment Fund and all its proceeds shall be and are hereby
4 declared exempt from all franchise and income taxes levied by
5 the State, provided nothing herein shall be construed to
6 exempt from any such taxes, or from any taxes levied in
7 connection with the manufacture, production, use or sale of
8 any technologies, products, processes or inventions which are
9 the subject of any agreement earned by any enterprise in
10 which the Authority has invested.

11 ARTICLE 15

12 LAND BANK FUND

13 Section 15-5. Findings and Declaration of Policy. It is
14 hereby found and declared that there exists within the State
15 a condition of substantial and persistent unemployment which
16 is detrimental to the welfare of the people of the State;
17 that the absence of an orderly conversion and development of
18 certain property results in blight, economic dislocation, and
19 additional unemployment; that there exists within the State a
20 significant resource of under utilized property which, if
21 returned to productive economic use, will increase
22 employment, increase revenues for the State and units of
23 local government, and lead to a more stable economy; that the
24 acquisition, development or disposition of such land or
25 property in conjunction with units of local government, local
26 industrial development agencies and private enterprise in
27 accordance with development plans will stimulate economic
28 development within the State; that the establishment of the
29 Illinois Land Bank Fund and the exercise by the Authority of
30 the powers granted in Article 15 of this Act will promote
31 economic development resulting in increased employment and

1 public revenues; and that the provisions of this Act are
2 hereby declared to be in the public interest and benefit and
3 a valid public purpose.

4 Section 15-10. Definitions. The following terms,
5 whenever used or referred to in Article 15 of this Act, shall
6 have the following meanings ascribed to them, except where
7 the context clearly requires otherwise:

8 (a) "Property" means land, parcels or combination of
9 parcels, structures, and all improvements, easements and
10 franchises;

11 (b) "Redevelopment area" means any property which is a
12 contiguous area of at least 2 acres but less than 160 acres
13 in the aggregate located within one and one-half miles of the
14 corporate limits of a municipality and not included within
15 any municipality, where, (1) if improved, a substantial
16 proportion of the industrial, commercial and residential
17 buildings or improvements are detrimental to the public
18 safety, health, morals or welfare because of a combination of
19 any of the following factors: age; physical configuration;
20 dilapidation; structural or economic obsolescence;
21 deterioration; illegal use of individual structures; presence
22 of structures below minimum code standards; excessive and
23 sustained vacancies; overcrowding of structures and community
24 facilities; inadequate ventilation, light, sewer, water,
25 transportation and other infrastructure facilities;
26 inadequate utilities; excessive land coverage; deleterious
27 land use or layout; depreciation or lack of physical
28 maintenance; and lack of community planning; or (2) if
29 vacant, the sound utilization of land for industrial projects
30 is impaired by a combination of 2 or more of the following
31 factors: obsolete platting of the vacant land; diversity of
32 ownership of such land; tax and special assessment
33 delinquencies on such land; and deterioration of structures

1 or site improvements in neighboring areas to the vacant land,
2 or the area immediately prior to becoming vacant qualified as
3 a redevelopment improved area; or (3) if an improved area
4 within the boundaries of a development project is located
5 within the corporate limits of the municipality in which 50%
6 or more of the structures in the area have an age of 35 years
7 or more, such area does not qualify under clause (1) but is
8 detrimental to the public safety, health morals or welfare
9 and such area may become a redevelopment area pursuant to
10 clause (1) because of a combination of 3 or more of the
11 factors specified in clause (1).

12 (c) "Enterprise" means an individual, corporation,
13 partnership, joint venture, trust, estate or unincorporated
14 association;

15 (d) "Development plan" means the comprehensive program
16 of the Authority and the participating entity to reduce or
17 eliminate those conditions the existence of which qualified
18 the project area as a redevelopment area. Each development
19 plan shall set forth in writing the program to be undertaken
20 to accomplish such objectives and shall include, without
21 limitation, estimated development project costs, the sources
22 of funds to pay costs, the nature and term of any obligations
23 to be issued, the most recent equalized assessed valuation of
24 the project area, an estimate as to the equalized assessed
25 valuation after development and the general land uses to
26 apply in the project area.

27 (e) "Development project" means any project in
28 furtherance of the objectives of a development plan,
29 including any building or buildings or building addition or
30 other structures to be newly constructed, renovated or
31 improved and suitable for use by an enterprise as an
32 industrial project, and includes the sites and other rights
33 in the property on which such buildings or structures are
34 located.

1 (f) "Participating entity" means a municipality, a local
2 industrial development agency or an enterprise or any
3 combination thereof.

4 Section 15-15. Illinois Land Bank Fund; Creation; Use.
5 There is hereby created the Illinois Land Bank Fund,
6 hereafter referred to in Article 15 of this Act as the
7 "Fund". The Treasurer of the Authority shall have custody of
8 the Fund, which shall be held outside of the State Treasury.
9 The Authority is authorized to accept any and all grants,
10 loans, subsidies, matching funds, reimbursements,
11 appropriations, transfers of appropriations, federal grant
12 monies, income derived from investments, or other things of
13 value from the federal or state governments or units of local
14 government or any agency thereof or from an enterprise for
15 deposit in the Fund. The Authority is authorized to use
16 monies deposited in the Fund expressly for the purposes
17 specified in and according to the procedures established by
18 Sections 15-20 through 15-30 of this Act.

19 Section 15-20. Powers and Duties.

20 (a) The Authority shall have the following powers with
21 respect to redevelopment areas:

22 (1) To acquire and possess property in a
23 redevelopment area;

24 (2) To clear any such areas so acquired by
25 demolition of existing structures and buildings and to
26 make necessary improvements to the property essential to
27 its reuse in conformity with a development plan;

28 (3) To convey property for use in accordance with a
29 development plan.

30 (b) Before acquiring property under this Section the
31 Authority shall hold a public hearing after notice published
32 in a newspaper of general circulation in the county in which

1 the property is located and shall find:

2 (1) The property is in a redevelopment area;

3 (2) Such acquisition or possession is necessary or
4 reasonably required to retain existing enterprises or
5 attract new enterprises and to promote sound economic
6 growth and to carry out the purposes of Article 15 of
7 this Act;

8 (3) The assembly of property is not unduly
9 competitive with similar assemblies by private enterprise
10 in the area or surrounding areas; and

11 (4) The participating entity, without the
12 involvement of the Authority, would be unlikely,
13 unwilling or unable to undertake such redevelopment of
14 the property as was necessary for economic development.

15 (c) No property may be acquired by the Authority unless
16 the acquisition is consented to by resolution of the
17 corporate authorities of the municipality with jurisdiction
18 over the property under Section 11-12-6 of the Municipal
19 Code.

20 (d) The Authority may acquire any interest in property
21 in a redevelopment area by purchase, lease, or gift, but
22 shall not have the power of condemnation.

23 (e) No property shall be acquired under this Section
24 unless the Authority has adopted a development plan under the
25 provisions of Section 15-25.

26 Section 15-25. Development Plans.

27 (a) No development plan shall be approved by the
28 Authority unless after a public hearing held upon notice
29 published in a newspaper of general circulation in the county
30 where the property is located, the Authority finds:

31 (1) The plan provides for projects which will
32 reduce unemployment;

33 (2) The redevelopment area on the whole has not

1 been subject to growth and development through investment
2 by private enterprise and would not reasonably be
3 anticipated to be developed without the adoption of the
4 development plan;

5 (3) The corporate authorities of the municipality
6 with jurisdiction over the property under Section 11-12-6
7 of the Municipal Code have by resolution found that the
8 development plan conforms to the comprehensive plan of
9 the municipality; and

10 (4) A participating entity has agreed to enter into
11 such contracts and other agreements as are necessary to
12 acquire, redevelop and improve the property in accordance
13 with the development plan;

14 (5) The acquisition of the property, its possession
15 and ultimate use according to the development plan can be
16 financed by participating entities and the Authority and
17 the development plan will be completed and all
18 obligations of the Authority incurred in connection with
19 the redevelopment plan will be retired within 20 years
20 from the Authority's approval of the development plan;

21 (6) The development plan meets such other
22 requirements as the Authority may establish by rule.

23 (b) The Authority may dispose of any property which is
24 the subject of a development plan in such manner, whether by
25 sale, lease or otherwise, and for such price, rental or other
26 consideration, including an amount not less than 2/3 of its
27 acquisition cost, payable over such term, and bearing
28 interest as to deferred payments, and secured in such manner,
29 by mortgage or otherwise, all as the Authority shall provide
30 in the development plan.

31 (c) Pending disposition of such land, any existing
32 property acquired by the Authority in the course of carrying
33 out the provisions of this Act may be adequately and properly
34 preserved, and may be maintained, leased or administered by

1 the Authority by a contract made by the Authority with any
2 participating entity, enterprise or individual with
3 experience in the area of property development, management or
4 administration.

5 (d) Whenever the Authority shall have approved a
6 development plan, the Authority may amend the development
7 plan from time to time in conformity with this Section.

8 Section 15-30. Local Planning; Relocation Costs. The
9 Authority may arrange or contract with a municipality or
10 municipalities for the planning, replanning, opening, grading
11 or closing of streets, roads, alleys or other places or for
12 the furnishing of facilities or for the acquisition by the
13 municipality or municipalities of property or property rights
14 or for the furnishing of property or services in connection
15 with a development project or projects.

16 The Authority is hereby authorized to pay the reasonable
17 relocation costs, up to a total of \$25,000 per relocatee, of
18 persons and businesses displaced as a result of carrying out
19 a development plan as authorized by Article 15 of this Act.

20 ARTICLE 20
21 LOCAL GOVERNMENT

22 Section 20-5. Findings and Declaration of Policy. It is
23 hereby found and declared that there exists an urgent need to
24 upgrade and expand the capital facilities, infrastructure and
25 public purpose projects of units of local government and to
26 promote other public purposes to be carried out by units of
27 local government; that federal funding reductions combined
28 with shifting economic conditions have impeded efforts by
29 units of local governments to provide the necessary
30 improvements to their capital facilities, infrastructure
31 systems and public purpose projects and to accomplish other

1 public purposes in recent years; that adequate and well
2 maintained capital facilities, infrastructure systems and
3 public purpose projects throughout this State and the
4 performance of other public purposes by units of local
5 government throughout this State can offer significant
6 economic benefits and an improved quality of life for all
7 citizens of this State; that the exercise by the Authority of
8 the powers granted in Article 20 will promote economic
9 development by enhancing the capital stock of units of local
10 governments and will facilitate the accomplishment of other
11 public purposes by units of local government; that
12 authorizing the Authority to borrow money in the public and
13 private capital markets in order to provide money to purchase
14 or otherwise acquire obligations of units of local government
15 will assist such units of local government in borrowing money
16 to finance and refinance the public purpose projects, capital
17 facilities and infrastructure of the units and to finance
18 other public purposes of such units of local government, in
19 providing access to adequate capital markets and facilities
20 for borrowing money by such units of local government, in
21 encouraging continued investor interest in the obligations of
22 such units of local government, in providing for the orderly
23 marketing of the obligations of such units of local
24 government, and in achieving lower overall borrowing cost and
25 more favorable terms for such borrowing; and that the
26 provisions of Article 20 of this Act are hereby declared to
27 be in the public interest and for the public benefit.

28 Section 20-10. Definitions. The following words or
29 terms, whenever used or referred to in Article 20 of this
30 Act, shall have the following meanings ascribed to them,
31 except where the context clearly requires otherwise:

32 (a) "Department" means the Illinois Department of
33 Commerce and Community Affairs.

1 (b) "Unit of local government" means any unit of local
2 government, as defined in Article VII, Section 1 of the 1970
3 State Constitution and any local public entity as that term
4 is defined by the Local Governmental and Governmental
5 Employees Tort Immunity Act and also includes the State and
6 any instrumentality, office, officer, department, division,
7 bureau, commission, college or university thereof.

8 (c) "Energy conservation project" means any
9 improvement, repair, alteration or betterment of any
10 building or facility or any equipment, fixture or furnishing
11 including its energy using mechanical devices to be added
12 to or used in any building or facility that the Director of
13 the Department has certified to the Authority will be a cost
14 effective energy related project that will lower energy or
15 utility costs in connection with the operation or maintenance
16 of such building or facility, and will achieve energy cost
17 savings sufficient to cover bond debt service and other
18 project costs within 10 years from the date of project
19 installation.

20 Section 20-15. Creation of Reserve Funds. The Authority
21 may establish and maintain one or more reserve funds in which
22 there may be one or more accounts in which there may be
23 deposited:

24 (a) Any proceeds of bonds issued by the Authority
25 required to be deposited therein by the terms of any contract
26 between the Authority and its bondholders or any resolution
27 of the Authority;

28 (b) Any other moneys or funds of the Authority which it
29 may determine to deposit therein from any other source; and

30 (c) Any other moneys or funds made available to the
31 Authority, including without limitation any proceeds of any
32 local government security or any taxes or revenues, rates,
33 charges, assessments, grants, or other funds pledged or

1 assigned to pay, repay or secure any local government
2 security.

3 Subject to the terms of any pledge to the owners of any
4 bond, moneys in any reserve fund may be held and applied to
5 the payment of the interest, premium, if any, or principal of
6 bonds or local government securities or for any other purpose
7 authorized by the Authority.

8 Section 20-20. Powers and Duties; Illinois Local
9 Government Financing Assistance Program. The Authority has
10 the power:

11 (a) To purchase from time to time pursuant to negotiated
12 sale or to otherwise acquire from time to time any local
13 government securities issued by one or more units of local
14 government upon such terms and conditions as the Authority
15 may prescribe;

16 (b) to issue bonds in one or more series pursuant to one
17 or more resolutions of the Authority for any purpose
18 authorized under Article 20 of this Act, including without
19 limitation purchasing or acquiring local government
20 securities, providing for the payment of any interest deemed
21 necessary on such bonds, paying for the cost of issuance of
22 such bonds, providing for the payment of the cost of any
23 guarantees, letters of credit, insurance contracts or other
24 similar credit support or liquidity instruments, or providing
25 for the funding of any reserves deemed necessary in
26 connection with such bonds and refunding or advance refunding
27 of any such bonds and the interest and any premium thereon,
28 pursuant to this Act;

29 (c) To provide for the funding of any reserves or other
30 funds or accounts deemed necessary by the Authority in
31 connection with any bonds issued by the Authority or local
32 government securities purchased or otherwise acquired by the
33 Authority.

1 (d) To pledge any local government security, including
2 any payments thereon, and any other funds of the Authority or
3 funds made available to the Authority which may be applied to
4 such purpose, as security for any bonds or any guarantees,
5 letters of credit, insurance contracts or similar credit
6 support or liquidity instruments securing the bonds;

7 (e) To enter into agreements or contracts with third
8 parties, whether public or private, including without
9 limitation the United States of America, the State, or any
10 department or agency thereof to obtain any appropriations,
11 grants, loans or guarantees which are deemed necessary or
12 desirable by the Authority. Any such guarantee, agreement or
13 contract may contain terms and provisions necessary or
14 desirable in connection with the program, subject to the
15 requirements established by Article 20 of this Act;

16 (f) To charge reasonable fees to defray the cost of
17 obtaining letters of credit, insurance contracts or other
18 similar documents, and to charge such other reasonable fees
19 to defray the cost of trustees, depositories, paying agents,
20 bond registrars, escrow agents and other administrative
21 expenses. Any such fees shall be payable by units of local
22 government whose local government securities are purchased or
23 otherwise acquired by the Authority pursuant to Article 20 of
24 this Act, in such amounts and at such times as the Authority
25 shall determine, and the amount of the fees need not be
26 uniform among the various units of local government whose
27 local government securities are purchased or otherwise
28 acquired by the Authority pursuant to Article 20 of this Act;

29 (g) To obtain and maintain guarantees, letters of
30 credit, insurance contracts or similar credit support or
31 liquidity instruments which are deemed necessary or desirable
32 in connection with any bonds or other obligations of the
33 Authority or any local government securities;

34 (h) To establish application fees and other service fees

1 and prescribe application, notification, contract, agreement,
2 security and insurance forms and rules and regulations it
3 deems necessary or appropriate;

4 (i) To provide technical assistance, at the request of
5 any unit of local government, with respect to the financing
6 or refinancing for any public purpose. In fulfillment of
7 this purpose, the Authority may request assistance from the
8 Department as necessary; any unit of local government that is
9 experiencing either a financial emergency as defined in the
10 Local Government Financial Planning and Supervision Act or a
11 condition of fiscal crisis evidenced by an impaired ability
12 to obtain financing for its public purpose projects from
13 traditional financial channels or impaired ability to fully
14 fund its obligations to fire, police and municipal employee
15 pension funds, or to bond payments or reserves, may request
16 technical assistance from the Authority in the form of a
17 diagnostic evaluation of its financial condition;

18 (j) To purchase any obligations of the Authority issued
19 pursuant to Article 20 of this Act;

20 (k) To sell, transfer or otherwise dispose of local
21 government securities purchased or otherwise acquired by the
22 Authority pursuant to Article 20 of this Act, including
23 without limitation, the sale, transfer or other disposition
24 of undivided fractionalized interests in the right to receive
25 payments of principal and premium, if any, or the right to
26 receive payments of interest or the right to receive payments
27 of principal of and premium, if any, and interest on pools of
28 such local government securities;

29 (l) To acquire, purchase, lease, sell, transfer and
30 otherwise dispose of real and personal property, or any
31 interest therein, and to issue its bonds and enter into
32 leases, contracts and other agreements with units of local
33 government in connection with such acquisitions, purchases,
34 leases, sales and other dispositions of such real and

1 personal property;

2 (m) to make loans to banks, savings and loans and other
3 financial institutions for the purpose of purchasing or
4 otherwise acquiring local government securities, and to issue
5 its bonds, and enter into agreements and contracts in
6 connection with such loans;

7 (n) To enter into agreements or contracts with any
8 person necessary or appropriate to place the payment
9 obligations of the Authority under any of its bonds in whole
10 or in part on any interest rate basis, cash flow basis, or
11 other basis desired by the Authority, including without
12 limitation agreements or contracts commonly known as
13 "interest rate swap agreements," "forward payment conversion
14 agreements," and "futures," or agreements or contracts to
15 exchange cash flows or a series of payments, or agreements or
16 contracts, including without limitation agreements or
17 contracts commonly known as "options," "puts" or "calls," to
18 hedge payment, rate spread, or similar exposure; provided,
19 that any such agreement or contract shall not constitute an
20 obligation for borrowed money, and shall not be taken into
21 account under Section 45-5 of this Act or any other debt
22 limit of the Authority or the State of Illinois;

23 (o) To make and enter into all other agreements and
24 contracts and execute all instruments necessary or incidental
25 to performance of its duties and the execution of its powers
26 under Article 20 of this Act; and

27 (p) To contract for and finance the costs of energy
28 audits, project-specific engineering and design
29 specifications, and any other related analyses preliminary to
30 an energy conservation project; and, to contract for and
31 finance the cost of project monitoring and data collection to
32 verify post-installation energy consumption and
33 energy-related operating costs. Any such contract shall be
34 executed only after it has been jointly negotiated by the

1 Authority and the Department.

2 (q) To exercise such other powers as are necessary or
3 incidental to the foregoing.

4 Section 20-25. Unit of Local Government Participation.

5 Any unit of local government is authorized to voluntarily
6 participate in this program. Any unit of local government
7 which is authorized to issue, sell and deliver its local
8 government securities under any provision of the Constitution
9 or laws of the State may issue, sell and deliver such local
10 government securities to the Authority under Article 20 of
11 this Act; provided that and notwithstanding any other
12 provision of law to the contrary, any such unit of local
13 government may issue and sell any such local government
14 security at any interest rate or rates, which rate or rates
15 may be established by an index or formula which may be
16 implemented by persons appointed or retained therefor,
17 payable at such time or times, and at such price or prices to
18 which the unit of local government and the Authority may
19 agree. Any unit of local government may pay any amount
20 charged by the Authority pursuant to Article 20 of this Act.
21 Any unit of local government participating in this program
22 may pay out of the proceeds of its local government
23 securities or out of any other moneys or funds available to
24 it for such purposes any costs, fees, interest deemed
25 necessary, premium or reserves incurred or required for
26 financing or refinancing this program, including without
27 limitation any fees charged by the Authority pursuant to
28 Article 20 of this Act and its share, as determined by the
29 Authority, of any costs, fees, interest deemed necessary,
30 premium or reserves incurred or required pursuant to Section
31 20-20 of this Act. All local government securities purchased
32 or otherwise acquired by the Authority pursuant to this Act
33 shall upon delivery to the Authority be accompanied by an

1 approving opinion of bond counsel as to the validity of such
2 securities. The Authority shall have discretion to purchase
3 or otherwise acquire those local government securities as it
4 shall deem to be in the best interest of its financing
5 program for all units of local government taken as a whole.

6 Section 20-30. Criteria for Participation in the
7 Program. If the Authority requires an application for
8 participation in the Program, upon submission of any such
9 application, the Authority or any entity on behalf of the
10 Authority shall review such application for its completeness
11 and may at its discretion, accept or reject such application
12 or request such additional information as it deems necessary
13 or advisable to aid its review.

14 In the course of its review, the Authority may consider
15 but shall not be limited to the following factors:

16 (a) Whether the public purpose for which the local
17 government security is to be issued will have a significant
18 impact on the economy, environment, health or safety of the
19 unit of local government;

20 (b) The extent to which the public purpose for which the
21 local government security is to be issued will provide
22 reinforcement for other community and economic development
23 related investments by such units of local government;

24 (c) The credit worthiness of the unit of local
25 government and the local government security, including,
26 without limitation, the ability of the unit of local
27 government to comply with the credit requirements of the
28 provider of any guarantees, letters of credit, insurance
29 contracts or other similar credit support or liquidity
30 instruments; and

31 (d) Such other factors as deemed necessary by the
32 Authority which are consistent with the intent of this Act.

1 Section 20-35. The Authority shall assist the Department
2 to establish and implement a program to assist units of local
3 government to identify and arrange financing for energy
4 conservation projects in buildings and facilities owned or
5 leased by units of local government.

6 Such bonds shall not constitute an indebtedness or
7 obligation of the State of Illinois and it shall be plainly
8 stated on the face of each bond that it does not constitute
9 such an indebtedness or obligation but is payable solely from
10 the revenues, income or other assets of the Authority pledged
11 therefor.

12 Section 20-40. Investment of Moneys. Any moneys at any
13 time held by the Authority pursuant to Article 20 of this Act
14 shall be held outside the State Treasury in the custody of
15 either the Treasurer of the Authority or a trustee or
16 depository appointed by the Authority. Such moneys may be
17 invested in (a) investments authorized in "An Act relating to
18 certain investments of public funds by public agencies",
19 approved July 23, 1943, as amended, (b) obligations issued by
20 any State, unit of local government or school district, which
21 obligations are rated at the time of purchase by a national
22 rating service within the 2 highest rating classifications
23 without regard to any rating refinement or gradation by
24 numerical or other modifier, (c) equity securities of an
25 investment company registered under the Investment Company
26 Act of 1940 whose sole assets, other than cash and other
27 temporary investments, are obligations which are eligible
28 investments for the Authority, or (d) investment contracts
29 under which securities are to be purchased and sold at a
30 predetermined price on a future date, or pursuant to which
31 moneys are deposited with a bank or other financial
32 institution and the deposits are to bear interest at an
33 agreed upon rate, provided that such investments contracts

1 are with a bank or other financial institution whose
2 obligations are rated at the time of purchase by a national
3 rating service within the 2 highest rating classifications
4 without regard to any rating refinement or gradation by
5 numerical or other modifier. The interest, dividends or
6 other earnings from such investments may be used to pay
7 administrative costs of the Authority incurred in
8 administering the program or trustee or depository fees
9 incurred in connection with such program.

10 Section 20-45. Pledge of Revenues by the Authority. Any
11 pledge of revenues or other moneys made by the Authority
12 shall be binding from the time the pledge is made. Revenues
13 and other moneys so pledged shall be held outside of the
14 State Treasury and in the custody of either the Treasurer of
15 the Authority or a trustee or a depository appointed by the
16 Authority. Revenues or other moneys so pledged and
17 thereafter received by the Authority or such trustee or
18 depository shall immediately be subject to the lien of the
19 pledge without any physical delivery thereof or further act,
20 and the lien of any pledge shall be binding against all
21 parties having claims of any kind of tort, contract or
22 otherwise against the Authority, irrespective of whether the
23 parties have notice thereof. Neither the resolution nor any
24 other instrument by which a pledge is created need be filed
25 or recorded except in the records of the Authority.

26 The State does pledge to and agree with the holders of
27 bonds, and the beneficial owners of the local government
28 securities, that the State will not limit or restrict the
29 rights hereby vested in the Authority to purchase, acquire,
30 hold, sell or dispose of local government securities or other
31 investments or to establish and collect such fees or other
32 charges as may be convenient or necessary to produce
33 sufficient revenues to meet the expenses of operation of the

1 Authority, and to fulfill the terms of any agreement made
2 with the holders of the bonds or the beneficial owners of the
3 local government securities or in any way impair the rights
4 or remedies of the holders of those bonds or the beneficial
5 owners of the local government securities until such bonds or
6 local government securities are fully paid and discharged or
7 provision for their payment has been made.

8 Section 20-50. Pledge of Funds by Units of Local
9 Government.

10 (a) Pledge of Funds. Any unit of local government which
11 receives funds from the Department of Revenue, including
12 without limitation funds received pursuant to Sections
13 8-11-1, 8-11-1.4, 8-11-5 or 8-11-6 of the "Illinois Municipal
14 Code", the Home Rule County Retailers' Occupation Tax Act,
15 the Home Rule County Service Occupation Tax Act, Sections
16 25.05-2, 25.05-3 or 25.05-10 of "An Act to revise the law in
17 relation to counties", Section 5.01 of the "Local Mass
18 Transit District Act", Section 4.03 of the "Regional
19 Transportation Authority Act", Sections 2 or 12 of "An Act in
20 relation to State revenue sharing with local governmental
21 entities," or from the Department of Transportation pursuant
22 to Section 8 of the Motor Fuel Tax Law, or from the State
23 Superintendent of Education (directly or indirectly through
24 regional superintendents of schools) pursuant to Article 18
25 of The School Code, or any unit of government which receives
26 other funds which are at any time in the custody of the State
27 Treasurer, the State Comptroller, the Department of Revenue,
28 the Department of Transportation or the State Superintendent
29 of Education may by appropriate proceedings, pledge to the
30 Authority or any entity acting on behalf of the Authority
31 (including, without limitation, any trustee), any or all of
32 such receipts to the extent that such receipts are necessary
33 to provide revenues to pay the principal of, premium, if any,

1 and interest on, and other fees related to, or to secure, any
2 of the local government securities of such unit of local
3 government which have been sold or delivered to the Authority
4 or its designee or to pay lease rental payments to be made by
5 such unit of local government to the extent that such lease
6 rental payments secure the payment of the principal of,
7 premium, if any, and interest on, and other fees related to,
8 any local government securities which have been sold or
9 delivered to the Authority or its designee. Any pledge of
10 such receipts (or any portion thereof) shall constitute a
11 first and prior lien thereon and shall be binding from the
12 time the pledge is made.

13 (b) Direct Payment of Pledged Receipts. Any such unit
14 of local government may, by such proceedings, direct that all
15 or any of such pledged receipts payable to such unit of local
16 government be paid directly to the Authority or such other
17 entity (including without limitation any trustee) for the
18 purpose of paying the principal of, premium, if any, and
19 interest on, and fees relating to, such local government
20 securities or for the purpose of paying such lease rental
21 payments to the extent necessary to pay the principal of,
22 premium, if any, and interest on, and other fees related to,
23 such local government securities secured by such lease rental
24 payments. Upon receipt of a certified copy of such
25 proceedings by the State Treasurer, the State Comptroller,
26 the Department of Revenue, the Department of Transportation
27 or the State Superintendent of Education, as the case may be,
28 such Department or State Superintendent shall direct the
29 State Comptroller and State Treasurer to pay to, or on behalf
30 of, the Authority or such other entity (including, without
31 limitation, any trustee) all or such portion of the pledged
32 receipts from the Department of Revenue, or the Department of
33 Transportation or the State Superintendent of Education
34 (directly or indirectly through regional superintendents of

1 schools), as the case may be, sufficient to pay the principal
2 of and premium, if any, and interest on, and other fees
3 related to, the local governmental securities for which the
4 pledge was made or to pay such lease rental payments securing
5 such local government securities for which the pledge was
6 made. The proceedings shall constitute authorization for
7 such a directive to the State Comptroller to cause orders to
8 be drawn and to the State Treasurer to pay in accordance with
9 such directive. To the extent that the Authority or its
10 designee notifies the Department of Revenue, the Department
11 of Transportation or the State Superintendent of Education,
12 as the case may be, that the unit of local government has
13 previously paid to the Authority or its designee the amount
14 of any principal, premium, interest and fees payable from
15 such pledged receipts, the State Comptroller shall cause
16 orders to be drawn and the State Treasurer shall pay such
17 pledged receipts to the unit of local government as if they
18 were not pledged receipts. To the extent that such receipts
19 are pledged and paid to the Authority or such other entity,
20 any taxes which have been levied or fees or charges assessed
21 pursuant to law on account of the issuance of such local
22 government securities shall be paid to the unit of local
23 government and may be used for the purposes for which the
24 pledged receipts would have been used.

25 (c) Payment of Pledged Receipts upon Default. Any such
26 unit of local government may, by such proceedings, direct
27 that such pledged receipts payable to such unit of local
28 government be paid to the authority or such other entity
29 (including without limitation any trustee) upon a default in
30 the payment of any principal of, premium, if any, or interest
31 on, or fees relating to, any of the local government
32 securities of such unit of local government which have been
33 sold or delivered to the Authority or its designee or any of
34 the local government securities which have been sold or

1 delivered to the Authority or its designee and which are
2 secured by such lease rental payments. If such local
3 governmental security is in default as to the payment of
4 principal thereof, premium, if any, or interest thereon, or
5 fees relating thereto, to the extent that the State
6 Treasurer, the State Comptroller, the Department of Revenue,
7 the Department of Transportation or the State Superintendent
8 of Education (directly or indirectly through regional
9 superintendents of schools) shall be the custodian at any
10 time of any other available funds or moneys pledged to the
11 payment of such local government securities or such lease
12 rental payments securing such local government securities
13 pursuant to this Section and due or payable to such a unit of
14 local government at any time subsequent to written notice to
15 the State Comptroller and State Treasurer from the Authority
16 or any entity acting on behalf of the Authority (including
17 without limitation any trustee) to the effect that such unit
18 of local government has not paid or is in default as to
19 payment of the principal of, premium, if any, or interest on,
20 or fees relating to, any local government security sold or
21 delivered to the Authority or any such entity (including
22 without limitation any trustee) or has not paid or is in
23 default as to the payment of such lease rental payments
24 securing the payment of the principal of, premiums, if any,
25 or interest on, or other fees relating to, any local
26 government security sold or delivered to the Authority or
27 such other entity (including without limitation any trustee):

28 (i) The State Comptroller and the State Treasurer
29 shall withhold the payment of such funds or moneys from
30 such unit of local government until the amount of such
31 principal, premium, if any, interest or fees then due and
32 unpaid has been paid to the Authority or any such entity
33 (including without limitation any trustee), or the State
34 Comptroller and the State Treasurer have been advised

1 that arrangements, satisfactory to the Authority or such
2 entity, have been made for the payment of such principal,
3 premium, if any, interest and fees; and

4 (ii) Within ten days after a demand for payment by
5 the Authority or such entity given to such unit of local
6 government, the State Treasurer and the State
7 Comptroller, the State Treasurer shall pay such funds or
8 moneys as are legally available therefor to the Authority
9 or such entity for the payment of principal of, premium,
10 if any, or interest on, or fees relating to, such local
11 government securities. The Authority or any such entity
12 may carry out this Section and exercise all the rights,
13 remedies and provisions provided or referred to in this
14 Section.

15 (d) Remedies. Upon the sale or delivery of any local
16 government securities of the Authority or its designee, the
17 local government which issued such local government
18 securities shall be deemed to have agreed that upon its
19 failure to pay interest or premium, if any, on, or principal
20 of, or fees relating to, the local government securities sold
21 or delivered to the Authority or any entity acting on behalf
22 of the Authority (including without limitation any trustee)
23 when payable, all statutory defenses to nonpayment are
24 thereby waived. Upon a default in payment of principal of or
25 interest on any local government securities issued by a unit
26 of local government and sold or delivered to the Authority or
27 its designee, and upon demand on the unit of local government
28 for payment, if the local government securities are payable
29 from property taxes and funds are not legally available in
30 the treasury of the unit of local government to make payment,
31 an action in mandamus for the levy of a tax by the unit of
32 local government to pay the principal of or interest on the
33 local government securities shall lie, and the Authority or
34 such entity shall be constituted a holder or owner of the

1 local government securities as being in default. Upon the
2 occurrence of any failure or default with respect to any
3 local government securities issued by a unit of local
4 government, the Authority or such entity may thereupon avail
5 itself of all remedies, rights and provisions of law
6 applicable in the circumstances, and the failure to exercise
7 or exert any rights or remedies within a time or period
8 provided by law may not be raised as a defense by the unit of
9 local government.

10 Section 20-55. Eligible Investments. Bonds, issued by
11 the Authority pursuant to the provisions of Article 20 of
12 this Act, shall be permissible investments within the
13 provisions of Section 45-35 of this Act.

14 ARTICLE 25

15 OTHER POWERS

16 Section 25-5. Motion Picture Production Program;
17 Findings and Declaration of Policy. It is hereby found and
18 declared that the production of motion pictures has an
19 enormous potential for contributing to the economic
20 well-being of the State and its communities; that a critical
21 mass of movie productions is essential to the continuing
22 viability of this fledgling industry in Illinois; that to
23 achieve this critical mass, a financial inducement to attract
24 movie productions to the State is required; and that the
25 provisions of this Act are hereby declared to be in the
26 public interest and for the public benefit.

27 Section 25-10. The Authority may develop a program for
28 financing the production of motion pictures in the State of
29 Illinois. All projects financed by the Authority shall
30 require the approval of both the Illinois Arts Council and

1 the Authority.

2 Section 25-15. Credit Enhancement Development Fund.

3 (a) There is hereby created the Credit Enhancement
4 Development Fund in the Authority. The Treasurer shall have
5 custody of the fund, which shall be held outside the State
6 Treasury. Custody may be transferred to and held by any
7 fiduciary with whom the Authority executes a trust agreement.
8 All or any portion of such amounts may be used (i) to pay
9 principal, interest and premium, if any, on any bonds issued
10 by the Authority or to fund any reserves or accounts created
11 for such purpose, (ii) to pay the cost of any letter of
12 credit, insurance or third party guarantee provided with
13 respect to any bond issued by the Authority or loan made by
14 the Authority, (iii) to guarantee or otherwise enhance the
15 credit of any bond issued by the Authority or loan made by
16 the Authority, or (iv) to make loans to any person,
17 corporation or unit of local government for any project
18 authorized to be financed by the Authority under this Act.

19 (b) The Authority shall report to the Governor and the
20 General Assembly no later than June 1, 2003, on the extent to
21 which its use of monies in this Fund has enhanced the credit
22 worthiness of its bonds issued or loans made with respect to
23 any person, thereby reducing the cost of financing projects
24 authorized by this Act.

25 ARTICLE 27

26 STUDENT ASSISTANCE

27 Section 27-5. Student Assistance Functions of Authority.

28 (a) The Authority, in accordance with this Act, shall
29 prepare and supervise the issuance of public information
30 concerning its student assistance provisions; prescribe the
31 form and regulate the submission of applications for

1 assistance; provide for and conduct, or cause to be
2 conducted, all eligibility determinations of applicants;
3 award the appropriate student financial assistance; and, upon
4 request by a member of the General Assembly, nominate or
5 evaluate and recommend for nomination applicants for General
6 Assembly scholarships in accordance with criteria specified
7 by the member under Section 30-9 of the School Code.

8 (b) The Authority is authorized to participate in any
9 programs for monetary assistance to students and to receive,
10 hold, and disburse all such funds made available by any
11 agency or organization for the purpose or purposes for which
12 they are made available. The Authority is authorized to
13 administer a program of grant assistance as authorized by the
14 Baccalaureate Savings Act. The Authority is authorized to
15 participate in any programs established to improve student
16 financial aid services or the proficiency of persons engaged
17 in student financial aid services and to receive, hold, and
18 disburse all funds made available by any agency or
19 organization for the purpose or purposes for which they are
20 made available subject to the appropriations of the General
21 Assembly.

22 (c) The Authority is authorized to deny a scholarship or
23 a grant to any person who has defaulted on a guaranteed
24 student loan and who is not maintaining a satisfactory
25 repayment record. If a person has a defaulted guaranteed
26 student loan but is otherwise eligible for assistance
27 pursuant to Section 27-55, the Authority shall award one term
28 of assistance during which a satisfactory repayment record
29 must be established. If such a repayment record is not
30 established, additional assistance shall be denied until a
31 satisfactory repayment record is established.

32 (d) The Authority is authorized to participate with
33 federal, state, county, local, and university law enforcement
34 agencies in cooperative efforts to detect and prosecute

1 incidents of fraud in student assistance programs.

2 Section 27-25. State scholar program.

3 (a) An applicant is eligible to be designated a State
4 Scholar when the Authority finds the candidate:

5 (1) is a resident of this State and a citizen or
6 permanent resident of the United States;

7 (2) has successfully completed the program of
8 instruction at an approved high school, or is a student
9 in good standing at such a school and is engaged in a
10 program which in due course will be completed by the end
11 of the academic year, and in either event that the
12 candidate's academic standing is above the class median;
13 and that the candidate has not had any university,
14 college, normal school, private junior college or public
15 community college, or other advanced training subsequent
16 to graduation from high school; and

17 (3) has superior capacity to profit by a higher
18 education. In determining an applicant's superior
19 capacity to profit by a higher education, the Authority
20 shall consider the candidate's scholastic record in high
21 school and the results of the examination conducted under
22 the provisions of this Act. The Authority shall
23 establish by rule the minimum conditions of eligibility
24 in terms of the foregoing factors, and the relative
25 weight to be accorded to those factors.

26 (b) The Authority shall base its State Scholar
27 designations upon the eligibility formula prescribed in its
28 rules, except that notwithstanding those rules or any other
29 provision of this Section, a student nominated by his or her
30 school shall be designated a State Scholar if that student
31 achieves an Illinois Standard Test Score at or above the 95th
32 percentile among students taking the designated examinations
33 in Illinois that year, as determined by the Authority.

1 (c) The Authority shall obtain the results of a
2 competitive examination from the applicants this Act. The
3 examination shall provide a measure of each candidate's
4 ability to perform college work and shall have demonstrated
5 utility in such a selection program. The Authority shall
6 select, and designate by rule, the specific examinations to
7 be used in determining the applicant's superior capacity to
8 profit from a higher education. Candidates may be asked by
9 the Authority to take those steps necessary to provide
10 results of the designated examination as part of their
11 applications. Any nominal cost of obtaining or providing the
12 examination results shall be paid by the candidate to the
13 agency designated by the Authority to provide the examination
14 service.

15 In the event that a candidate or candidates are unable to
16 participate in the examination for financial reasons, the
17 Authority may choose to pay the examination fee on the
18 candidate's or candidates' behalf. Any notary fee which may
19 also be required as part of the total application shall be
20 paid by the applicant.

21 (d) The Authority shall award to each State Scholar a
22 certificate or other suitable form of recognition. The
23 decision to attend a non-qualified institution of higher
24 learning shall not disqualify applicants who are otherwise
25 fully qualified.

26 Section 27-30. Merit Recognition Scholarship program.

27 (a) As used in this Section: "Eligible applicant" means
28 a student from any high school in this State, either
29 approved by or not recognized by the State Board of
30 Education, who is engaged in a program of study that in due
31 course will be complete by the end of the academic year, and
32 (i) whose cumulative high school grade point average is at or
33 above the 95th percentile of his or her high school class

1 after completion of the 6th semester of a high school program
2 of instruction or (ii) whose score on a standardized
3 examination determined by the Authority, taken before or
4 during the 6th semester of high school, is at or above the
5 95th percentile of students in the State who take the
6 standardized college entrance examination. These high school
7 students are all eligible to receive a scholarship to be
8 awarded under this Section. "Qualified student" means a
9 person:

10 (1) who is a resident of this State and a citizen
11 or permanent resident of the United States;

12 (2) who, as an eligible applicant, is in good
13 academic standing at the high school in which he or she
14 is enrolled and has made a timely application for a Merit
15 Recognition Scholarship under this Section;

16 (3) who has successfully completed the program of
17 instruction at any high school located in this State; and

18 (4) who enrolls or is enrolled in a qualified
19 Illinois institution of higher learning or a Service
20 Academy as an undergraduate student or cadet and has not
21 received a baccalaureate degree. "Merit Recognition
22 Scholarship" means a \$1,000 academic scholarship awarded
23 under this Section during an academic year to a qualified
24 student, without regard to financial need, as a
25 scholarship to any qualified Illinois institution of
26 higher learning or a Service Academy in which the student
27 is or will be enrolled as an undergraduate student or
28 cadet. "Service Academy" means the U.S. Air Force
29 Academy, the U.S. Coast Guard Academy, the U.S. Military
30 Academy, or the U.S. Naval Academy.

31 (b) In order to identify, encourage, promote, and reward
32 the distinguished academic achievement of students from every
33 high school located in this State, each qualified student
34 shall be awarded a Merit Recognition Scholarship by the

1 Authority to any qualified Illinois institution of higher
2 learning or to any Service Academy.

3 (c) No Merit Recognition Scholarship provided for a
4 qualified student under this Section shall be considered in
5 evaluating the financial situation of that student or be
6 deemed a financial resource of or a form of financial aid or
7 assistance to that student, for purposes of determining the
8 eligibility of the student for any scholarship, grant, or
9 monetary assistance awarded by the Authority, the State, or
10 any agency thereof pursuant to the provisions of any other
11 Section of this Act or any other law of this State; nor shall
12 any Merit Recognition Scholarship provided for a qualified
13 student under this Section reduce the amount of any
14 scholarship, grant, or monetary assistance that that student
15 is eligible to be awarded by the Authority, the State, or any
16 agency thereof in accordance with the provisions of any other
17 Section of this Act or any other law of this State.

18 (d) The Authority is designated as administrator of the
19 Merit Recognition Scholarship program. Each high school
20 located in this State shall certify to the Authority the
21 names of its students who are eligible applicants, specifying
22 which of the students certified as eligible applicants have
23 completed the program of instruction at that high school and
24 the graduation date fixed for their high school class and
25 specifying for each of the other eligible applicants whose
26 names appear on the certification the semester of high school
27 last completed by them. The Authority shall promptly notify
28 those eligible applicants so certified who are reasonably
29 assured of receiving a Merit Recognition Scholarship in
30 accordance with the annual funding levels recommended in the
31 Governor's budget of their eligibility to apply for a
32 scholarship under this Section, other than any eligible
33 applicant named on any such certification who, as an eligible
34 applicant, has previously made application to the Authority

1 for a Merit Recognition Scholarship under this Section. An
2 otherwise eligible applicant who fails to make a timely
3 application (as determined by the Authority) for a Merit
4 Recognition Scholarship under this Section shall no longer be
5 deemed an eligible applicant and shall not qualify for the
6 award.

7 (e) All applications for Merit Recognition Scholarships
8 to be awarded under this Section shall be made to the
9 Authority on forms that the Authority shall provide for
10 eligible applicants. The form of applications and the
11 information required to be set forth therein shall be
12 determined by the Authority, and the Authority shall require
13 eligible applicants to submit with their applications such
14 supporting documents as the Authority deems necessary.

15 (f) The names and addresses of Merit Recognition
16 Scholarship recipients are a matter of public record.

17 (e) Whenever an eligible applicant who has completed the
18 program of instruction at any high school located in this
19 State thereafter makes timely application to the Authority
20 for a Merit Recognition Scholarship under this Section, the
21 Authority shall promptly determine whether that eligible
22 applicant is a qualified student as defined in subsection (a)
23 of this Section. Each such eligible applicant so determined
24 by the Authority to be a qualified student shall be awarded a
25 Merit Recognition Scholarship in the amount of \$1,000,
26 effective exclusively during the academic year following the
27 qualified student's high school graduation, subject to
28 appropriation by the General Assembly.

29 (f) Subject to a separate appropriation for purposes of
30 this Section, payment of any Merit Recognition Scholarship
31 awarded under this Section shall be determined exclusively by
32 the Authority. All scholarship funds distributed in
33 accordance with this subsection shall be paid to the
34 qualified Illinois institution of higher learning or Service

1 Academy and used only for payment of the educational expenses
2 incurred by the student in connection with his or her
3 attendance as an undergraduate student or cadet at that
4 institution or Service Academy, including but not limited to
5 tuition and fees, room and board, books and supplies,
6 required service Academy uniforms, and travel and personal
7 expenses related to the student's attendance at that
8 institution or Service Academy. Any Merit Recognition
9 Scholarship awarded under this Section shall be applicable to
10 2 semesters or 3 quarters of enrollment. Should a qualified
11 student withdraw from enrollment prior to completion of the
12 first semester or quarter for which the Merit Recognition
13 Scholarship is applicable, the student shall refund to the
14 Authority the amount of the scholarship received.

15 (g) The Authority shall administer the Merit Recognition
16 Scholarship program established by this Section and shall
17 make all necessary and proper rules, not inconsistent with
18 this Section, for its effective implementation.

19 (h) When an appropriation to the Authority for purposes
20 of this Section is insufficient to provide scholarships to
21 all qualified students, the Authority shall allocate the
22 appropriation in accordance with this subsection.

23 (i) If funds are insufficient to provide all qualified
24 students with a scholarship as authorized by subsection (g)
25 of this Section, the Authority shall allocate the
26 scholarships to qualified students in order of decreasing
27 relative academic rank, as determined by the Authority using
28 a formula based upon the qualified student's grade point
29 average, score on the appropriate statewide standardized
30 examination, or a combination of grade point average and
31 standardized test score. All Merit Recognition Scholarships
32 awarded shall be in the amount of \$1,000.

33 (j) The Authority, in determining the number of Merit
34 Recognition Scholarships to be offered pursuant to subsection

1 (j) of this Section, shall take into consideration past
2 experience with the rate of merit scholarship funds unclaimed
3 by qualified students. To the extent necessary to avoid an
4 over-commitment of funds, the Authority may allocate
5 scholarship funds on the basis of the date the Authority
6 receives a completed application form.

7 Section 27-35. Monetary award program.

8 (a) The Authority shall, each year, receive and consider
9 applications for grant assistance under this Section.
10 Subject to a separate appropriation for such purposes, an
11 applicant is eligible for a grant under this Section when the
12 Authority finds that the applicant: (1) is a resident of
13 this State and a citizen or permanent resident of the United
14 States; and (2) in the absence of grant assistance, will be
15 deterred by financial considerations from completing an
16 educational program at the qualified institution of his or
17 her choice.

18 (b) The Authority shall award renewals only upon the
19 student's application and upon the Authority's finding that
20 the applicant: (1) has remained a student in good standing;
21 (2) remains a resident of this State; and (3) is in a
22 financial situation that continues to warrant assistance.

23 (c) All grants shall be applicable only to tuition and
24 necessary fee costs for 2 semesters or 3 quarters in an
25 academic year. Requests for summer term assistance will be
26 made separately and shall be considered on an individual
27 basis according to Authority policy. Each student who is
28 awarded a grant under this Section and is enrolled in summer
29 school classes shall be eligible for a summer school grant.
30 The summer school grant amount shall not exceed the lesser of
31 50 percent of the maximum annual grant amount authorized by
32 this Section or the actual cost of tuition and fees at the
33 institution at which the student is enrolled at least

1 part-time. For the regular academic year, the Authority
2 shall determine the grant amount for each full-time and
3 part-time student, which shall be the smallest of the
4 following amounts:

5 (1) \$4,740 for 2 semesters or 3 quarters of
6 full-time undergraduate enrollment or \$2,370 for 2
7 semesters or 3 quarters of part-time undergraduate
8 enrollment, or such lesser amount as the Authority finds
9 to be available; or

10 (2) the amount which equals the 2 semesters or 3
11 quarters tuition and other necessary fees required
12 generally by the institution of all full-time
13 undergraduate students, or in the case of part-time
14 students an amount of tuition and fees for 2 semesters
15 or 3 quarters which shall not exceed one-half the amount
16 of tuition and necessary fees generally charged to
17 full-time undergraduate students by the institution; or

18 (3) such amount as the Authority finds to be
19 appropriate in view of the applicant's financial
20 resources. "Tuition and other necessary fees" as used in
21 this Section include the customary charge for instruction
22 and use of facilities in general, and the additional
23 fixed fees charged for specified purposes, which are
24 required generally of nongrant recipients for each
25 academic period for which the grant applicant actually
26 enrolls, but do not include fees payable only once or
27 breakage fees and other contingent deposits which are
28 refundable in whole or in part. The Authority may
29 prescribe, by rule not inconsistent with this Section,
30 detailed provisions concerning the computation of tuition
31 and other necessary fees.

32 (d) No applicant, including those presently receiving
33 scholarship assistance under this Act, is eligible for
34 monetary award program consideration under this Act after

1 receiving a baccalaureate degree or the equivalent of 10
2 semesters or 15 quarters of award payments. The Authority
3 shall determine when award payments for part-time enroll
4 mentor interim or summer terms shall be counted as a partial
5 semester or quarter of payment.

6 (e) The Authority, in determining the number of grants
7 to be offered, shall take into consideration past experience
8 with the rate of grant funds unclaimed by recipients. The
9 Authority shall notify applicants that grant assistance is
10 contingent upon the availability of appropriated funds.

11 (f) The Authority may request appropriations for deposit
12 into the Monetary Award Program Reserve Fund. Monies
13 deposited into the Monetary Award Program Reserve Fund may be
14 expended exclusively for one purpose: to make Monetary Award
15 Program grants to eligible students. Amounts on deposit in
16 the Monetary Award Program Reserve Fund may not exceed 2% of
17 the current annual State appropriation for the Monetary Award
18 Program. The purpose of the Monetary Award Program Reserve
19 Fund is to enable the Authority each year to assure as many
20 students as possible of their eligibility for a Monetary
21 Award Program grant and to do so before commencement of the
22 academic year. Moneys deposited in this Reserve Fund are
23 intended to enhance the Authority's management of the
24 Monetary Award Program, minimizing the necessity, magnitude,
25 and frequency of adjusting award amounts and ensuring that
26 the annual Monetary Award Program appropriation can be fully
27 utilized.

28 (g) The Authority shall determine the eligibility of and
29 make grants to applicants enrolled at qualified for-profit
30 institutions in accordance with the criteria set forth in
31 this Section. The eligibility of applicants enrolled at such
32 for-profit institutions shall be limited as follows:

33 (1) Beginning with the academic year 1997, only to
34 eligible first-time freshmen and first-time transfer

1 students who have attained an associate degree.

2 (2) Beginning with the academic year 1998, only to
3 eligible freshmen students, transfer students who have
4 attained an associate degree, and students who receive a
5 grant under paragraph (1) for the academic year 1997 and
6 whose grants are being renewed for the academic year
7 1998.

8 (3) Beginning with the academic year 1999, to all
9 eligible students.

10 Section 27-40. Illinois Incentive for Access grant
11 program.

12 (a) The Authority each year shall determine eligibility
13 for the Illinois Incentive for Access grant from applications
14 received for Monetary Award Program grant assistance under
15 Section 35 of this Act. An applicant shall be determined as
16 eligible for an Illinois Incentive for Access grant under
17 this Section when the Authority finds that the applicant:

18 (1) is a resident of this State and a citizen or
19 permanent resident of the United States;

20 (2) has no personal or family financial resources
21 available for expenditure on educational expenses, as
22 defined by current federal student financial aid
23 methodology;

24 (3) has not already received a baccalaureate
25 degree; and

26 (4) is enrolled at least one-half time as a
27 freshman undergraduate student at an approved Illinois
28 institution of higher learning participating in the
29 Monetary Award Program administered by the Authority.

30 (b) Subject to a separate appropriation made for
31 purposes of awarding grants under this Section, Illinois
32 Incentive for Access grants shall be paid in multiple
33 disbursements as determined by the Authority in an amount not

1 to exceed \$500 per applicant per year. No recipient may
2 receive a grant under this Section for more than 2 semesters
3 or 3 quarters of award payments.

4 (c) Eligibility for grants awarded under this Section
5 shall be determined solely on the basis of the financial
6 resources of the applicant and the applicant's family. Cost
7 of attendance at the institution in which the applicant is
8 enrolled shall not affect eligibility for an award, except
9 that State student financial assistance awarded under this
10 Act, including the Illinois Incentive for Access award, may
11 not exceed the institution's cost of attendance.

12 (d) The Authority shall notify applicants that grant
13 assistance is contingent upon availability of appropriated
14 funds.

15 Section 27-45. Higher education license plate grant
16 program.

17 (a) Each year, the Authority shall receive a separate
18 appropriation for the purpose of providing grant assistance
19 to students enrolled at Illinois private colleges and
20 universities. Subject to a separate appropriation for such
21 purposes, an applicant is eligible for a grant to a
22 degree-granting, not-for-profit private college or university
23 located in this State under this Section when the institution
24 finds that the applicant: (1) is a resident of this State
25 and a citizen or permanent resident of the United States; and
26 (2) in the absence of grant assistance, will be deterred by
27 financial considerations from completing an educational
28 program at the qualified institution of his or her choice.

29 (b) The private college or university shall award
30 renewals only upon the student's application and upon the
31 institution's finding that the applicant: (1) has remained a
32 student in good standing at a degree-granting, not-for-profit
33 private college or university located in this State; (2)

1 remains a resident of this State; and (3) is in a financial
2 situation that continues to warrant assistance.

3 (c) All grants shall be applicable only to tuition and
4 necessary fee costs for 2 semesters or 3 quarters in an
5 academic year. Requests for summer term assistance must be
6 made separately and shall be considered on an individual
7 basis according to Authority policy. The institution shall
8 determine the grant amount for each full-time and part-time
9 student, which shall be the smallest of the following
10 amounts:

11 (1) \$2,000 for 2 semesters or 3 quarters of
12 full-time undergraduate enrollment or \$1,000 for 2
13 semesters or 3 quarters of part-time undergraduate
14 enrollment, or such lesser amount as the institution
15 finds to be available; or

16 (2) the amount that equals the tuition and other
17 necessary fees for 2 semesters or 3 quarters required
18 generally by the institution of all full-time
19 undergraduate students, or in the case of part-time
20 students an amount of tuition and fees for 2 semesters or
21 3 quarters that does not exceed one-half the amount of
22 tuition and necessary fees generally charged to full-time
23 undergraduate students by the institution; or

24 (3) such amount as the institution finds to be
25 appropriate in view of the applicant's financial
26 resources. "Tuition and other necessary fees" as used in
27 this Section includes the customary charge for
28 instruction and use of facilities in general, and the
29 additional fixed fees charged for specified purposes,
30 which are required generally of nongrant recipients for
31 each academic period for which the grant applicant
32 actually enrolls, but does not include fees payable only
33 once or breakage fees and other contingent deposits that
34 are refundable in whole or in part. The Authority may

1 prescribe, by rule not inconsistent with this Section,
2 detailed provisions concerning the computation of tuition
3 and other necessary fees.

4 (d) No applicant, including those presently receiving
5 scholarship assistance under this Act, is eligible for grant
6 program consideration under this Section after receiving a
7 baccalaureate degree or the equivalent of 10 semesters or 15
8 quarters of award payments. The institution shall determine
9 when award payments for part-time enrollment or interim or
10 summer terms shall be counted as a partial semester or
11 quarter of payment.

12 (e) The Authority shall ensure that in each school year
13 the total amount of grants awarded under this Section for
14 study at each degree-granting, not-for-profit private college
15 or university in this State shall be at least equal to the
16 total amount deposited into the University Grant Fund from
17 the issuance or renewal of license plates bearing the name of
18 that degree-granting, not- for-profit private college or
19 university during the calendar year preceding the calendar
20 year in which the school year begins. The institution shall
21 notify applicants that grant assistance is contingent upon
22 the availability of appropriated funds.

23 Section 27-50. Monetary award program accountability.
24 The Authority is directed to assess the educational
25 persistence of monetary award program recipients. An
26 assessment under this Section shall include an analysis of
27 such factors as undergraduate educational goals, chosen field
28 of study, retention rates, and expected time to complete a
29 degree. The assessment also shall include an analysis of
30 the academic success of monetary award program recipients
31 through a review of measures that are typically associated
32 with academic success, such as grade point average,
33 satisfactory academic progress, and credit hours earned.

1 Each analysis should take into consideration student class
2 level, dependency types, and the type of higher education
3 institution at which each monetary award program recipient is
4 enrolled. The Authority shall report its findings to the
5 General Assembly and the Board of Higher Education by
6 February 1, 1999 and at least every 2 years thereafter.

7 Section 27-55. Veteran grant. Any person who served in
8 the armed forces of the United States, not including members
9 of the Student Army Training Corps, who at the time of
10 entering service was an Illinois resident or was an Illinois
11 resident within 6 months of entering such service, and who
12 returned to Illinois within 6 months after leaving service
13 or, if married to a person in continued military service
14 stationed outside Illinois, within 6 months after his or her
15 spouse has left service or has been stationed within
16 Illinois, and who has been honorably discharged from such
17 service, and who possesses all necessary entrance
18 requirements shall, except as otherwise provided in this Act,
19 upon application and proper proof, be awarded an Illinois
20 Veteran Grant consisting of the equivalent of 4 calendar
21 years of full-time enrollment, including summer terms, to the
22 State-controlled college or university or community college
23 of his choice. Such veterans shall also be entitled, upon
24 proper proof and application, to enroll in any extension
25 course offered by a State-controlled college or university or
26 community college without the payment of tuition or fees.
27 Any veteran who so served, and who, at the time of entering
28 such service, was a student at a State-controlled college or
29 university or community college, and who was honorably
30 discharged from such service, shall, upon application and
31 proper proof be awarded a Veteran Grant entitling him to
32 complete his course of study at any State-controlled college
33 or university or community college of his choice, but shall

1 not be entitled to a grant consisting of more than the
2 equivalent of 4 calendar years of full-time enrollment
3 including summer sessions. Any member of the armed forces of
4 the United States who either (i) has served in such armed
5 forces at least one year, or (ii) has served in the armed
6 forces of the United States for less than one year in a time
7 of hostilities in a foreign country, and who would be
8 qualified for a grant under this Section if he had been
9 discharged from such service shall be eligible to receive a
10 Veteran Grant under this Section. The holder of a Veteran
11 Grant to the State-controlled college or university or
12 community college of his choice as authorized under this
13 Section shall not be required to pay any matriculation or
14 application fees, tuition, activities fees, graduation fees,
15 or other fees except multipurpose building fees or similar
16 fees for supplies and materials. Any veteran who has been or
17 shall be awarded a Veteran Grant shall be reimbursed by the
18 appropriate college, university, or community college for any
19 fees which he has paid and for which exemption is granted
20 under this Section, if application for reimbursement is made
21 within 2 months following the school term for which the fees
22 were paid. A Veteran Grant shall be considered an
23 entitlement which the State-controlled college or university
24 or community college in which the holder is enrolled shall
25 honor without any condition other than the holder's
26 maintenance of minimum grade levels and a satisfactory
27 student loan repayment record pursuant to subsection (c) of
28 Section 27-5. A grant authorized under this Section shall
29 not be awarded to veterans who received a discharge from the
30 armed forces of the United States under dishonorable
31 conditions, or to any veteran whose service with the armed
32 forces was for less than one year unless he received an
33 honorable discharge from such service for medical reasons
34 directly connected with such service, except for those

1 veterans discharged prior to August 11, 1967 whose service
2 may be for less than one year, and except for those veterans
3 (i) who serve in the armed forces of the United States for
4 less than one year in a time of hostilities in a foreign
5 country and (ii) who receive an honorable discharge. The
6 amounts that become due to any State-controlled college or
7 university or community college shall be payable by the
8 Comptroller to that institution on vouchers approved by the
9 Authority. The Authority, or its designated representative
10 at that institution, shall determine the eligibility of the
11 persons who make application for the benefits provided for in
12 this Section. The Department of Veterans' Affairs shall
13 assist the Authority in determining the eligibility of
14 applicants. On July 29, 1986, the Illinois Department of
15 Veterans' Affairs shall transfer and deliver to the Authority
16 all books, records, papers, documents, applications and
17 pending business in any way pertaining to the duties,
18 responsibilities and authority theretofore exercised or
19 performed by the Illinois Department of Veterans' Affairs
20 under and pursuant to Section 4.1 of the Department of
21 Veterans Affairs Act. The benefits provided for in this
22 Section shall be available as long as the federal government
23 provides educational benefits to veterans. No benefits shall
24 be paid under this Section, except for veterans who already
25 have begun their education under this Section, after 6 months
26 following the termination of educational benefits to veterans
27 by the federal government. If the federal government
28 terminates educational benefits to veterans and at a later
29 time resumes those benefits, the benefits of this Section
30 shall resume. As used in this Section, "time of hostilities
31 in a foreign country" means any action by the armed forces of
32 the United States that is recognized by the issuance of a
33 Presidential proclamation or a Presidential executive order
34 and in which the armed forces expeditionary medal or other

1 campaign service medals are awarded according to Presidential
2 executive order.

3 Section 27-60. Illinois National Guard grant program.

4 (a) As used in this Section: "State controlled
5 university or community college" means those institutions
6 under the administration of the Chicago State University
7 Board of Trustees, the Eastern Illinois University Board of
8 Trustees, the Governors State University Board of Trustees,
9 the Illinois State University Board of Trustees, the
10 Northeastern Illinois University Board of Trustees, the
11 Northern Illinois University Board of Trustees, the Western
12 Illinois University Board of Trustees, Southern Illinois
13 University Board of Trustees, University of Illinois Board of
14 Trustees, or the Illinois Community College Board. "Tuition
15 and fees" shall not include expenses for any sectarian or
16 denominational instruction, the construction or maintenance
17 of sectarian or denominational facilities, or any other
18 sectarian or denominational purposes or activity. "Fees"
19 means matriculation, graduation, activity, term, or
20 incidental fees. Exemption shall not be granted from any
21 other fees, including book rental, service, laboratory,
22 supply, and union building fees, hospital and medical
23 insurance fees, and any fees established for the operation
24 and maintenance of buildings, the income of which is pledged
25 to the payment of interest and principal on bonds issued by
26 the governing board of any university or community college.

27 (b) Any enlisted person or any company grade officer,
28 including warrant officers, First and Second Lieutenants, and
29 Captains in the Army and Air National Guard, who has served
30 at least one year in the Illinois National Guard and who
31 possesses all necessary entrance requirements shall, upon
32 application and proper proof, be awarded a grant to the
33 State-controlled university or community college of his or

1 her choice, consisting of exemption from tuition and fees for
2 not more than the equivalent of 4 years of full-time
3 enrollment in relation to his or her course of study at that
4 State controlled university or community college while he or
5 she is a member of the Illinois National Guard. If the
6 recipient of any grant awarded under this Section ceases to
7 be a member of the Illinois National Guard while enrolled in
8 a course of study under that grant, the grant shall be
9 terminated as of the date membership in the Illinois National
10 Guard ended, and the recipient shall be permitted to complete
11 the school term in which he or she is then enrolled only upon
12 payment of tuition and other fees allocable to the part of
13 the term then remaining. A grant awarded under this Section
14 shall be considered an entitlement which the State-controlled
15 university or community college in which the holder is
16 enrolled shall honor without any condition other than the
17 holder's maintenance of minimum grade levels and a
18 satisfactory student loan repayment record pursuant to
19 subsection (c) of Section 27-5 of this Act.

20 (c) Subject to a separate appropriation for such
21 purposes, the Authority may reimburse the State-controlled
22 university or community college for grants authorized by this
23 Section.

24 Section 27-65. Minority Teachers of Illinois scholarship
25 program.

26 (a) As used in this Section: "Eligible applicant" means
27 a minority student who has graduated from high school or has
28 received a General Educational Development Certification and
29 has maintained a cumulative grade point average at the
30 postsecondary level of no less than 2.5 on a 4.0 scale, and
31 who by reason thereof is entitled to apply for scholarships
32 to be awarded under this Section. "Minority student" means a
33 student who is either (i) Black (a person having origins in

1 any of the black racial groups in Africa); (ii) Hispanic (a
2 person of Spanish or Portuguese culture with origins in
3 Mexico, South or Central America, or the Caribbean islands,
4 regardless of race); (iii) Asian American (a person with
5 origins in any of the original peoples of the Far East,
6 Southeast Asia, the Indian subcontinent, including Pakistan,
7 and the Pacific Islands, including, among others, Hawaii,
8 Melanesia, Micronesia and Polynesia); or (iv) Native American
9 (a person who is a member of a federally or state recognized
10 Indian tribe, or whose parents or grandparents have such
11 membership) and to include the native people of Alaska.
12 "Qualified student" means a person (i) who is a resident of
13 this State and a citizen or permanent resident of the United
14 States; (ii) who is a minority student, as defined in this
15 Section; (iii) who, as an eligible applicant, has made a
16 timely application for a minority teaching scholarship under
17 this Section; (iv) who is enrolled on a full time basis at
18 the sophomore level or above until his or her last semester
19 at a qualified Illinois institution of higher learning as an
20 undergraduate student and has not received a baccalaureate
21 degree, except that last semester seniors must enroll only
22 for a minimum of 6 credit hours in order to retain minority
23 scholarship eligibility under this Section; (v) who is
24 enrolled in a course of study leading to teacher
25 certification; (vi) who maintains a grade point average of no
26 less than 2.5 on a 4.0 scale while enrolled at the
27 postsecondary level; and (vii) who continues to advance
28 satisfactorily toward the attainment of a degree.

29 (b) In order to encourage academically talented Illinois
30 minority students to pursue teaching careers at the
31 elementary or secondary school level, each qualified student
32 shall be awarded a minority teacher scholarship to any
33 qualified Illinois institution of higher learning.

34 (c) Each minority teacher scholarship awarded under this

1 Section shall be in an amount sufficient to pay the tuition
2 and fees and room and board costs of the qualified Illinois
3 institution of higher learning at which the recipient is
4 enrolled, up to an annual maximum of \$5,000; except that in
5 the case of a recipient who does not reside on-campus at the
6 institution at which he or she is enrolled, the amount of the
7 scholarship shall be sufficient to pay tuition and fee
8 expenses and a commuter allowance, up to an annual maximum of
9 \$5,000.

10 (d) The total amount of minority teacher scholarship
11 assistance awarded by the Authority under this Section to an
12 individual in any given fiscal year, when added to other
13 financial assistance awarded to that individual for that
14 year, shall not exceed the cost of attendance at the
15 institution at which the student is enrolled. If the amount
16 of minority teacher scholarship to be awarded to a qualified
17 student as provided in subsection (c) of this Section exceeds
18 the cost of attendance at the institution at which the
19 student is enrolled, the minority teacher scholarship shall
20 be reduced by an amount equal to the amount by which the
21 combined financial assistance available to the student
22 exceeds the cost of attendance.

23 (e) The maximum number of academic terms for which a
24 qualified student can receive minority teacher scholarship
25 assistance shall be 8 semesters or 12 quarters of
26 undergraduate study.

27 (f) In any academic year for which an eligible applicant
28 under this Section accepts financial assistance through the
29 Paul Douglas Teacher Scholarship Program, as authorized by
30 Section 551 et seq. of the Higher Education Act of 1965, the
31 applicant shall not be eligible for scholarship assistance
32 awarded under this Section.

33 (g) All applications for minority teacher scholarships
34 to be awarded under this Section shall be made to the

1 Authority on forms which the Authority shall provide for
2 eligible applicants. The form of applications and the
3 information required to be set forth therein shall be
4 determined by the Authority, and the Authority shall require
5 eligible applicants to submit with their applications such
6 supporting documents or recommendations as the Authority
7 deems necessary.

8 (h) Subject to a separate appropriation for such
9 purposes, payment of any minority teacher scholarship awarded
10 under this Section shall be determined by the Authority. All
11 scholarship funds distributed in accordance with this
12 subsection shall be paid to the institution and used only for
13 payment of the tuition and fee and room and board expenses
14 incurred by the student in connection with his or her
15 attendance as an undergraduate student at a qualified
16 Illinois institution of higher learning. Any minority
17 teacher scholarship awarded under this Section shall be
18 applicable to 2 semesters or 3 quarters of enrollment. If a
19 qualified student withdraws from enrollment prior to
20 completion of the first semester or quarter for which the
21 minority teacher scholarship is applicable, the school shall
22 refund to the Authority the full amount of the minority
23 teacher scholarship.

24 (i) The Authority shall administer the minority teacher
25 scholarship aid program established by this Section and shall
26 make all necessary and proper rules not inconsistent with
27 this Section for its effective implementation.

28 (j) When an appropriation to the Authority for a given
29 fiscal year is insufficient to provide scholarships to all
30 qualified students, the Authority shall allocate the
31 appropriation in accordance with this subsection. If funds
32 are insufficient to provide all qualified students with a
33 scholarship as authorized by this Section, the Authority
34 shall allocate the available scholarship funds for that

1 fiscal year on the basis of the date the Authority receives a
2 complete application form.

3 (k) Notwithstanding the provisions of subsection (j) or
4 any other provision of this Section, at least 30% of the
5 funds appropriated for scholarships awarded under this
6 Section in each fiscal year shall be reserved for qualified
7 male minority applicants.

8 (l) Prior to receiving scholarship assistance for any
9 academic year, each recipient of a minority teacher
10 scholarship awarded under this Section shall be required by
11 the Authority to sign an agreement under which the recipient
12 pledges that, within the 5 year period following the
13 termination of the undergraduate program for which the
14 recipient was awarded a minority teacher scholarship, the
15 recipient (i) shall teach for a period of not less than one
16 year for each year of scholarship assistance he or she was
17 awarded under this Section; and (ii) shall fulfill this
18 teaching obligation at a nonprofit Illinois public, private,
19 or parochial preschool, elementary school, or secondary
20 school at which no less than 30% of the enrolled students are
21 minority students in the year during which the recipient
22 begins teaching at the school; and (iii) shall, upon request
23 by the Authority, provide the Authority with evidence that he
24 or she is fulfilling or has fulfilled the terms of the
25 teaching agreement provided for in this subsection.

26 (m) If a recipient of a minority teacher scholarship
27 awarded under this Section fails to fulfill the teaching
28 obligation set forth in subsection (l) of this Section, the
29 Authority shall require the recipient to repay the amount of
30 the scholarships received, prorated according to the fraction
31 of the teaching obligation not completed, at a rate of
32 interest equal to 5%, and if applicable, reasonable
33 collection fees. The Authority is authorized to establish
34 rules relating to its collection activities for repayment of

1 scholarships under this Section. All repayments collected
2 under this Section shall be forwarded to the State
3 Comptroller for deposit into the State's General Revenue
4 Fund.

5 (n) A recipient of minority teacher scholarship shall
6 not be considered in violation of the agreement entered into
7 pursuant to subsection (l) if the recipient (i) enrolls on a
8 full time basis as a graduate student in a course of study
9 related to the field of teaching at a qualified Illinois
10 institution of higher learning; (ii) is serving, not in
11 excess of 3 years, as a member of the armed services of the
12 United States; (iii) is temporarily totally disabled for a
13 period of time not to exceed 3 years as established by sworn
14 affidavit of a qualified physician; (iv) is seeking and
15 unable to find full time employment as a teacher at an
16 Illinois public, private, or parochial preschool or
17 elementary or secondary school that satisfies the criteria
18 set forth in subsection (l) of this Section and is able to
19 provide evidence of that fact; or, (v) becomes permanently
20 totally disabled as established by sworn affidavit of a
21 qualified physician.

22 (o) Scholarship recipients under this Section who
23 withdraw from the Minority Teachers of Illinois scholarship
24 program but remain enrolled in school to continue their
25 postsecondary studies in another academic discipline shall
26 not be required to commence repayment of their Minority
27 Teachers of Illinois scholarship so long as they remain
28 enrolled in school on a full- time basis or if they can
29 document for the Authority special circumstances that warrant
30 extension of repayment.

31 Section 27-70. David A. DeBolt Teacher Shortage
32 Scholarship Program.

33 (a) In order to encourage academically talented Illinois

1 students, especially minority students, to pursue teaching
2 careers in teacher shortage disciplines, the Authority shall,
3 each year, receive and consider applications for scholarship
4 assistance under this Section. An applicant is eligible for
5 a scholarship under this Section when the Authority finds
6 that the applicant is:

7 (1) a United States citizen or eligible noncitizen;

8 (2) a resident of Illinois;

9 (3) a high school graduate or a person who has
10 received a General Educational Development Certificate;

11 (4) enrolled or accepted for enrollment, on at
12 least a half-time basis at the sophomore level or above,
13 at an Illinois institution of higher learning; and

14 (5) pursuing a postsecondary course of study
15 leading to initial certification in a teacher shortage
16 discipline or pursuing additional course work needed to
17 gain State Board of Education approval to teach in an
18 approved specialized area in which a teacher shortage
19 exists.

20 (b) Recipients shall be selected from among applicants
21 qualified pursuant to subsection (a) based on a combination
22 of the following criteria as set forth by the Authority: (1)
23 academic excellence; (2) status as a minority student as
24 defined in Section 50; and (3) financial need. Preference
25 may be given to previous recipients of assistance under this
26 Section, provided they continue to maintain eligibility and
27 maintain satisfactory academic progress as determined by the
28 institution of higher learning at which they enroll.

29 (c) Each scholarship awarded under this Section shall be
30 in an amount sufficient to pay the tuition and fees and room
31 and board costs of the Illinois institution of higher
32 learning at which the recipient is enrolled, up to an annual
33 maximum of \$5,000; except that in the case of a recipient who
34 does not reside on-campus at the institution of higher

1 learning at which he or she is enrolled, the amount of the
2 scholarship shall be sufficient to pay tuition and fee
3 expenses and a commuter allowance, up to an annual maximum of
4 \$5,000.

5 (d) The total amount of scholarship assistance awarded
6 by the Authority under this Section to an individual in any
7 given fiscal year, when added to other financial assistance
8 awarded to that individual for that year, shall not exceed
9 the cost of attendance at the institution of higher learning
10 at which the student is enrolled.

11 (e) A recipient may receive up to 8 semesters or 12
12 quarters of scholarship assistance under this Section.

13 (f) All applications for scholarship assistance to be
14 awarded under this Section shall be made to the Authority in
15 a form as set forth by the Authority. The form of
16 application and the information required to be set forth
17 therein shall be determined by the Authority, and the
18 Authority shall require eligible applicants to submit with
19 their applications such supporting documents as the Authority
20 deems necessary.

21 (g) Subject to a separate appropriation made for such
22 purposes, payment of any scholarship awarded under this
23 Section shall be determined by the Authority. All
24 scholarship funds distributed in accordance with this Section
25 shall be paid to the institution on behalf of the recipients.

26 Scholarship funds are applicable toward 2 semesters or 3
27 quarters of enrollment within an academic year.

28 (h) The Authority shall administer the David A. DeBolt
29 Teacher Shortage Scholarship Program established by this
30 Section and shall make all necessary and proper rules not
31 inconsistent with this Section for its effective
32 implementation.

33 (i) Prior to receiving scholarship assistance for any
34 academic year, each recipient of a scholarship awarded under

1 this Section shall be required by the Authority to sign an
2 agreement under which the recipient pledges that, within the
3 5 year period following the termination of the academic
4 program for which the recipient was awarded a scholarship,
5 the recipient: (i) shall teach in a teacher shortage
6 discipline for a period of not less than one year for each
7 year of scholarship assistance awarded under this Section,
8 (ii) shall fulfill this teaching obligation at an Illinois
9 public, private, or parochial preschool or elementary or
10 secondary school, and (iii) shall, upon request of the
11 Authority, provide the Authority with evidence that he or she
12 is fulfilling or has fulfilled the terms of the teaching
13 agreement provided for in this subsection.

14 (j) If a recipient of a scholarship awarded under this
15 Section fails to fulfill the teaching obligation set forth in
16 subsection (i) of this Section, the Authority shall require
17 the recipient to repay the amount of the scholarships
18 received, prorated according to the fraction of the teaching
19 obligation not completed, plus interest at a rate no greater
20 than the highest rate applicable for educational loans made
21 pursuant to Title IV, Part B of the Higher Education Act of
22 1965, as amended, and if applicable, reasonable collection
23 fees. The Authority is authorized to establish rules
24 relating to its collection activities for repayment of
25 scholarships under this Section.

26 (k) A recipient of a scholarship awarded by the
27 Authority under this Section shall not be in violation of the
28 agreement entered into pursuant to subsection (i) if the
29 recipient (i) enrolls on a full-time basis as a graduate
30 student in a course of study related to the field of teaching
31 at an institution of higher learning; (ii) is serving as a
32 member of the armed services of the United States; (iii) is
33 temporarily totally disabled, as established by sworn
34 affidavit of a qualified physician; or (iv) is seeking and

1 unable to find full-time employment as a teacher at a school
2 that satisfies the criteria set forth in subsection (i) and
3 is able to provide evidence of that fact. Any such extension
4 of the period during which the teaching requirement must be
5 fulfilled shall be subject to limitations of duration as
6 established by the Authority.

7 Section 27-75. Police officer or fire officer survivor
8 grant. Grants shall be provided for any spouse, natural
9 child, legally adopted child, or child in the legal custody
10 of police officers and fire officers killed or permanently
11 disabled with 90% to 100% disability in the line of duty
12 while employed by, or in the voluntary service of, this State
13 or any local public entity in this State. Beneficiaries need
14 not be Illinois residents at the time of enrollment in order
15 to receive this grant. Beneficiaries are entitled to 8
16 semesters or 12 quarters of full payment of tuition and
17 mandatory fees at any State-sponsored Illinois institution of
18 higher learning for either full or part-time study, or the
19 equivalent of 8 semesters or 12 quarters of payment of
20 tuition and mandatory fees at the rate established by the
21 Authority for private institutions in the State of Illinois,
22 provided the recipient is maintaining satisfactory academic
23 progress. This benefit may be used for undergraduate or
24 graduate study. The benefits of this Section shall be
25 administered by and paid out of funds available to the
26 Authority and shall accrue to the bona fide applicant without
27 the requirement of demonstrating financial need to qualify
28 for those benefits.

29 Section 27-80. Grants for dependents of Department of
30 Corrections employees killed or permanently disabled in the
31 line of duty. Any spouse, natural child, legally adopted
32 child, or child in the legal custody of an employee of the

1 Department of Corrections who is assigned to a security
2 position with the Department with responsibility for inmates
3 of any correctional institution under the jurisdiction of the
4 Department and who is killed or permanently disabled with 90%
5 to 100% disability in the line of duty is entitled to 8
6 semesters or 12 quarters of full payment of tuition and
7 mandatory fees at any State-supported Illinois institution of
8 higher learning for either full or part-time study, or the
9 equivalent of 8 semesters or 12 quarters of payment of
10 tuition and mandatory fees at the rate established by the
11 Authority for private institutions in the State of Illinois,
12 provided the recipient is maintaining satisfactory academic
13 progress. This benefit may be used for undergraduate or
14 graduate study. Beneficiaries need not be Illinois residents
15 at the time of enrollment in order to receive this grant.
16 The benefits of this Section shall be administered by and
17 paid out of funds available to the Authority and shall accrue
18 to the bona fide applicant without the requirement of
19 demonstrating financial need to qualify for those benefits.

20 Section 27-85. Student to student grant program.

21 (a) As used in this Section: "Voluntary contribution"
22 includes fees collected from students by college or
23 university officials when the fee is optional or refundable
24 to students and has been approved by a majority of those
25 voting in a campus-wide referendum of students. "College or
26 university" means any of the State-supported institutions of
27 higher learning administered by the Board of Trustees of the
28 University of Illinois, the Board of Trustees of Southern
29 Illinois University, the Board of Trustees of Chicago State
30 University, the Board of Trustees of Eastern Illinois
31 University, the Board of Trustees of Governors State
32 University, the Board of Trustees of Illinois State
33 University, the Board of Trustees of Northeastern Illinois

1 University, the Board of Trustees of Northern Illinois
2 University, the Board of Trustees of Western Illinois
3 University, or the boards of trustees of public community
4 college districts as established and defined by the Public
5 Community College Act.

6 (b) Subject to a separate appropriation for such
7 purposes, the Authority shall make matching grants to each
8 college or university for a program of student grant
9 assistance. Such grants shall match equally the amount
10 raised by college or university students for the grant
11 program. Contributions from individuals who are not then
12 enrolled as college or university students or from private or
13 eleemosynary groups and associations made directly to the
14 student fund or through a college or university student shall
15 not be included in the total amount that the State shall
16 match. If the sum appropriated is insufficient to match
17 equally the amount raised by students, the amount payable to
18 each college or university shall be proportionately reduced.

19 (c) Grant programs under this Section shall be
20 administered by each college or university, and grants under
21 those programs shall be awarded to individuals on a need
22 basis as prescribed by the Authority.

23 (d) No grant to any student from funds raised through
24 voluntary contributions and matched from the State
25 appropriation under this Section may exceed \$1,000 per year.

26 (e) Each college or university shall submit to the
27 Authority an annual report of the activities, operation and
28 results of its grant program under this Section.

29 Section 27-90. Traineeship and fellowship program;
30 training of professional personnel.

31 (a) The Authority, with the advice of the Advisory
32 Council on Education of Children with Disabilities created
33 under Section 14-3.01 of the School Code, may make

1 traineeship or fellowship grants to persons of good character
2 who are interested in working in programs for the education
3 of children with disabilities, for either part-time or
4 full-time study in programs designed to qualify them under
5 Section 14-1.10 of the School Code. Persons to qualify for a
6 traineeship must have earned at least 60 semester hours of
7 college credit, and persons to qualify for a fellowship must
8 be graduates of a recognized college or university. Such
9 traineeships and fellowships may be in amounts of not more
10 than \$1,500 per academic year for traineeships and not more
11 than \$3,000 per academic year for fellowships, except an
12 additional sum up to \$2,500 annually for each grantee may be
13 allowed to any approved institution of higher learning in
14 Illinois for the actual cost to the institution, as certified
15 by the institution. Part-time students and summer session
16 students may be awarded grants on a pro rata basis. The
17 Authority shall make traineeship or fellowship grants
18 available to bilingual individuals who are interested in
19 working in programs for the education of children from
20 non-English speaking backgrounds, for either part-time or
21 full-time study programs to qualify them under Section
22 14-1.10 of the School Code.

23 (b) All grants shall be made under rules and regulations
24 prescribed by the Authority and issued pursuant to this Act;
25 provided that no rule or regulation promulgated by the State
26 Board of Education prior to July 1, 1994 pursuant to the
27 exercise of any right, power, duty, responsibility or matter
28 of pending business transferred from the State Board of
29 Education to the Authority under this Section shall be
30 affected thereby, and all such rules and regulations shall
31 become the rules and regulations of the Authority until
32 modified or changed by the Authority in accordance with law.

33 (c) The Authority, with the advice of and in
34 consultation with the State Board of Education, may contract

1 with any approved institution of higher learning in Illinois
2 to offer courses required for the professional training of
3 special education personnel at such times and locations as
4 may best serve the needs of children with disabilities in
5 Illinois and may reimburse the institution of higher learning
6 for any financial loss incurred due to low enrollments,
7 distance from campus, or other good and substantial reason
8 satisfactory to the Advisory Council on Education of Children
9 with Disabilities.

10 (d) The Authority shall administer the traineeship and
11 fellowship account and related record of each person who is
12 attending an institution of higher learning under a
13 traineeship or fellowship awarded pursuant to this Section
14 and at each proper time shall certify to the State
15 Comptroller the current payment to be made to the holder of
16 each fellowship, in accordance with an appropriate
17 certificate of the holder of such fellowship endorsed by the
18 institution of higher learning attended by the holder.

19 (e) Following the completion of such program of study
20 the recipient of such traineeship or fellowship is expected
21 to accept employment within one year in an approved program
22 of special education for children with disabilities in
23 Illinois on the basis of 1/2 year of service for each
24 academic year of training received through a grant under
25 this Section. Persons who fail to comply with this provision
26 may, at the discretion of the Authority with the advice of
27 the Advisory Council on Education of Children with
28 Disabilities, be required to refund all or part of the
29 traineeship or fellowship moneys received.

30 (f) This Section is substantially the same as Section
31 14-10.01 of the School Code, which Section is repealed by
32 this amendatory Act of 1993, and shall be construed as a
33 continuation of the traineeship and fellowship program
34 established by that prior law, and not as a new or different

1 traineeship or fellowship program. The State Board of
2 Education shall transfer to the Authority, as the successor
3 to the State Board of Education for all purposes of
4 administering and implementing the provisions of this
5 Section, all books, accounts, records, papers, documents,
6 contracts, agreements, and pending business in any way
7 relating to the traineeship and fellowship program continued
8 under this Section; and all traineeship and fellowship grants
9 at any time made under that program by, and all applications
10 for any such traineeship or fellowship grants at any time
11 made to, the State Board of Education shall be unaffected by
12 the transfer to the Authority of all responsibility for the
13 administration and implementation of the traineeship and
14 fellowship program continued under this Section. The State
15 Board of Education shall furnish to the Authority such other
16 information as the Authority may request to assist it in
17 administering this Section.

18 Section 27-95. Fellowship program. The Authority, with
19 the advice of the Advisory Council on Education of Gifted
20 Children created under Section 14A-4 of the School Code, may
21 make fellowship grants to persons of good character who are
22 graduates of a recognized college or university and are
23 interested in working in programs for the education of gifted
24 children, for full-time study at the graduate level in
25 programs designed to improve their competence for working in
26 such programs. Such grants shall not exceed 50 in any
27 academic year and may be in amounts of \$2,000 per academic
28 year and shall be granted under rules and regulations
29 prescribed by the Authority and issued pursuant to this Act;
30 provided that no rule or regulation promulgated by the State
31 Board of Education prior to the effective date of this
32 amendatory Act of 1993 pursuant to the exercise of any right,
33 power, duty, responsibility or matter of pending business

1 transferred from the State Board of Education to the
2 Authority under this Section shall be affected thereby, and
3 all such rules and regulations shall become the rules and
4 regulations of the Authority until modified or changed by the
5 Authority in accordance with law. The Authority shall
6 encourage the application of qualified teachers who are not
7 teaching because of a reduction in force in their school
8 districts.

9 Traineeship program. To encourage a greater number of
10 teachers in mathematics and science in the elementary and
11 secondary schools of Illinois, the Authority, with the advice
12 of the Advisory Council on Education of Gifted Children, may
13 make traineeship grants available to persons whose
14 undergraduate degree involves a major in science or
15 mathematics. These grants are intended to encourage
16 individuals to enter the teaching profession. Such grants
17 shall not exceed 25 in any academic year and may be in
18 amounts of \$1,000 per academic year and shall be granted
19 under rules and regulations prescribed by the Authority and
20 issued pursuant to this Act; provided that no rule or
21 regulation promulgated by the State Board of Education prior
22 to the effective date of this amendatory Act of 1993 pursuant
23 to the exercise of any right, power, duty, responsibility or
24 matter of pending business transferred from the State Board
25 of Education to the Authority under this Section shall be
26 affected thereby, and all such rules and regulations shall
27 become the rules and regulations of the Authority until
28 modified or changed by the Authority in accordance with law.
29 The rules and regulations promulgated as provided in this
30 Section shall delineate the eligibility criteria to be
31 applied in determining applicants' eligibility for the
32 fellowship and traineeship grants, including the specific
33 criteria used to determine applicants' financial need for the
34 grants. These rules and regulations shall explain the method

1 for evaluating the eligibility criteria, including the weight
2 given to each of the relevant factors.

3 The Authority shall administer the fellowship or
4 traineeship account and related record of each person who is
5 attending an institution of higher learning under a
6 fellowship or traineeship awarded pursuant to this Section
7 and at each proper time shall certify to the State
8 Comptroller the current payment to be made to the holder of
9 each fellowship or traineeship, in accordance with an
10 appropriate certificate of the holder of such fellowship or
11 traineeship endorsed by the institution of higher learning
12 attended by the holder. Following the completion of such
13 program of study the recipient of a traineeship grant is
14 expected not to reject employment within one year in an
15 elementary or secondary school in Illinois on the basis of
16 &BD year of service for each academic year of training
17 received through a grant under this Article. The recipient
18 of a fellowship grant is expected to contribute to the
19 further development of educational programs for gifted
20 children in Illinois for a period of 2 years. Persons who
21 fail to comply with these provisions may, at the discretion
22 of the Authority and with the advice of the Advisory Council
23 on Education of Gifted Children, be required to refund all or
24 part of the traineeship or fellowship moneys received, and
25 this condition shall be agreed to in writing by all grant
26 recipients at the time the fellowship or traineeship is
27 initially awarded. The rules and regulations promulgated as
28 provided in this Section shall prescribe the standards used
29 by the Authority in determining whether to require that grant
30 recipients refund all or part of the traineeship or
31 fellowship moneys received.

32 This Section is substantially the same as Section 14A-8
33 of the School Code, which Section is repealed by this
34 amendatory Act of 1993, and shall be construed as a

1 continuation of the fellowship and traineeship programs
2 established by that prior law and not as a new or different
3 fellowship or traineeship program. The State Board of
4 Education shall transfer to the Authority, as the successor
5 to the State Board of Education for all purposes of
6 administering and implementing the provisions of this
7 Section, all books, accounts, records, papers, documents,
8 contracts, agreements, and pending business in any way
9 relating to the traineeship and fellowship programs continued
10 under this Section; and all traineeship and fellowship grants
11 at any time made under those programs by, and all
12 applications for any such traineeship or fellowship grants at
13 any time made to, the State Board of Education shall be
14 unaffected by the transfer to the Authority of all
15 responsibility for the administration and implementation of
16 the traineeship and fellowship programs continued under this
17 Section. The State Board of Education shall furnish to the
18 Authority such other information as the Authority may request
19 to assist it in administering this Section.

20 Section 27-100. Special education teacher scholarships.

21 (a) There shall be awarded annually 250 scholarships to
22 persons qualifying as members of either of the following
23 groups:

24 (1) Students who are otherwise qualified to receive
25 a scholarship as provided in subsections (b) and (c) of
26 this Section and who make application to the Authority
27 for such scholarship and agree to take courses that will
28 prepare the student for the teaching of children
29 described in Section 14-1 of the School Code.

30 (2) Persons holding a valid certificate issued
31 under the laws relating to the certification of teachers
32 and who make application to the Authority for such
33 scholarship and agree to take courses that will prepare

1 them for the teaching of children described in Section
2 14-1 of the School Code.

3 Scholarships awarded under this Section shall be issued
4 pursuant to regulations promulgated by the Authority;
5 provided that no rule or regulation promulgated by the State
6 Board of Education prior to the effective date of this
7 amendatory Act of 1993 pursuant to the exercise of any right,
8 power, duty, responsibility or matter of pending business
9 transferred from the State Board of Education to the
10 Authority under this Section shall be affected thereby, and
11 all such rules and regulations shall become the rules and
12 regulations of the Authority until modified or changed by the
13 Authority in accordance with law.

14 For the purposes of this Section scholarships awarded
15 each school year shall be deemed to be issued on July 1 of
16 the year prior to the start of the postsecondary school term
17 and all calculations for use of the scholarship shall be
18 based on such date. Each scholarship shall entitle its
19 holder to exemption from fees as provided in subsection (a)
20 of Section 27-125 while enrolled in a special education
21 program of teacher education, for a period of not more than 4
22 calendar years and shall be available for use at any time
23 during such period of study except as provided in subsection
24 (b) of Section 27-125.

25 Scholarships issued to holders of a valid certificate
26 issued under the laws relating to the certification of
27 teachers as provided in paragraph (2) of this subsection may
28 also entitle the holder thereof to a program of teacher
29 education that will prepare the student for the teaching of
30 children described in Section 14-1 of the School Code at the
31 graduate level.

32 (b) Each year, the principal, or his or her designee, of
33 each recognized public, private and parochial high school
34 maintaining the twelfth grade shall certify to the Authority

1 the names and addresses of students who are completing an
2 application with the intent to prepare to teach in any
3 recognized public, private, or parochial school of Illinois
4 and ranked scholastically in the upper one-half of their
5 graduating class or, for those not yet graduated, whose
6 scholastic rank in the 4-year high school course of study at
7 the end of the seventh semester is in the upper one-half of
8 their class.

9 (c) Each holder of a scholarship must furnish proof to
10 the Authority, in such form and at such intervals as the
11 Authority prescribes, of the holder's continued enrollment in
12 a teacher education program qualifying the holder for the
13 scholarship. Any holder of a scholarship who fails to
14 register in a special education program of teacher education
15 at the university within 10 days after the commencement of
16 the term, quarter or semester immediately following the
17 receipt of the scholarship or who, having registered,
18 withdraws from the university or transfers out of teacher
19 education, shall thereupon forfeit the right to use it and it
20 may be granted to the person having the next highest rank as
21 shown on the list held by the Authority. If the person
22 having the next highest rank, within 10 days after
23 notification thereof by the Authority, fails to register at
24 any such university in a special education program of teacher
25 education, or who, having registered, withdraws from the
26 university or transfers out of teacher education, the
27 scholarship may then be granted to the person shown on the
28 list as having the rank next below such person.

29 (d) Any person who has accepted a scholarship under the
30 preceding subsections of this Section must, after graduation
31 from or termination of enrollment in a teacher education
32 program, teach in any recognized public, private or parochial
33 school in this State for at least 2 of the 5 years
34 immediately following that graduation or termination,

1 excluding, however, from the computation of that 5 year
2 period (i) any time up to 3 years spent in the military
3 service, whether such service occurs before or after the
4 person graduates; (ii) any time that person is enrolled
5 full-time in an academic program related to the field of
6 teaching leading to a graduate or postgraduate degree; (iii)
7 the time that person is temporarily totally disabled for a
8 period of time not to exceed 3 years, as established by the
9 sworn affidavit of a qualified physician; (iv) the time that
10 person is seeking and unable to find full time employment as
11 a teacher at an Illinois public, private, or parochial
12 school; or (v) the time that person is taking additional
13 courses, on at least a half-time basis, needed to obtain
14 certification as a teacher in Illinois. A person who has
15 accepted a scholarship under the preceding subsections of
16 this Section and who has been unable to fulfill the teaching
17 requirements of this Section may receive a deferment from the
18 obligation of repayment under this subsection (d) under
19 guidelines established by the Authority; provided that no
20 guideline established for any such purpose by the State Board
21 of Education prior to the effective date of this amendatory
22 Act of 1993 shall be affected by the transfer to the
23 Authority of the responsibility for administering and
24 implementing the provisions of this Section, and all
25 guidelines so established shall become the guidelines of the
26 Authority until modified or changed by the Authority.

27 Any such person who fails to fulfill this teaching
28 requirement shall pay to the Authority the amount of tuition
29 waived by virtue of his or her acceptance of the scholarship,
30 together with interest at 5% per year on that amount.
31 However, this obligation to repay the amount of tuition
32 waived plus interest does not apply when the failure to
33 fulfill the teaching requirement results from the death or
34 adjudication as a person under legal disability of the person

1 holding the scholarship, and no claim for repayment may be
2 filed against the estate of such a decedent or person under
3 legal disability. Payments received by the Authority under
4 this subsection (d) shall be remitted to the State Treasurer
5 for deposit in the general revenue fund. Each person
6 receiving a scholarship shall be provided with a description
7 of the provisions of this subsection (d) at the time he or
8 she qualifies for the benefits of such a scholarship.

9 (e) This Section is basically the same as Sections 30-1,
10 30-2, 30-3, and 30-4a of the School Code, which are repealed
11 by this amendatory Act of 1993, and shall be construed as a
12 continuation of the teacher scholarship program established
13 by that prior law, and not as a new or different teacher
14 scholarship program. The State Board of Education shall
15 transfer to the Authority, as the successor to the State
16 Board of Education for all purposes of administering and
17 implementing the provisions of this Section, all books,
18 accounts, records, papers, documents, contracts, agreements,
19 and pending business in any way relating to the teacher
20 scholarship program continued under this Section; and all
21 scholarships at any time awarded under that program by, and
22 all applications for any such scholarships at any time made
23 to, the State Board of Education shall be unaffected by the
24 transfer to the Authority of all responsibility for the
25 administration and implementation of the teacher scholarship
26 program continued under this Section. The State Board of
27 Education shall furnish to the Authority such other
28 information as the Authority may request to assist it in
29 administering this Section.

30 Section 27-105. Science-mathematics teacher
31 scholarships.

32 (a) The Authority may annually award a number of
33 scholarships, not to exceed 200, to persons holding valid

1 teaching certificates issued under Article 21 of the School
2 Code. Such scholarships shall be issued to teachers who make
3 application to the Authority and who agree to take courses at
4 qualified institutions of higher learning that will prepare
5 them to teach science or mathematics at the secondary school
6 level.

7 (b) Scholarships awarded under this Section shall be
8 issued pursuant to regulations promulgated by the Authority;
9 provided that no rule or regulation promulgated by the State
10 Board of Education prior to the effective date of this
11 amendatory Act of 1993 pursuant to the exercise of any right,
12 power, duty, responsibility or matter of pending business
13 transferred from the State Board of Education to the
14 Authority under this Section shall be affected thereby, and
15 all such rules and regulations shall become the rules and
16 regulations of the Authority until modified or changed by the
17 Authority in accordance with law. In awarding scholarships,
18 the Authority shall give priority to those teachers with the
19 greatest amount of seniority within school districts.

20 (c) Each scholarship shall be utilized by its holder for
21 the payment of tuition at any qualified institution of higher
22 learning. Such tuition shall be available only for courses
23 that will enable the teacher to be certified to teach science
24 or mathematics at the secondary school level. The Authority,
25 in consultation with the State Teacher Certification Board,
26 shall determine which courses are eligible for tuition
27 payments under this Section.

28 (d) The Authority shall make tuition payments directly
29 to the qualified institution of higher learning which the
30 teacher attends for the courses prescribed or may make
31 payments to the teacher. Any teacher who receives payments
32 and who fails to enroll in the courses prescribed shall
33 refund the payments to the Authority.

34 (e) Following the completion of the program of study,

1 the teacher must accept employment within 2 years in a
2 secondary school in Illinois within 60 miles of the teacher's
3 residence to teach science or mathematics; provided, however,
4 that the teacher instead may elect to accept employment
5 within such 2 year period to teach science or mathematics in
6 a secondary school in Illinois which is more than 60 miles
7 from the teacher's residence. Teachers who fail to comply
8 with this provision shall refund all of the scholarship
9 awarded to the Authority, whether payments were made directly
10 to the institutions of higher learning or to the teachers,
11 and this condition shall be agreed to in writing by all
12 scholarship recipients at the time the scholarship is
13 awarded. No teacher shall be required to refund tuition
14 payments if his or her failure to obtain employment as a
15 mathematics or science teacher in a secondary school is the
16 result of financial conditions within school districts. The
17 rules and regulations promulgated as provided in this Section
18 shall include provisions regarding the waiving and deferral
19 of such payments.

20 (f) The Authority, with the cooperation of the State
21 Board of Education, shall assist teachers who have
22 participated in the scholarship program established by this
23 Section in finding employment to teach science or mathematics
24 at the secondary level.

25 (g) This Section is substantially the same as Section
26 30-4b of the School Code, which Section is repealed by this
27 amendatory Act of 1993, and shall be construed as a
28 continuation of the science-mathematics teacher scholarship
29 program established by that prior law, and not as a new or
30 different science-mathematics teacher scholarship program.
31 The State Board of Education shall transfer to the Authority,
32 as the successor to the State Board of Education for all
33 purposes of administering and implementing the provisions of
34 this Section, all books, accounts, records, papers,

1 documents, contracts, agreements, and pending business in any
2 way relating to the science- mathematics teacher scholarship
3 program continued under this Section; and all scholarships at
4 any time awarded under that program by, and all applications
5 for any such scholarships at any time made to, the State
6 Board of Education shall be unaffected by the transfer to the
7 Authority of all responsibility for the administration and
8 implementation of the science-mathematics teacher scholarship
9 program continued under this Section. The State Board of
10 Education shall furnish to the Authority such other
11 information as the Authority may request to assist it in
12 administering this Section.

13 (h) Appropriations for the scholarships outlined in this
14 Section shall be made to the Authority from funds
15 appropriated by the General Assembly.

16 (i) For the purposes of this Section: "Qualified
17 institution of higher learning" means the University of
18 Illinois, Southern Illinois University, Chicago State
19 University, Eastern Illinois University, Governors State
20 University, Illinois State University, Northeastern Illinois
21 University, Northern Illinois University, Western Illinois
22 University, and the public community colleges subject to the
23 Public Community College Act. "Secondary school level" means
24 grades 9 through 12 or a portion of such grades.

25 Section 27-110. Teacher shortage scholarships.

26 (a) The Authority may annually award a number of
27 scholarships to persons preparing to teach in areas of
28 identified staff shortages. Such scholarships shall be
29 issued to individuals who make application to the Authority
30 and who agree to take courses at qualified institutions of
31 higher learning which will prepare them to teach in areas of
32 identified staff shortages.

33 (b) Scholarships awarded under this Section shall be

1 issued pursuant to regulations promulgated by the Authority;
2 provided that no rule or regulation promulgated by the State
3 Board of Education prior to the effective date of this
4 amendatory Act of 1993 pursuant to the exercise of any right,
5 power, duty, responsibility or matter of pending business
6 transferred from the State Board of Education to the
7 Authority under this Section shall be affected thereby, and
8 all such rules and regulations shall become the rules and
9 regulations of the Authority until modified or changed by the
10 Authority in accordance with law. The Authority shall
11 allocate the scholarships awarded between persons initially
12 preparing to teach, persons holding valid teaching
13 certificates issued under Articles 21 and 34 of the School
14 Code, and persons holding a bachelor's degree from any
15 accredited college or university who have been employed for a
16 minimum of 10 years in a field other than teaching.

17 (c) Each scholarship shall be utilized by its holder for
18 the payment of tuition and non-revenue bond fees at any
19 qualified institution of higher learning. Such tuition and
20 fees shall be available only for courses that will enable the
21 individual to be certified to teach in areas of identified
22 staff shortages. The Authority shall determine which courses
23 are eligible for tuition payments under this Section.

24 (d) The Authority may make tuition payments directly to
25 the qualified institution of higher learning which the
26 individual attends for the courses prescribed or may make
27 payments to the teacher. Any teacher who received payments
28 and who fails to enroll in the courses prescribed shall
29 refund the payments to the Authority.

30 (e) Following the completion of the program of study,
31 persons who held valid teaching certificates and persons
32 holding a bachelor's degree from any accredited college or
33 university who have been employed for a minimum of 10 years
34 in a field other than teaching prior to receiving a teacher

1 shortage scholarship must accept employment within 2 years in
2 a school in Illinois within 60 miles of the person's
3 residence to teach in an area of identified staff shortage
4 for a period of at least 3 years; provided, however that any
5 such person instead may elect to accept employment within
6 such 2 year period to teach in an area of identified staff
7 shortage for a period of at least 3 years in a school in
8 Illinois which is more than 60 miles from such person's
9 residence. Persons initially preparing to teach prior to
10 receiving a teacher shortage scholarship must accept
11 employment within 2 years in a school in Illinois to teach in
12 an area of identified staff shortage for a period of at least
13 3 years. Individuals who fail to comply with this provision
14 shall refund all of the scholarships awarded to the
15 Authority, whether payments were made directly to the
16 institutions of higher learning or to the individuals, and
17 this condition shall be agreed to in writing by all
18 scholarship recipients at the time the scholarship is
19 awarded. No individual shall be required to refund tuition
20 payments if his or her failure to obtain employment as a
21 teacher in a school is the result of financial conditions
22 within school districts. The rules and regulations
23 promulgated as provided in this Section shall contain
24 provisions regarding the waiving and deferral of such
25 payments.

26 (f) The Authority, with the cooperation of the State
27 Board of Education, shall assist individuals who have
28 participated in the scholarship program established by this
29 Section in finding employment in areas of identified staff
30 shortages.

31 (g) Beginning in September, 1994 and annually
32 thereafter, the Authority, using data annually supplied by
33 the State Board of Education under procedures developed by it
34 to measure the level of shortage of qualified bilingual

1 personnel serving students with disabilities, shall annually
2 publish (i) the level of shortage of qualified bilingual
3 personnel serving students with disabilities, and (ii)
4 allocations of scholarships for personnel preparation
5 training programs in the areas of bilingual special education
6 teacher training and bilingual school service personnel.

7 (h) Appropriations for the scholarships outlined in this
8 Section shall be made to the Authority from funds
9 appropriated by the General Assembly.

10 (i) This Section is substantially the same as Section
11 30-4c of the School Code, which Section is repealed by this
12 amendatory Act of 1993, and shall be construed as a
13 continuation of the teacher shortage scholarship program
14 established under that prior law, and not as a new or
15 different teacher shortage scholarship program. The State
16 Board of Education shall transfer to the Authority, as the
17 successor to the State Board of Education for all purposes of
18 administering and implementing the provisions of this
19 Section, all books, accounts, records, papers, documents,
20 contracts, agreements, and pending business in any way
21 relating to the teacher shortage scholarship program
22 continued under this Section; and all scholarships at any
23 time awarded under that program by, and all applications for
24 any such scholarships at any time made to, the State Board of
25 Education shall be unaffected by the transfer to the
26 Authority of all responsibility for the administration and
27 implementation of the teacher shortage scholarship program
28 continued under this Section. The State Board of Education
29 shall furnish to the Authority such other information as the
30 Authority may request to assist it in administering this
31 Section.

32 (j) For the purposes of this Section: "Qualified
33 institution of higher learning" means the University of
34 Illinois, Southern Illinois University, Chicago State

1 University, Eastern Illinois University, Governors State
2 University, Illinois State University, Northeastern Illinois
3 University, Northern Illinois University, Western Illinois
4 University, the public community colleges subject to the
5 Public Community College Act and any Illinois privately
6 operated college, community college or university offering
7 degrees and instructional programs above the high school
8 level either in residence or by correspondence. The Board of
9 Higher Education and the Authority, in consultation with the
10 State Board of Education, shall identify qualified
11 institutions to supply the demand for bilingual special
12 education teachers and bilingual school service personnel.
13 "Areas of identified staff shortages" means courses of study
14 in which the number of teachers is insufficient to meet
15 student or school district demand for such instruction as
16 determined by the State Board of Education.

17 Section 27-115. Equal opportunity scholarships.

18 (a) The Authority may annually award a number of
19 scholarships to students who are interested in pursuing
20 studies in educational administration. Such scholarships
21 shall be issued to students who make application to the
22 Authority and who agree to take courses at qualified
23 institutions of higher learning that will allow them to
24 complete a degree in educational administration.

25 (b) Scholarships awarded under this Section shall be
26 issued pursuant to regulations promulgated by the Authority;
27 provided that no rule or regulation promulgated by the State
28 Board of Education prior to the effective date of this
29 amendatory Act of 1993 pursuant to the exercise of any right,
30 power, duty, responsibility or matter of pending business
31 transferred from the State Board of Education to the
32 Authority under this Section shall be affected thereby, and
33 all such rules and regulations shall become the rules and

1 regulations of the Authority until modified or changed by the
2 Authority in accordance with law.

3 (c) Such scholarships shall be utilized for the payment
4 of tuition and non-revenue bond fees at any qualified
5 institution of higher learning. Such tuition and fees shall
6 only be available for courses that will enable the student to
7 complete training in educational administration. The
8 Authority shall determine which courses are eligible for
9 tuition payments under this Section.

10 (d) The Authority may make tuition payments directly to
11 the qualified institution of higher learning which the
12 student attends for the courses prescribed or may make
13 payments to the student. Any student who receives payments
14 and who fails to enroll in the courses prescribed shall
15 refund the payments to the Authority.

16 (e) The Authority, with the cooperation of the State
17 Board of Education, shall assist students who have
18 participated in the scholarship program established by this
19 Section in finding employment in positions relating to
20 educational administration.

21 (f) Appropriations for the scholarships outlined in this
22 Section shall be made to the Authority from funds
23 appropriated by the General Assembly.

24 (g) This Section is substantially the same as Section
25 30-4d of the School Code, which Section is repealed by this
26 amendatory Act of 1993, and shall be construed as a
27 continuation of the equal opportunity scholarship program
28 established under that prior law, and not as a new or
29 different equal opportunity scholarship program. The State
30 Board of Education shall transfer to the Authority, as the
31 successor to the State Board of Education for all purposes of
32 administering and implementing the provisions of this
33 Section, all books, accounts, records, papers, documents,
34 contracts, agreements, and pending business in any way

1 relating to the equal opportunity scholarship program
2 continued under this Section; and all scholarships at any
3 time awarded under that program by, and all applications for
4 any such scholarship at any time made to, the State Board of
5 Education shall be unaffected by the transfer to the
6 Authority of all responsibility for the administration and
7 implementation of the equal opportunity scholarship program
8 continued under this Section. The State Board of Education
9 shall furnish to the Authority such other information as the
10 Authority may request to assist it in administering this
11 Section.

12 (h) For purposes of this Section:

13 (1) "Qualified institution of higher learning"
14 means the University of Illinois; Southern Illinois
15 University; Chicago State University; Eastern Illinois
16 University; Governors State University; Illinois State
17 University; Northeastern Illinois University; Northern
18 Illinois University; Western Illinois University; the
19 public community colleges of the State; any other public
20 universities, colleges and community colleges now or
21 hereafter established or authorized by the General
22 Assembly; and any Illinois privately operated, not for
23 profit institution located in this State which provides
24 at least an organized 2-year program of collegiate grade
25 in liberal arts or sciences, or both, directly applicable
26 toward the attainment of a baccalaureate or graduate
27 degree.

28 (2) "Racial minority" means a: (i) Black (a
29 person having origins in any of the black racial groups
30 in Africa); (ii) Hispanic (a person of Spanish or
31 Portuguese culture with origins in Mexico, South or
32 Central America, or the Caribbean Islands, regardless of
33 race); (iii) Asian American (a person having origins in
34 any of the original peoples of the Far East, Southeast

1 Asia, the Indian Subcontinent or the Pacific Islands); or
2 (iv) American Indian or Alaskan Native (a person having
3 origins in any of the original peoples of North America).

4 (3) "Student" means a woman or racial minority.

5 Section 27-120. Administrator internships. Under the
6 internship program established by the State Board of
7 Education to provide experience to women and minorities
8 interested in preparing for positions as school
9 administrators, the Authority may annually award internship
10 grants pursuant to appropriation for this purpose. This
11 Section is substantially the same as Section 30-4e of the
12 School Code, which Section is repealed by this amendatory Act
13 of 1993, and shall be construed as a continuation of the
14 administrator internship program established under that prior
15 law, and not as a new or different administrator internship
16 program. The State Board of Education shall transfer to the
17 Authority, as the successor to the State Board of Education
18 for all purposes of administering and implementing the
19 provisions of this Section, all books, accounts, records,
20 papers, documents, contracts, agreements, and pending
21 business in any way relating to the administrator internship
22 program continued under this Section; and all internship
23 grants at any time made under that program by, and all
24 applications for any such internship grants at any time made
25 to, the State Board of Education shall be unaffected by the
26 transfer to the Authority of all responsibility for the
27 administration and implementation of the administrator
28 internship program continued under this Section. The State
29 Board of Education shall furnish to the Authority such other
30 information as the Authority may request to assist it in
31 administering this Section.

32 Section 27-125. General provisions; leaves of absence.

1 (a) The scholarships issued under Section 27-100 may be
2 used at the University of Illinois, Southern Illinois
3 University, Chicago State University, Eastern Illinois
4 University, Governors State University, Illinois State
5 University, Northeastern Illinois University, Northern
6 Illinois University, and Western Illinois University. Unless
7 otherwise indicated, the scholarships shall exempt the holder
8 from the payment of tuition and other necessary fees as
9 defined in Section 27-35 of this Act. Any student who has
10 been or shall be awarded a scholarship shall be reimbursed by
11 the appropriate university or community college for any
12 charges which he or she has paid and for which exemption is
13 granted under this Section, if application for such
14 reimbursement is made within 2 months following the school
15 term for which the charges were paid. The holder of a
16 scholarship shall be subject to all examinations, rules and
17 requirements of the university or community college in which
18 he or she is enrolled except as herein directed. This
19 Section does not prohibit the Board of Trustees of the
20 University of Illinois, the Board of Trustees of Southern
21 Illinois University, the Board of Trustees of Chicago State
22 University, the Board of Trustees of Eastern Illinois
23 University, the Board of Trustees of Governors State
24 University, the Board of Trustees of Illinois State
25 University, the Board of Trustees of Northeastern Illinois
26 University, the Board of Trustees of Northern Illinois
27 University, and the Board of Trustees of Western Illinois
28 University for the institutions under their respective
29 jurisdictions from granting other scholarships.

30 (b) Any student enrolled in a university to which he or
31 she is holding a scholarship issued under Section 27-100 who
32 satisfies the president of the university or someone
33 designated by the president that the student requires leave
34 of absence for the purpose of earning funds to defray his or

1 her expenses while in attendance or on account of illness or
2 military service may be granted such leave and allowed a
3 period of not to exceed 6 years in which to complete his or
4 her course at the university. Time spent in the armed forces
5 shall not be part of the 6 years.

6 Section 27-130. Special education grants.

7 (a) Special education grants shall be awarded by the
8 Authority to (i) teachers under contract who are teaching
9 special education courses in a school district within an area
10 designated as a poverty area by the Office of Economic
11 Opportunity, but who are not certified to teach special
12 education programs pursuant to Section 14-9.01 of the School
13 Code and (ii) teachers certified pursuant to Section 21-1 of
14 the School Code, but who are not certified pursuant to
15 Section 14-9.01 of that Code. The amount of any grant
16 awarded a participating teacher under this Section shall
17 consist of (i) the tuition and other necessary fees required
18 of the teacher by the institution of higher learning at which
19 he or she enrolls under this Section, but limited to the
20 maximum amount to which a student enrolled in that
21 institution would be entitled as a scholarship under Section
22 27-35 of this Act, and (ii) a stipend of \$100 for each
23 semester hour or equivalent, not exceeding 21 semester hours,
24 for continuous enrollment, including summer sessions, in one
25 calendar year. For purposes of this Section "tuition and
26 other necessary fees" has the meaning ascribed to that term
27 in Section 27-35 of this Act. Participating teachers shall
28 enroll in an institution of higher learning providing special
29 education programs. Such institutions shall be approved by
30 the Authority, in conjunction with the State Board of
31 Education and the Board of Higher Education.

32 (b) Teachers under contract who participate in this
33 program shall be required to contract with the Authority to

1 teach a special education program for 2 years in a school
2 district within an area designated as a poverty area by the
3 Office of Economic Opportunity. Such commitment shall begin
4 at the completion of the training program of the
5 participating teacher and shall be completed within 3 years
6 unless extended by the Authority. In addition, the
7 participating teacher shall be required to sign a note
8 payable to the Authority, for the full amount of benefits
9 awarded to that teacher under this Section, with interest as
10 provided herein, subject to cancellation as provided in this
11 Section. Completion of one year of such commitment shall
12 operate to cancel 50% of the amount of benefits provided a
13 participating teacher. The failure of a participating
14 teacher to complete all or part of such commitment shall
15 obligate the participant to proportionately repay the amount
16 of benefits provided, plus 5% interest on that amount.
17 Participating teachers who are not under contract shall be
18 subject to those obligations, except that such teachers shall
19 be required to teach in a special education program for such
20 2 year period in a school district within an area designated
21 as a poverty area by the Office of Economic Opportunity.

22 (c) If a participating teacher fails to cancel his or
23 her commitment as provided in this Section, the Authority
24 shall cause an appropriate action to be commenced on the note
25 signed by that teacher, except where the failure to cancel
26 the commitment was occasioned by the death or total and
27 permanent disability of that teacher.

28 (d) This Section is substantially the same as Section
29 30-14.3 of the School Code, which Section is repealed by this
30 amendatory Act of 1993, and shall be construed as a
31 continuation of the special education grant program
32 established by that prior law and not as a new or different
33 special education grant program. The State Board of
34 Education shall transfer to the Authority, as the successor

1 to the State Board of Education for all purposes of
2 administering and implementing the provisions of this
3 Section, all books, accounts, records, papers, documents,
4 contracts, agreements, and pending business in any way
5 relating to the special education grant program continued
6 under this Section; and all grants at any time made under
7 that program by, and all applications for any such grants at
8 any time made to, the State Board of Education shall be
9 unaffected by the transfer to the Authority of all
10 responsibility for the administration and implementation of
11 the special education grant program continued under this
12 Section. The State Board of Education shall furnish to the
13 Authority such other information as the Authority may request
14 to assist it in administering this Section.

15 (e) As used in this Section the term "special education
16 program" means a program provided for children who have such
17 disabilities as are set forth in Sections 14-1.02 through
18 14-1.07 of the School Code.

19 Section 27-135. Teacher training full-time undergraduate
20 scholarships.

21 (a) Five hundred new scholarships shall be provided each
22 year for qualified high school students or high school
23 graduates who desire to pursue full-time undergraduate
24 studies in teacher education at public or private
25 universities or colleges and community colleges in this
26 State. The Authority, in accordance with rules and
27 regulations promulgated for this program, shall provide
28 funding and shall designate each year's new recipients from
29 among those applicants who qualify for consideration by
30 showing:

31 (1) that he or she is a resident of this State and
32 a citizen or a lawful permanent resident alien of the
33 United States;

1 (2) that he or she has successfully completed the
2 program of instruction at an approved high school or is a
3 student in good standing at such a school and is engaged
4 in a program that will be completed by the end of the
5 academic year, and in either event that his or her
6 cumulative grade average was or is in the upper 1/4 of
7 the high school class;

8 (3) that he or she has superior capacity to profit
9 by a higher education; and

10 (4) that he or she agrees to teach in Illinois
11 schools in accordance with subsection (b).

12 No rule or regulation promulgated by the State Board of
13 Education prior to the effective date of this amendatory Act
14 of 1993 pursuant to the exercise of any right, power, duty,
15 responsibility or matter of pending business transferred from
16 the State Board of Education to the Authority under this
17 Section shall be affected thereby, and all such rules and
18 regulations shall become the rules and regulations of the
19 Authority until modified or changed by the Authority in
20 accordance with law. If in any year the number of qualified
21 applicants exceeds the number of scholarships to be awarded,
22 the Authority shall give priority in awarding scholarships to
23 students in financial need. The Authority shall consider
24 factors such as the applicant's family income, the size of
25 the applicant's family and the number of other children in
26 the applicant's family attending college in determining the
27 financial need of the individual. Unless otherwise
28 indicated, these scholarships shall be good for a period of
29 up to 4 years while the recipient is enrolled for residence
30 credit at a public or private university or college or at a
31 community college. The scholarship shall cover tuition, fees
32 and a stipend of \$1,500 per year. For purposes of
33 calculating scholarship awards for recipients attending
34 private universities or colleges, tuition and fees for

1 students at private colleges and universities shall not
2 exceed the average tuition and fees for students at 4-year
3 public colleges and universities for the academic year in
4 which the scholarship is made.

5 (b) Upon graduation from or termination of enrollment in
6 a teacher education program, any person who accepted a
7 scholarship under the undergraduate scholarship program
8 continued by this Section, including persons whose
9 graduation or termination of enrollment occurred prior to the
10 effective date of this amendatory Act of 1993, shall teach in
11 any school in this State for at least 4 of the 7 years
12 immediately following his or her graduation or termination.
13 If the recipient spends up to 4 years in military service
14 before or after he or she graduates, the period of military
15 service shall be excluded from the computation of that 7 year
16 period. A recipient who is enrolled full-time in an academic
17 program leading to a graduate degree in education shall have
18 the period of graduate study excluded from the computation of
19 that 7 year period. Any person who fails to fulfill the
20 teaching requirement shall pay to the Authority an amount
21 equal to one-fourth of the scholarship received for each
22 unfulfilled year of the 4-year teaching requirement, together
23 with interest at 8% per year on that amount. However, this
24 obligation to repay does not apply when the failure to
25 fulfill the teaching requirement results from involuntarily
26 leaving the profession due to a decrease in the number of
27 teachers employed by the school board or a discontinuation of
28 a type of teaching service under Section 24-12 of the School
29 Code or from the death or adjudication as incompetent of the
30 person holding the scholarship. No claim for repayment may
31 be filed against the estate of such a decedent or
32 incompetent. Each person applying for such a scholarship
33 shall be provided with a copy of this subsection at the time
34 he or she applies for the benefits of such scholarship.

1 (c) This Section is substantially the same as Sections
2 30-14.5 and 30-14.6 of the School Code, which are repealed by
3 this amendatory Act of 1993, and shall be construed as a
4 continuation of the teacher training undergraduate
5 scholarship program established by that prior law, and not as
6 a new or different teacher training undergraduate scholarship
7 program. The State Board of Education shall transfer to the
8 Authority, as the successor to the State Board of Education
9 for all purposes of administering and implementing the
10 provisions of this Section, all books, accounts, records,
11 papers, documents, contracts, agreements, and pending
12 business in any way relating to the teacher training
13 undergraduate scholarship program continued under this
14 Section, and all scholarships at any time awarded under that
15 program by, and all applications for any such scholarship at
16 any time made to, the State Board of Education shall be
17 unaffected by the transfer to the Authority of all
18 responsibility for the administration and implementation of
19 the teacher training undergraduate scholarship program
20 continued under this Section. The State Board of Education
21 shall furnish to the Authority such other information as the
22 Authority may request to assist it in administering this
23 Section.

24 Section 27-140. Consolidation of scholarship, fellowship
25 and traineeship programs. All scholarship, fellowship or
26 traineeship programs administered by the Authority under the
27 provisions of Sections 27-90, 27-95, 27-100, 27-105, 27-110,
28 27-115, 27-120, 27-130, and 27-135 involving financial awards
29 may be consolidated into one program whereby awards are made
30 in the areas of outstanding students, minorities and shortage
31 areas. When sufficient funds are not available to award all
32 applicants, preference shall be given based upon financial
33 need. Awards made under the provisions of this Section shall

1 be contingent upon a commitment to teach in the Illinois
2 public schools in the area of the award unless the recipient
3 elects to repay the amount of the award in lieu of teaching.
4 The Authority shall adopt rules for the implementation and
5 administration of this Section; provided that no rule or
6 regulation promulgated by the State Board of Education prior
7 to the effective date of this amendatory Act of 1993 pursuant
8 to the exercise of any right, power, duty, responsibility or
9 matter of pending business transferred from the State Board
10 of Education to the Authority under this Section shall be
11 affected thereby, and all such rules and regulations shall
12 become the rules and regulations of the Authority until
13 modified or changed by the Authority in accordance with law.
14 This Section is substantially the same as Section 30-14.7 of
15 the School Code, which Section is repealed by this amendatory
16 Act of 1993, and shall be construed as a continuation of that
17 prior law and not as a new or different law. The State Board
18 of Education shall transfer to the Authority, as the
19 successor to the State Board of Education for all purposes of
20 administering and implementing the provisions of this
21 Section, all books, accounts, records, papers, documents,
22 contracts, agreements, and pending business in any way
23 relating to the consolidation of scholarship, fellowship, and
24 traineeship programs under this Section; and all scholarship,
25 fellowship or traineeship grants awarded by the State Board
26 of Education prior to the effective date of this amendatory
27 Act of 1993 under the consolidated financial awards program
28 continued in this Section shall be unaffected by the transfer
29 to the Authority of all responsibility for administering and
30 implementing the provisions of this Section. The State Board
31 of Education shall furnish to the Authority such other
32 information as the Authority may request to assist it in
33 administering this Section.

1 Section 27-145. Arthur F. Quern Information Technology
2 Grant Program.

3 (a) In order to strengthen the workforce in this State
4 by increasing the supply of skilled information technology
5 workers in this State, the Authority shall, each year and
6 subject to available appropriations, receive and consider
7 applications for grant assistance under this Section to
8 provide need-based grants for retraining in information
9 technology fields, to be named Arthur F. Quern Information
10 Technology Grants, to qualified students pursuing additional
11 certification or a degree in an information technology field
12 at a degree-granting institution. An applicant is eligible
13 for a grant under this Section if the Authority finds that
14 the applicant:

15 (1) is a United States citizen or a permanent
16 resident of the United States;

17 (2) is a resident of this State;

18 (3) has made a timely application to the Authority
19 for an information technology grant; and

20 (4) enrolls or is enrolled in an eligible program
21 of undergraduate information technology related study, as
22 determined by the Board of Higher Education, at a
23 qualified institution of higher learning in this State.

24 (b) Recipients shall be selected from among applicants
25 who qualify pursuant to subsection (a) of this Section based
26 on financial need, as determined by the Authority.
27 Preference may be given to individuals who have received a
28 baccalaureate degree and who seek information technology
29 training or certification. Preference may also be given to
30 previous recipients of assistance under this Section.

31 (c) A recipient must maintain satisfactory academic
32 progress, as determined by the institution of higher learning
33 at which he or she is enrolled.

34 (d) The Authority shall receive initial and subsequent

1 State appropriations for distribution to participating
2 institutions on behalf of information technology grant
3 recipients under this Section. The Authority shall also
4 receive appropriate annual State appropriations for program
5 administration under this Section.

6 (e) The Authority shall administer the information
7 technology grant program established by this Section and
8 shall make all necessary and proper rules not inconsistent
9 with this Section for the program's effective implementation.

10 (f) Each information technology grant is an award of up
11 to \$2,500, payable to a qualified institution on behalf of
12 the award recipient and applicable towards tuition and fees
13 and other educational costs, as determined by the Authority.
14 A qualified student may be eligible to receive an information
15 technology grant for up to 2 years.

16 (g) The total amount of grant assistance awarded by the
17 Authority under this Section to an individual in any given
18 fiscal year, when added to other financial assistance awarded
19 to that individual for that year, shall not exceed the cost
20 of attendance at the institution of higher learning at which
21 the student is enrolled. If a recipient does not qualify for
22 the maximum \$2,500 grant amount during the academic year, the
23 excess award amount shall not be carried forward to the award
24 amount for the following academic year for which the
25 recipient is eligible for a grant award under this Section.

26 (h) All applications for grant assistance to be awarded
27 under this Section shall be made to the Authority in a
28 format set forth by the Authority. The format of the
29 application and the information required to be set forth in
30 the application shall be determined by the Authority.

31 (i) Subject to a separate appropriation made for such
32 purposes, payment of a grant awarded under this Section shall
33 be determined by the Authority. All grant funds distributed
34 in accordance with this Section shall be paid to the

1 institution on behalf of the recipients.

2 Section 27-150. Administration of federal scholarship
3 programs. There are hereby transferred to the Authority
4 from the State Board of Education all authority and
5 responsibility previously exercised by the State Board of
6 Education with respect to the administration within this
7 State of the Christa McAuliffe and Robert C. Byrd federal
8 scholarship programs, and the Authority hereafter shall
9 administer on behalf of the State of Illinois and in
10 accordance with all applicable rules and regulations the
11 conduct and operation of the Christa McAuliffe and Robert C.
12 Byrd federal scholarship programs within this State. The
13 State Board of Education shall transfer to the Authority, as
14 the successor to the State Board of Education for all
15 purposes of administering the Christa McAuliffe and Robert C.
16 Byrd federal scholarship programs, all books, accounts,
17 records, papers, documents, contracts, agreements, and
18 pending business in the possession or under the control of
19 the State Board of Education and relating to its
20 administration of those programs in this State. All pending
21 applications made prior to the effective date of this
22 amendatory Act of 1993 for scholarship awards under those
23 programs and all scholarships awarded under those programs
24 prior to the effective date of this amendatory Act of 1993
25 shall be unaffected by the transfer to the Authority of all
26 responsibilities and authority formerly exercised by the
27 State Board of Education with respect to those programs. The
28 State Board of Education shall furnish to the Authority such
29 other information as the Authority may request to assist it
30 in administering this Section.

31 Section 27-155. Administration of scholarship and grant
32 programs.

1 (a) An applicant to whom the Authority has awarded a
2 scholarship or grant under this Act may apply for enrollment
3 as a student in any qualified institution of higher learning.
4 The institution is not required to accept the applicant for
5 enrollment, but is free to exact compliance with its own
6 admissions requirements, standards, and policies. The
7 institution may receive the payments of tuition and other
8 necessary fees provided by the scholarship or grant, for
9 credit against the student's obligation for such tuition and
10 fees, and for no other purpose, and shall be contractually
11 obligated:

12 (1) to provide facilities and instruction to the
13 student on the same terms as to other students generally;

14 (2) to provide the notices and information
15 described in this Act; and to maintain records and
16 documents which demonstrate the eligibility of the
17 students for whom scholarships and grants are claimed.

18 (b) If, in the course of any academic period, any
19 student enrolled in any institution pursuant to a scholarship
20 or grant awarded under this Act for any reason ceases to be a
21 student in good standing, the institution shall promptly give
22 written notice to the Authority concerning that change of
23 status and the reason therefor. For purposes of this
24 Section, a student does not cease to be a student in good
25 standing merely because he or she is not classified as a
26 full-time student. In any case, a student must be enrolled
27 for at least 6 semester or 6 quarter hours for the term to
28 maintain any eligibility for grant benefits under subsection
29 (c) of Section 27-35.

30 (c) A student to whom a renewal scholarship or grant has
31 been awarded may either re-enroll in the institution which he
32 or she attended during the preceding year, or enroll in any
33 other qualified institution of higher learning; and in either
34 event, the institution accepting the student for enrollment

1 or re-enrollment shall notify the Authority of that
2 acceptance and may receive payments and shall be
3 contractually obligated as provided with respect to a
4 first-year scholarship or grant.

5 (d) The Authority shall administer the scholarship and
6 grant accounts and related records of each student who is
7 attending an institution of higher learning under financial
8 assistance awarded pursuant to this Act, and at each proper
9 time shall certify to the State Comptroller, in the manner
10 prescribed by law, the current payment to be made to the
11 institution on account of such financial assistance, in
12 accordance with an appropriate certificate from the
13 institution. The Authority may require the participating
14 institution of higher learning to perform specific
15 eligibility evaluation procedures as a condition of
16 participation.

17 (e) The Authority shall conduct on-site audits of
18 educational institutions participating in Authority
19 administered programs. When institutions have claimed and
20 received funds on behalf of ineligible recipients, the
21 Authority may adjust subsequent institutional payments to
22 recover those funds.

23 (f) The Authority shall, upon the request of any
24 institution which received payment for scholarship and grant
25 awards for each of the last 5 years, certify to the
26 Comptroller an advance payment for the current term to be
27 made to the institution on account of such financial
28 assistance in an amount not to exceed 75% of announced awards
29 for the institution for such financial assistance for the
30 current term, adjusted for attrition over the last 5 years.
31 For the purposes of this Section, "attrition" is the number
32 of announced award winners enrolled on the 10th class day as
33 a percentage of the total announced awards. The request for
34 an advance payment for the current term shall not be

1 submitted until 10 class days after the last day for
2 registration for that term. Upon appropriate certification
3 from the institution presented for each payment period, after
4 the standard tuition and mandatory fees have been established
5 for all students for the term of payment and the award
6 recipient has enrolled, the Authority shall certify to the
7 State Comptroller the balance of the current payment to be
8 made to the institution on account of such financial
9 assistance. If an advance payment received by an institution
10 exceeds the payment to which that institution is entitled,
11 the Authority shall reduce subsequent payments to that
12 institution for later terms within the same academic year as
13 the overpayment by an amount equal to the overpayment; if the
14 reduction cannot be made, the institution shall refund the
15 overpayment to the Authority. The Authority may deny or
16 reduce the advance payment provided to any institution under
17 this Section if it has reason to believe that the advance
18 payment for the current term may exceed the full payment the
19 institution is entitled to receive for such assistance for
20 that term.

21 Section 27-160. Authority Higher EdNet Fund.

22 (a) The Authority Higher EdNet Fund is created as a
23 special fund in the State Treasury. All fee revenues
24 received by the Authority in exchange for Higher EdNet
25 services are to be deposited into the Authority Higher EdNet
26 Fund.

27 (b) Moneys in the Fund may be used by the Authority,
28 subject to appropriation, for support of the Authority's
29 Higher EdNet and student assistance outreach activities.

30 Section 27-165. College savings programs.

31 (a) Purpose. The General Assembly finds and hereby
32 declares that for the benefit of the people of the State of

1 Illinois, the conduct and increase of their commerce, the
2 protection and enhancement of their welfare, the development
3 of continued prosperity and the improvement of their health
4 and living conditions, it is essential that all citizens with
5 the intellectual ability and motivation be able to obtain a
6 higher education. The General Assembly further finds that
7 rising tuition costs, increasingly restrictive eligibility
8 criteria for existing federal and State student aid programs
9 and other trends in higher education finance have impeded
10 access to a higher education for many middle-income families;
11 and that to remedy these concerns, it is of utmost importance
12 that families be provided with investment alternatives to
13 enhance their financial access to institutions of higher
14 education. It is the intent of this Section to establish
15 College Savings Programs appropriate for families from
16 various income groups, to encourage Illinois families to save
17 and invest in anticipation of their children's education, and
18 to encourage enrollment in institutions of higher education,
19 all in execution of the public policy set forth above and
20 elsewhere in this Act.

21 (b) The Authority is authorized to develop and provide a
22 program of college savings instruments to Illinois citizens.
23 The program shall be structured to encourage parents to plan
24 ahead for the college education of their children and to
25 permit the long-term accumulation of savings which can be
26 used to finance the family's share of the cost of a higher
27 education. Income, up to \$2,000 annually per account, which
28 is derived by individuals from investments made in accordance
29 with College Savings Programs established under this Section
30 shall be free from all taxation by the State and its
31 political subdivisions, except for estate, transfer, and
32 inheritance taxes.

33 (c) The Authority is authorized to contract with private
34 financial institutions and other businesses, individuals, and

1 other appropriate parties to establish and operate the
2 College Savings Programs. The Authority may negotiate
3 contracts with private financial and investment companies,
4 establish College Savings Programs, and monitor the vendors
5 administering the programs in whichever manner the Authority
6 determines is best suited to accomplish the purposes of this
7 Section. The Auditor General shall periodically review the
8 operation of the College Savings Programs and shall advise
9 the Authority and the General Assembly of his findings.

10 (d) In determining the type of instruments to be
11 offered, the Authority shall consult with, and receive the
12 assistance of, the Illinois Board of Higher Education, the
13 Bureau of the Budget, the State Board of Investments, the
14 Governor, and other appropriate State agencies and private
15 parties.

16 (e) The Authority shall market and promote the College
17 Savings Programs to the citizens of Illinois.

18 (f) The Authority shall assist the State Comptroller and
19 State Treasurer in establishing a payroll deduction plan
20 through which State employees may participate in the College
21 Savings Programs. The Department of Labor, Department of
22 Employment Security, Department of Revenue, and other
23 appropriate agencies shall assist the Authority in educating
24 Illinois employers about the College Savings Programs, and
25 shall assist the Authority in securing employers'
26 participation in a payroll deduction plan and other
27 initiatives which maximize participation in the College
28 Savings Programs.

29 (g) The Authority shall examine means by which the
30 State, through a series of matching contributions or other
31 incentives, may most effectively encourage Illinois families
32 to participate in the College Savings Programs. The
33 Authority shall report its conclusions and recommendations to
34 the Governor and General Assembly no later than February 15,

1 2003.

2 (h) The College Savings Programs established pursuant to
3 this Section shall not be subject to the provisions of the
4 Illinois Administrative Procedure Act. The Authority shall
5 provide that appropriate disclosures are provided to all
6 citizens who participate in the College Savings Programs.

7 Section 27-170. Additional assistance; Loans; Powers and
8 Duties. The Authority shall have the following powers in
9 furtherance of its programs:

10 (a) To guarantee the loan of money in amounts not to
11 exceed the yearly or aggregate totals authorized by the
12 Federal Higher Education Act of 1965. The Authority may
13 guarantee loans for qualified borrowers for use at any
14 approved institution of higher learning provided the borrower
15 and institution are eligible for the loan under the Higher
16 Education Act of 1965. All loans shall be guaranteed and
17 bear interest as prescribed by the Higher Education Act of
18 1965, or by any other Federal statute hereafter enacted
19 providing for Federal payment of interest or other subsidy on
20 behalf of borrowers. Loans made by eligible lenders in
21 accordance with this Act shall be guaranteed whether made
22 from funds fully owned by the lender or from funds held by
23 the lender in a trust or similar capacity and available for
24 such loans.

25 (b) To originate, guarantee, acquire, and service loans
26 and to perform such other acts as may be necessary or
27 appropriate in connection with the loans.

28 (c) To require that any educational loan made under this
29 Act shall be repaid and be secured in such manner and at such
30 time as the Authority prescribes, including perfecting a
31 security interest therein in such manner as the Authority
32 shall determine.

33 (d) To enter into such contracts and guarantee

1 agreements with eligible lenders, eligible education
2 institutions, individuals, corporations, and loan servicing
3 organizations and with any other governmental agency and with
4 any agency of the United States, including agreements for
5 Federal reinsurance of losses resulting from the death,
6 default, or total and permanent disability of borrowers, as
7 are necessary or incidental to the performance of its duties
8 and to carry out its functions under this Act, and to make
9 such payments as may be specified in such contracts and
10 agreements from such sources as set forth therein, all
11 notwithstanding any other provisions of this Act or any other
12 law.

13 (e) To participate in any Federal government program for
14 guaranteed loans or subsidies to borrowers and to receive,
15 hold, and disburse funds made available for the purpose or
16 purposes for which they are made available.

17 (f) To pay to eligible lenders an administrative cost
18 allowance in such amount, at such times, and in such manner
19 as may be prescribed by the Authority.

20 (g) To pay the Federal government a portion of those
21 funds obtained by the Authority from collection and
22 recoupment of losses on defaulted loans in such amounts and
23 in such manner as provided by any Federal reinsurance
24 agreement.

25 (h) To charge and collect premiums for insurance on
26 loans and other appropriate charges and pay such insurance
27 premiums or a portion thereof and other charges as are
28 appropriate.

29 (i) Except with respect to obligations issued prior to
30 July 14, 1994, to exercise all functions, rights, powers,
31 duties, and responsibilities now or hereafter authorized to
32 be exercised by any other State agency pursuant to the Higher
33 Education Loan Act of this State. The authorization to any
34 other State agency to exercise those functions, rights,

1 powers, duties, and responsibilities is not affected by this
2 authorization to the Authority.

3 Section 27-175. Coordination of reviews. In accordance
4 with the Federal Higher Education Act of 1965, as amended,
5 the Authority is designated as the Illinois agency ultimately
6 responsible for the coordination of reviews of Illinois
7 postsecondary institutions in cooperation with the Board of
8 Higher Education, State Board of Education, Department of
9 Professional Regulation, Secretary of State, Department of
10 Transportation and other appropriate State agencies. As
11 such, the Authority is granted the powers and duties
12 necessary for the proper implementation and execution of
13 these functions, including rulemaking. The eligibility of
14 schools to operate in Illinois shall be determined in
15 accordance with audit and review information provided by the
16 Authority to the appropriate State agencies. These
17 eligibility audits shall apply rules that are consistent with
18 those of the Federal Higher Education Act concerning
19 institutional eligibility and program integrity. The
20 Authority is authorized to provide or coordinate with the
21 Board of Higher Education, State Board of Education, the
22 Department of Professional Regulation, Secretary of State,
23 Department of Transportation and other involved agencies,
24 administration of institutional reviews for all institutions
25 participating in the Federal Title IV Financial Aid programs:
26 1. at least once every 3 years; 2. at least once a year when
27 it appears a school is out of, or will soon be out of,
28 compliance with stated eligibility standards; and 3. within 2
29 months of, or as soon as practicable following, a request
30 from a State or Federal agency citing questionable activities
31 or changes in the school's financial, operations or
32 management status or practices. Federal funds provided
33 through the United States Department of Education are to be

1 used in enabling the Authority and other appropriate State
2 agencies to conduct the oversight activities prescribed in
3 this Section.

4 Section 27-180. State income tax refund and other
5 payment intercept. The Authority may provide by rule for
6 certification to the Comptroller:

7 (a) of delinquent or defaulted amounts due and owing
8 from a borrower on any loan guaranteed by the Authority under
9 this Act or on any "eligible loan" as that term is defined
10 under the Educational Loan Purchase Program Law; and

11 (b) of any amounts recoverable under Article 30 in a
12 civil action from a person who received a scholarship, grant,
13 monetary award, or guaranteed loan. The purpose of
14 certification shall be to intercept State income tax refunds
15 and other payments due such borrowers and persons in order to
16 satisfy, in whole or in part: (i) delinquent or defaulted
17 amounts due and owing from any such borrower on any such
18 guaranteed or eligible loan; and (ii) amounts recoverable
19 from a person against whom a civil action will lie under the
20 provisions of Article 30. The rule shall provide for notice
21 to any such borrower or person affected, and any final
22 administrative decision rendered by the Authority with
23 respect to any certification made pursuant to this Section
24 shall be reviewed only under and in accordance with the
25 Administrative Review Law.

26 Section 27-185. Notice to Secretary of State. The
27 Authority shall establish by rule mutually agreed procedures
28 to furnish the Secretary of State annually or at other
29 mutually agreed periodic intervals with the names and social
30 security numbers of natural persons who the Authority
31 determines are registered with the Secretary of State as
32 dealers, salespersons or investment advisers under the

1 Illinois Securities Law of 1953 and have defaulted on an
2 educational loan guaranteed by the Authority.

3 Section 27-190. Capacity of minors. Any person
4 otherwise qualifying for a loan guaranteed or originated by
5 the Authority shall not be disqualified by reason of being
6 under the age of 21 years; and each such person shall have
7 the rights, powers, privileges and obligations of a person
8 of full age with respect thereto.

9 Section 27-195. Authority originated loans.

10 (a) To further the purposes of this Act, the Authority
11 is authorized to originate loans for educational purposes, to
12 students enrolled at higher education institutions. The
13 Authority may establish borrower eligibility requirements for
14 Authority originated loans. Loans originated by the
15 Authority may be, but are not required to be, guaranteed by
16 the Authority or any other entity.

17 (b) The Authority may make loans with the proceeds of
18 bonds issued pursuant to this Act or with such other funds as
19 may be available to the Authority.

20 (c) The administrative expenses of the Authority's
21 direct lending programs for students shall be supported by
22 the General Revenue Fund through an appropriation by the
23 General Assembly for such purposes and may also be paid with
24 such other funds as may be available to the Authority.

25 Section 27-200. Procedure on default. Upon default by
26 the borrower on any loan guaranteed under this Act, upon the
27 death of the borrower, or upon report from the lender that
28 the borrower has become totally and permanently disabled, as
29 determined in accordance with the Higher Education Act of
30 1965, the lender shall promptly notify the Authority, and the
31 Authority shall pay to the lender the amount of loss

1 sustained by the lender upon that loan as soon as that amount
2 has been determined. The amount of loss on any loan shall be
3 determined in accordance with the definitions, rules, and
4 regulations of the Authority, and shall not exceed (1) the
5 unpaid balance of the principal amount; (2) the unpaid
6 accrued interest; and (3) the unpaid late charges. Upon
7 payment by the Authority of the guaranteed portion of the
8 loss, the Authority shall be subrogated to the rights of the
9 holder of the obligation upon the insured loan and shall be
10 entitled to an assignment of the note or other evidence of
11 the guaranteed loan by the lender. The Authority shall file
12 any and all lawsuits on delinquent and defaulted student
13 loans in the County of Cook where venue shall be deemed to be
14 proper. A defendant may request a change of venue to the
15 county where he resides, and the court has the authority to
16 grant the change. Any defendant, within 30 days of service
17 of summons, may file a Written request by mail with the
18 Authority to change venue. Upon receipt, the Authority shall
19 move the court for the change of venue. The Authority shall
20 upon the filing and completion of the requirements for the
21 "Adjustment of Debts of an Individual with Regular Income",
22 pursuant to Title 11, Chapter 13 of the United States Code,
23 proceed to collect the outstanding balance of the loan
24 guaranteed under this Act. Educational loans guaranteed
25 under this Act shall not be discharged by the filing of the
26 "Adjustment of Debts of an Individual with Regular Income",
27 unless the loan first became due more than 5 years, exclusive
28 of any applicable suspension period, prior to the filing of
29 the petition; or unless excepting the debt from discharge
30 will impose an undue hardship on the debtor and the debtor's
31 dependents. The Authority shall proceed to recover
32 educational loans upon the filing of a petition under
33 "Individual Liquidation", pursuant to Title 11, Chapter 7 of
34 the United States Code, unless the loan first became due more

1 than 5 years, exclusive of any applicable suspension period,
2 prior to the filing of the petition; or unless excepting the
3 debt from discharge will impose an undue hardship on the
4 debtor and the debtor's dependents. Nothing in this Section
5 shall be construed to preclude any forbearance for the
6 benefit of the borrower which may be agreed upon by the party
7 to the guaranteed loan and approved by the Authority, to
8 preclude forbearance by the Authority in the enforcement of
9 the guaranteed obligation after payment on that guarantee, or
10 to require collection of the amount of any loan by the lender
11 or by the Authority from the estate of a deceased borrower or
12 from a borrower found by the lender to have become
13 permanently and totally disabled. Nothing in this Section
14 shall be construed to excuse the holder of a loan from
15 exercising reasonable care and diligence in the making and
16 collection of loans under this Act. If the Authority after
17 reasonable notice and opportunity for hearing to a lender
18 finds that it has substantially failed to exercise such care
19 and diligence, the Authority shall disqualify that lender for
20 the guarantee of further loans until the Authority is
21 satisfied that the lender's failure has ceased and finds that
22 there is reasonable assurance that the lender will in the
23 future exercise necessary care and diligence or comply with
24 the rules and regulations of the Authority.

25 Section 27-205. Disposition of moneys received by
26 Authority; Appropriations; Insufficient appropriations.

27 (a) All moneys received by the Authority in furtherance
28 of its guarantee loan program for guaranteeing loans for
29 attendance at institutions of higher education shall be paid
30 into the account established by the Comptroller for that
31 purpose.

32 (b) Moneys received by the Authority from the United
33 States Department of Education by way of any agreement

1 between the Authority and the federal government for advance
2 payments, reinsurance reimbursements, or reimbursement of
3 allowable administrative costs shall be available to the
4 Authority as authorized by federal law and regulation subject
5 to the appropriation of the General Assembly. Moneys not so
6 employed in a fiscal year may be retained by the Authority in
7 the account established for that purpose beyond the close of
8 a fiscal year or may be returned to the federal government as
9 required by federal law or regulation.

10 (c) Moneys received by the Authority from collection and
11 recoupment of losses paid by the Authority under its guaranty
12 shall be returned to the Federal government as required by
13 Federal law or regulation. Where a portion of those funds
14 represents collections on loans on which the Authority was
15 reimbursed by the federal government under a reinsurance
16 agreement for less than 100% of the amount of the Authority's
17 guaranty, an amount equal to the pro-rata share of the non-
18 reinsured portion of those collections shall be paid into the
19 General Revenue Fund at the close of each fiscal year.
20 Moneys received by the Authority from collection and
21 recoupment of losses paid by the Authority under its guaranty
22 which are not payable to the General Revenue Fund but which
23 under Federal law are available to the Authority for payment
24 of allowable administrative expenses shall be available to
25 the Authority as authorized by federal law and regulation
26 subject to the appropriation of the General Assembly.

27 (d) The Governor shall include, in each annual State
28 budget, a proposal for an appropriation in such amount as
29 shall be necessary and sufficient for the period covered by
30 the budget for the purpose of paying the obligations of the
31 Authority for the guaranteed portion of losses on insured
32 loans resulting from the death, default, or total and
33 permanent disability of student borrowers. If for any reason
34 the General Assembly fails to make appropriations of amounts

1 sufficient for the State to pay those obligations, this
2 Section shall constitute an irrevocable and continuing
3 appropriation of all amounts necessary for that purpose, and
4 the irrevocable and continuing authority for and direction to
5 the Comptroller and to the Treasurer of the State to make the
6 necessary transfers out of and disbursements from the
7 revenues and funds of the State for that purpose, and the
8 full faith and credit of the State of Illinois is pledged for
9 the punctual payment of such obligations.

10 Section 27-210. Federal Student Loan Fund; Student Loan
11 Operating Fund; Federal Reserve Recall Fund. The Authority
12 shall create the Federal Student Loan Fund, the Student Loan
13 Operating Fund, and the Federal Reserve Recall Fund. At the
14 request of the Authority's Executive Director, the
15 Comptroller shall transfer funds, as necessary, from the
16 Student Assistance Authority Student Loan Fund into the
17 Federal Student Loan Fund, the Student Loan Operating Fund,
18 and the Federal Reserve Recall Fund. On or before August 31,
19 2000, the Authority's Executive Director shall request the
20 Comptroller to transfer all funds from the Student Assistance
21 Authority Student Loan Fund into any of the following funds:
22 the Federal Student Loan Fund, the Student Loan Operating
23 Fund, or the Federal Reserve Recall Fund. On September 1,
24 2000, the Student Assistance Authority Student Loan Fund is
25 abolished. Any future liabilities of this abolished fund
26 shall be assignable to the appropriate fund created as one of
27 its successors.

28 Section 27-215. Penalty for fraudulent information. Any
29 person who by means of any false statement, willful
30 misrepresentation, or through other fraudulent device obtains
31 or attempts to obtain or aids or abets any person in
32 obtaining a scholarship, grant, monetary award, or guaranteed

1 loan under this Act or Section 30-14.2 of the School Code to
2 which the person is not entitled shall be guilty of a Class B
3 misdemeanor. Any scholarship, grant, monetary award, or
4 guaranteed loan obtained by such a person by such means shall
5 be recoverable in a civil action, if necessary, from the
6 person who received the scholarship, grant, monetary award,
7 or guaranteed loan.

8 Section 27-220. Education Loan Purchases. The General
9 Assembly finds and declares that (1) the provision of an
10 education for all residents of this State who desire an
11 education and are properly qualified therefor is important to
12 the welfare and security of this State and Nation and,
13 consequently, is an important public purpose, and (2) many
14 qualified students are deterred by financial considerations
15 from completing their education, with a consequent
16 irreparable loss to the State and Nation of talents vital to
17 welfare and security. Improved access to loans will enable
18 those residents to attend the institutions of their choice.
19 Establishment of a secondary market for certain loans will
20 reduce lender administrative costs associated with
21 educational loans, facilitate the early identification and
22 treatment of delinquent loan accounts, and reduce potential
23 student loan default losses so as to improve student access
24 to loans made by commercial lenders.

25 Section 27-225. Powers and duties. The Authority shall
26 have the following powers in furtherance of the programs
27 authorized by this Act:

28 (a) To adopt rules and regulations governing the
29 purchasing, servicing, and selling of eligible loans and any
30 other matters relating to the activities of the guaranteed
31 loan programs.

32 (b) To perform such other acts as may be necessary or

1 appropriate in connection with the making, purchasing,
2 servicing, and selling of eligible student loans.

3 (c) To make, purchase, service, sell, or otherwise deal
4 in, at prices and on terms and conditions determined by the
5 Authority, eligible student loans, including loans guaranteed
6 by the Authority.

7 (d) The Authority has power, and is authorized from time
8 to time, to issue bonds to make or acquire eligible student
9 loans pursuant to the Act.

10 ARTICLE 30

11 AGRICULTURAL ASSISTANCE

12 Section 30-5. The Authority shall have the following
13 powers: (a) To loan its funds to one or more persons to be
14 used by such persons to pay the costs of acquiring,
15 constructing, reconstructing or improving Agricultural
16 Facilities, soil or water conservation projects or watershed
17 areas, such loans to be on such terms and conditions, and for
18 such period of time, and secured or evidenced by such
19 mortgages, deeds of trust, notes debentures, bonds or other
20 secured or unsecured evidences of indebtedness of such
21 persons as the Board may determine; (b) To loan its funds to
22 any agribusiness which operates or will operate a facility
23 located in Illinois for those purposes permitted by rules and
24 regulations issued pursuant to the Internal Revenue Code of
25 1954, as amended, relating to the use of moneys loaned from
26 the proceeds from the issuance of industrial development
27 revenue bonds; such loans shall be on terms and conditions,
28 and for periods of time, and secured or evidenced by
29 mortgages, deeds of trust, notes, debentures, bonds or other
30 secured or unsecured evidences of indebtedness of such
31 agribusiness as the Board may require; (c) To purchase, or to
32 make commitments to purchase, from lenders notes, debentures,

1 bonds or other evidences of indebtedness secured by
2 mortgages, deeds of trust, or to the security devices, or
3 unsecured, as the Authority may determine, or portions
4 thereof or participations therein, which notes, bonds, or
5 other evidences of indebtedness shall have been or will be
6 executed by the obligors thereon to obtain funds with which
7 to acquire, by purchase, construction, or otherwise,
8 reconstruct or improve Agricultural Facilities; (d) To
9 contract with lenders or others for the origination of or the
10 servicing of the loans made by the Authority pursuant to
11 paragraph (1) of this Section or represented by the notes,
12 bonds, or other evidences of indebtedness which it has
13 purchased pursuant to paragraph (2) of this Section; provided
14 that such servicing fees shall not exceed one per cent per
15 annum of the principal amount outstanding owed to the
16 Authority; and (e) To enter into a State Guarantee with a
17 lender or a person holding a note and to sell or issue such
18 State Guarantees, bonds or evidences of indebtedness in a
19 primary or a secondary market

20 Section 30-10. (a) The Authority shall establish a Farm
21 Debt Relief Program to help provide eligible Illinois farmers
22 with State assistance in meeting their farming-related debts.

23 (b) To be eligible for the program, a person must (1) be
24 actively engaged in farming in this State, (2) have
25 farming-related debts in an amount equal to at least 55% of
26 the person's total assets, and (3) demonstrate that he can
27 secure credit from a conventional lender for the 1986 crop
28 year.

29 (c) An eligible person may apply to the Authority, in
30 such manner as the Authority may specify, for a one-time farm
31 debt relief payment of up to 2% of the person's outstanding
32 farming-related debt. If the Authority determines that the
33 applicant is eligible for a payment under this Section, it

1 may then approve a payment to the applicant. Such payment
2 shall consist of a payment made by the Authority directly to
3 one or more of the applicant's farming-related creditors, to
4 be applied to the reduction of the applicant's
5 farming-related debt. The applicant shall be entitled to
6 select the creditor or creditors to receive the payment,
7 unless the applicant is subject to the jurisdiction of a
8 bankruptcy court, in which case the selection of the court
9 shall control.

10 (d) Payments shall be made from the Farm Emergency
11 Assistance Fund, which is hereby established as a special
12 fund in the State Treasury, from funds appropriated to the
13 Authority for that purpose. No grant may exceed the lesser
14 of (1) 2% of the applicant's outstanding farm-related debt,
15 or (2) \$2000. Not more than one grant under this Section may
16 be made to any one person, or to any one household, or to any
17 single farming operation.

18 (e) Payments to applicants having farming-related debts
19 in an amount equal to at least 55% of the person's total
20 assets, but less than 70%, shall be repaid by the applicant
21 to the Authority for deposit into the Farm Emergency
22 Assistance Fund within five years from the date the payment
23 was made. Repayment shall be made in equal installments
24 during the five year period with no additional interest
25 charge and may be prepaid in whole or in part at any time.
26 Applicants having farming-related debts in an amount equal to
27 at least 70% of the person's total assets shall not be
28 required to make any repayment. Assets shall include, but
29 not be limited to, the following: cash crops or feed on
30 hand; livestock held for sale; breeding stock; marketable
31 bonds and securities; securities not readily marketable;
32 accounts receivable; notes receivable; cash invested in
33 growing crops; net cash value of life insurance; machinery
34 and equipment; cars and trucks; farm and other real estate

1 including life estates and personal residence; value of
2 beneficial interests in trusts; government payments or
3 grants; and any other assets. Debts shall include, but not
4 be limited to, the following: accounts payable; notes or
5 other indebtedness owed to any source; taxes; rent; amounts
6 owed on real estate contracts or real estate mortgages;
7 judgments; accrued interest payable; and any other liability.

8 Section 30-15. Interest-buy-back program.

9 (a) The Authority shall establish an interest-buy-back
10 program to subsidize the interest cost on certain loans to
11 Illinois farmers.

12 (b) To be eligible an applicant must (i) be a resident
13 of Illinois; (ii) be a principal operator of a farm or land;
14 (iii) derive at least 50% of annual gross income from
15 farming; and (iv) have a net worth of at least \$10,000. The
16 Authority shall establish minimum and maximum financial
17 requirements, maximum payment amounts, starting and ending
18 dates for the program, and other criteria.

19 (c) Lenders may apply on behalf of eligible applicants
20 on forms provided by the Authority. Lenders may submit
21 requests for payment on forms provided by the Authority.
22 Lenders and applicants shall be responsible for any fees or
23 charges the Authority may require.

24 (d) The Authority shall make payments to lenders from
25 available appropriations from the General Revenue Fund.

26 Section 30-20. The Authority may not pass a resolution
27 authorizing the issuance of any notes or bonds in excess of
28 \$250,000 for any one agricultural real estate borrower. No
29 proceeds from any bonds issued by the Authority shall be
30 loaned to any natural person who has a net worth in excess of
31 \$500,000 for the purchase of new depreciable agricultural
32 property or to any agribusiness that, including all

1 affiliates and subsidiaries, has more than 100 employees and
2 a gross income exceeding \$2,000,000 for the preceding
3 calendar year; provided, however, that the employee size and
4 gross income limitations shall not apply to any loans to
5 agribusinesses for research and development purposes, and
6 provided further that the Authority shall retain the power to
7 waive such limitations for any agribusiness that, at the time
8 of application, does not operate a facility within this
9 State.

10 Section 30-25. Bonded indebtedness limitation. The
11 Authority shall not have outstanding at any one time State
12 Guarantees under Section 30-30 in an aggregate principal
13 amount exceeding \$160,000,000. The Authority shall not have
14 outstanding at any one time State Guarantees under Sections
15 30-35, 30-45, and 30-50 in an aggregate principal amount
16 exceeding \$75,000,000.

17 Section 30-30. State Guarantees for existing debt.

18 (a) The Authority is authorized to issue State
19 Guarantees for farmers' existing debts held by a lender. For
20 the purposes of this Section, a farmer shall be a resident of
21 Illinois, who is a principal operator of a farm or land, at
22 least 50% of whose annual gross income is derived from
23 farming and whose debt to asset ratio shall not be less than
24 40%, except in those cases where the applicant has previously
25 used the guarantee program there shall be no debt to asset
26 ratio or income restriction. For the purposes of this
27 Section, debt to asset ratio shall mean the current
28 outstanding liabilities of the farmer divided by the current
29 outstanding assets of the farmer. The Authority shall
30 establish the maximum permissible debt to asset ratio based
31 on criteria established by the Authority. Lenders shall apply
32 for the State Guarantees on forms provided by the Authority

1 and certify that the application and any other documents
2 submitted are true and correct. The lender or borrower, or
3 both in combination, shall pay an administrative fee as
4 determined by the Authority. The applicant shall be
5 responsible for paying any fees or charges involved in
6 recording mortgages, releases, financing statements,
7 insurance for secondary market issues and any other similar
8 fees or charges as the Authority may require. The
9 application shall at a minimum contain the farmer's name,
10 address, present credit and financial information, including
11 cash flow statements, financial statements, balance sheets,
12 and any other information pertinent to the application, and
13 the collateral to be used to secure the State Guarantee. In
14 addition, the lender must agree to bring the farmer's debt to
15 a current status at the time the State Guarantee is provided
16 and must also agree to charge a fixed or adjustable interest
17 rate which the Authority determines to be below the market
18 rate of interest generally available to the borrower. If
19 both the lender and applicant agree, the interest rate on the
20 State Guarantee Loan can be converted to a fixed interest
21 rate at any time during the term of the loan. Any State
22 Guarantees provided under this Section (i) shall not exceed
23 \$500,000 per farmer, (ii) shall be set up on a payment
24 schedule not to exceed 30 years, and shall be no longer than
25 30 years in duration, and (iii) shall be subject to an annual
26 review and renewal by the lender and the Authority; provided
27 that only one such State Guarantee shall be outstanding per
28 farmer at any one time. No State Guarantee shall be revoked
29 by the Authority without a 90 day notice, in writing, to all
30 parties. In those cases where the borrower has not previously
31 used the guarantee program, the lender shall not call due any
32 loan during the first 3 years for any reason except for lack
33 of performance or insufficient collateral. The lender can
34 review and withdraw or continue with the State Guarantee on

1 an annual basis after the first 3 years of the loan, provided
2 a 90 day notice, in writing, to all parties has been given.

3 (b) The Authority shall provide or renew a State
4 Guarantee to a lender if: (i) A fee equal to 25 basis points
5 on the loan is paid to the Authority on an annual basis by
6 the lender. (ii) The application provides collateral
7 acceptable to the Authority that is at least equal to the
8 State's portion of the Guarantee to be provided. (iii) The
9 lender assumes all responsibility and costs for pursuing
10 legal action on collecting any loan that is delinquent or in
11 default. (iv) The lender is responsible for the first 15% of
12 the outstanding principal of the note for which the State
13 Guarantee has been applied.

14 (c) There is hereby created outside of the State
15 Treasury a special fund to be known as the Illinois
16 Agricultural Loan Guarantee Fund. The State Treasurer shall
17 be custodian of this Fund. Any amounts in the Illinois
18 Agricultural Loan Guarantee Fund not currently needed to meet
19 the obligations of the Fund shall be invested as provided by
20 law, and all interest earned from these investments shall be
21 deposited into the Fund until the Fund reaches the maximum
22 amount authorized in this Act; thereafter, interest earned
23 shall be deposited into the General Revenue Fund. After
24 September 1, 1989, annual investment earnings equal to 1.5%
25 of the Fund shall remain in the Fund to be used for the
26 purposes established in Section 30-40 of this Act. The
27 Authority is authorized to transfer to the Fund such amounts
28 as are necessary to satisfy claims during the duration of the
29 State Guarantee program to secure State Guarantees issued
30 under this Section. If for any reason the General Assembly
31 fails to make an appropriation sufficient to meet these
32 obligations, this Act shall constitute an irrevocable and
33 continuing appropriation of an amount necessary to secure
34 guarantees as defaults occur and the irrevocable and

1 continuing authority for, and direction to, the State
2 Treasurer and the Comptroller to make the necessary transfers
3 to the Illinois Agricultural Loan Guarantee Fund, as directed
4 by the Governor, out of the General Revenue Fund. Within 30
5 days after November 15, 1985, the Authority may transfer up
6 to \$7,000,000 from available appropriations into the Illinois
7 Agricultural Loan Guarantee Fund for the purposes of this
8 Act. Thereafter, the Authority may transfer additional
9 amounts into the Illinois Agricultural Loan Guarantee Fund to
10 secure guarantees for defaults as defaults occur. In the
11 event of default by the farmer, the lender shall be entitled
12 to, and the Authority shall direct payment on, the State
13 Guarantee after 90 days of delinquency. All payments by the
14 Authority shall be made from the Illinois Agricultural Loan
15 Guarantee Fund to satisfy claims against the State Guarantee.
16 The Illinois Agricultural Loan Guarantee Fund shall guarantee
17 receipt of payment of the 85% of the principal and interest
18 owed on the State Guarantee Loan by the farmer to the
19 guarantee holder. It shall be the responsibility of the
20 lender to proceed with the collecting and disposing of
21 collateral on the State Guarantee within 14 months of the
22 time the State Guarantee is declared delinquent; provided,
23 however, that the lender shall not collect or dispose of
24 collateral on the State Guarantee without the express written
25 prior approval of the Authority. If the lender does not
26 dispose of the collateral within 14 months, the lender shall
27 be liable to repay to the State interest on the State
28 Guarantee equal to the same rate which the lender charges on
29 the State Guarantee; provided, however, that the Authority
30 may extend the 14 month period for a lender in the case of
31 bankruptcy or extenuating circumstances. The Fund shall be
32 reimbursed for any amounts paid under this Section upon
33 liquidation of the collateral. The Authority, by resolution
34 of the Board, may borrow sums from the Fund and provide for

1 repayment as soon as may be practical upon receipt of
2 payments of principal and interest by a farmer. Money may be
3 borrowed from the Fund by the Authority for the sole purpose
4 of paying certain interest costs for farmers associated with
5 selling a loan subject to a State Guarantee in a secondary
6 market as may be deemed reasonable and necessary by the
7 Authority.

8 (d) Notwithstanding the provisions of this Section 66
9 with respect to the farmers and lenders who may obtain State
10 Guarantees, the Authority may promulgate rules establishing
11 the eligibility of farmers and lenders to participate in the
12 State guarantee program and the terms, standards, and
13 procedures that will apply, when the Authority finds that
14 emergency conditions in Illinois agriculture have created the
15 need for State Guarantees pursuant to terms, standards, and
16 procedures other than those specified in this Section.

17 Section 30-35. State Guarantees for loans to farmers and
18 agribusiness; eligibility.

19 (a) The Authority is authorized to issue State
20 Guarantees to lenders for loans to eligible farmers and
21 agribusinesses for purposes set forth in this Section. For
22 purposes of this Section, an eligible farmer shall be a
23 resident of Illinois (i) who is principal operator of a farm
24 or land, at least 50% of whose annual gross income is derived
25 from farming, (ii) whose annual total sales of agricultural
26 products, commodities, or livestock exceeds \$20,000, and
27 (iii) whose net worth does not exceed \$500,000. An eligible
28 agribusiness shall be that as defined in Section 3 of this
29 Act. The Authority may approve applications by farmers and
30 agribusinesses that promote diversification of the farm
31 economy of this State through the growth and development of
32 new crops or livestock not customarily grown or produced in
33 this State or that emphasize a vertical integration of grain

1 or livestock produced or raised in this State into a finished
2 agricultural product for consumption or use. "New crops or
3 livestock not customarily grown or produced in this State"
4 shall not include corn, soybeans, wheat, swine, or beef or
5 dairy cattle. "Vertical integration of grain or livestock
6 produced or raised in this State" shall include any new or
7 existing grain or livestock grown or produced in this State.
8 Lenders shall apply for the State Guarantees on forms
9 provided by the Authority, certify that the application and
10 any other documents submitted are true and correct, and pay
11 an administrative fee as determined by the Authority. The
12 applicant shall be responsible for paying any fees or charges
13 involved in recording mortgages, releases, financing
14 statements, insurance for secondary market issues and any
15 other similar fees or charges as the Authority may require.
16 The application shall at a minimum contain the farmer's or
17 agribusiness' name, address, present credit and financial
18 information, including cash flow statements, financial
19 statements, balance sheets, and any other information
20 pertinent to the application, and the collateral to be used
21 to secure the State Guarantee. In addition, the lender must
22 agree to charge an interest rate, which may vary, on the loan
23 that the Authority determines to be below the market rate of
24 interest generally available to the borrower. If both the
25 lender and applicant agree, the interest rate on the State
26 Guarantee Loan can be converted to a fixed interest rate at
27 any time during the term of the loan. Any State
28 Guarantees provided under this Section (i) shall not exceed
29 \$500,000 per farmer or an amount as determined by the
30 Authority on a case-by-case basis for an agribusiness,
31 (ii) shall not exceed a term of 15 years, and (iii) shall be
32 subject to an annual review and renewal by the lender
33 and the Authority; provided that only one such State
34 Guarantee shall be made per farmer or agribusiness, except

1 that additional State Guarantees may be made for purposes of
2 expansion of projects financed in part by a previously issued
3 State Guarantee. No State Guarantee shall be revoked by the
4 Authority without a 90 day notice, in writing, to all
5 parties. The lender shall not call due any loan for any
6 reason except for lack of performance, insufficient
7 collateral, or maturity. A lender may review and withdraw or
8 continue with a State Guarantee on an annual basis after the
9 first 5 years following closing of the loan application if
10 the loan contract provides for an interest rate that shall
11 not vary. A lender shall not withdraw a State Guarantee if
12 the loan contract provides for an interest rate that may
13 vary, except for reasons set forth herein.

14 (b) The Authority shall provide or renew a State
15 Guarantee to a lender if: A fee equal to 25 basis points on
16 the loan is paid to the Authority on an annual basis by the
17 lender. The application provides collateral acceptable to
18 the Authority that is at least equal to the State's portion
19 of the Guarantee to be provided. The lender assumes all
20 responsibility and costs for pursuing legal action on
21 collecting any loan that is delinquent or in default. The
22 lender is responsible for the first 15% of the outstanding
23 principal of the note for which the State Guarantee has been
24 applied.

25 (c) There is hereby created outside of the State
26 Treasury a special fund to be known as the Illinois Farmer
27 and Agribusiness Loan Guarantee Fund. The State Treasurer
28 shall be custodian of this Fund. Any amounts in the Fund not
29 currently needed to meet the obligations of the Fund shall be
30 invested as provided by law, and all interest earned from
31 these investments shall be deposited into the Fund until the
32 Fund reaches the maximum amounts authorized in this Act;
33 thereafter, interest earned shall be deposited into the
34 General Revenue Fund. After September 1, 1989, annual

1 investment earnings equal to 1.5% of the Fund shall remain in
2 the Fund to be used for the purposes established in Section
3 30-40 of this Act. The Authority is authorized to transfer
4 such amounts as are necessary to satisfy claims from
5 available appropriations and from fund balances of the Farm
6 Emergency Assistance Fund as of June 30 of each year to the
7 Illinois Farmer and Agribusiness Loan Guarantee Fund to
8 secure State Guarantees issued under this Section and
9 Sections 30-45 and 30-50. If for any reason the General
10 Assembly fails to make an appropriation sufficient to meet
11 these obligations, this Act shall constitute an irrevocable
12 and continuing appropriation of an amount necessary to secure
13 guarantees as defaults occur and the irrevocable and
14 continuing authority for, and direction to, the State
15 Treasurer and the Comptroller to make the necessary transfers
16 to the Illinois Farmer and Agribusiness Loan Guarantee Fund,
17 as directed by the Governor, out of the General Revenue Fund.
18 In the event of default by the borrower on State Guarantee
19 Loans under this Section, Section 30-45, or Section 30-50,
20 the lender shall be entitled to, and the Authority shall
21 direct payment on, the State Guarantee after 90 days of
22 delinquency. All payments by the Authority shall be made
23 from the Illinois Farmer and Agribusiness Loan Guarantee Fund
24 to satisfy claims against the State Guarantee. It shall be
25 the responsibility of the lender to proceed with the
26 collecting and disposing of collateral on the State Guarantee
27 under this Section, Section 30-45, or Section 30-50 within 14
28 months of the time the State Guarantee is declared
29 delinquent. If the lender does not dispose of the collateral
30 within 14 months, the lender shall be liable to repay to the
31 State interest on the State Guarantee equal to the same rate
32 that the lender charges on the State Guarantee, provided that
33 the Authority shall have the authority to extend the 14 month
34 period for a lender in the case of bankruptcy or extenuating

1 circumstances. The Fund shall be reimbursed for any amounts
2 paid under this Section, Section 30-45, or Section 30-50
3 upon liquidation of the collateral. The Authority, by
4 resolution of the Board, may borrow sums from the Fund and
5 provide for repayment as soon as may be practical upon
6 receipt of payments of principal and interest by a borrower
7 on State Guarantee Loans under this Section, Section 30-45,
8 or Section 30-50. Money may be borrowed from the Fund by the
9 Authority for the sole purpose of paying certain interest
10 costs for borrowers associated with selling a loan subject to
11 a State Guarantee under this Section, Section 30-45, or
12 Section 30-50 in a secondary market as may be deemed
13 reasonable and necessary by the Authority.

14 (d) Notwithstanding the provisions of this Section 30-35
15 with respect to the farmers, agribusinesses, and lenders who
16 may obtain State Guarantees, the Authority may promulgate
17 rules establishing the eligibility of farmers,
18 agribusinesses, and lenders to participate in the State
19 Guarantee program and the terms, standards, and procedures
20 that will apply, when the Authority finds that emergency
21 conditions in Illinois agriculture have created the need for
22 State Guarantees pursuant to terms, standards, and procedures
23 other than those specified in this Section.

24 Section 30-40. Cooperative agreement with the University
25 of Illinois.

26 (a) The Authority may enter into a cooperative agreement
27 with the University of Illinois whereby the University's
28 College of Agriculture, or a department thereof, shall assess
29 and evaluate the need for additional, and the
30 performance of existing, State credit and finance programs
31 administered by the Authority for farmers and
32 agribusinesses. Pursuant to the cooperative agreement, the
33 Authority may request from the University an evaluation of

1 financial positions and lending risks of existing farm
2 operations and existing and developing agricultural
3 industries, an assessment and evaluation of the design,
4 operation and performance of existing and proposed credit
5 programs, an assessment of potential for development of
6 agricultural industry, an assessment of the performance of
7 credit markets and development of improved State credit
8 instruments and programs, and any other information deemed
9 necessary by the Authority to carry forth its credit and
10 finance programs.

11 (b) A cooperative agreement entered into by the
12 Authority and the University may provide for payment for
13 services rendered by the University pursuant to the
14 cooperative agreement from interest earnings remaining in the
15 Illinois Agricultural Loan Guarantee Fund, as provided for in
16 Section 66 of this Act, and the Illinois Farmer and
17 Agribusiness Loan Guarantee Fund, as provided for in Section
18 67 of this Act.

19 Section 30-45. Young Farmer Loan Guarantee Program.

20 (a) The Authority is authorized to issue State
21 Guarantees to lenders for loans to finance or refinance debts
22 of young farmers. For the purposes of this Section, a young
23 farmer is a resident of Illinois who is at least 18 years of
24 age and who is a principal operator of a farm or land, who
25 derives at least 50% of annual gross income from farming,
26 whose net worth is not less than \$10,000 and whose debt to
27 asset ratio is not less than 40%. For the purposes of this
28 Section, debt to asset ratio means current outstanding
29 liabilities, including any debt to be financed or refinanced
30 under this Section, divided by current outstanding assets.
31 The Authority shall establish the maximum permissible debt to
32 asset ratio based on criteria established by the Authority.
33 Lenders shall apply for the State Guarantees on forms

1 provided by the Authority and certify that the application
2 and any other documents submitted are true and correct. The
3 lender or borrower, or both in combination, shall pay an
4 administrative fee as determined by the Authority. The
5 applicant shall be responsible for paying any fee or charge
6 involved in recording mortgages, releases, financing
7 statements, insurance for secondary market issues, and any
8 other similar fee or charge that the Authority may require.
9 The application shall at a minimum contain the young farmer's
10 name, address, present credit and financial information,
11 including cash flow statements, financial statements, balance
12 sheets, and any other information pertinent to the
13 application, and the collateral to be used to secure the
14 State Guarantee. In addition, the borrower must certify to
15 the Authority that, at the time the State Guarantee is
16 provided, the borrower will not be delinquent in the
17 repayment of any debt. The lender must agree to charge a
18 fixed or adjustable interest rate that the Authority
19 determines to be below the market rate of interest generally
20 available to the borrower. If both the lender and applicant
21 agree, the interest rate on the State guaranteed loan can be
22 converted to a fixed interest rate at any time during the
23 term of the loan. State Guarantees provided under this
24 Section (i) shall not exceed \$500,000 per young farmer, (ii)
25 shall be set up on a payment schedule not to exceed 30
26 years, but shall be no longer than 15 years in duration, and
27 (iii) shall be subject to an annual review and renewal by the
28 lender and the Authority. A young farmer may use this program
29 more than once provided the aggregate principal amount of
30 State Guarantees under this Section to that young farmer does
31 not exceed \$500,000. No State Guarantee shall be revoked by
32 the Authority without a 90 day notice, in writing, to all
33 parties.

34 (b) The Authority shall provide or renew a State

1 Guarantee to a lender if: (i) The lender pays a fee equal
2 to 25 basis points on the loan to the Authority on an annual
3 basis. (ii) The application provides collateral acceptable
4 to the Authority that is at least equal to the State
5 Guarantee. (iii) The lender assumes all responsibility and
6 costs for pursuing legal action on collecting any loan that
7 is delinquent or in default. (iv) The lender is at risk for
8 the first 15% of the outstanding principal of the note for
9 which the State Guarantee is provided.

10 (c) The Illinois Farmer and Agribusiness Loan Guarantee
11 Fund may be used to secure State Guarantees issued under this
12 Section as provided in Section 30-35.

13 (d) Notwithstanding the provisions of this Section 69
14 with respect to the young farmers and lenders who may obtain
15 State Guarantees, the Authority may promulgate rules
16 establishing the eligibility of young farmers and lenders to
17 participate in the State Guarantee program and the terms,
18 standards, and procedures that will apply, when the
19 Authority finds that emergency conditions in Illinois
20 agriculture have created the need for State Guarantees
21 pursuant to terms, standards, and procedures other than those
22 specified in this Section.

23 Section 30-50. Specialized Livestock Guarantee Program.

24 (a) The Authority is authorized to issue State
25 Guarantees to lenders for loans to finance or refinance
26 debts for specialized livestock operations that are or will
27 be located in Illinois. For purposes of this Section, a
28 "specialized livestock operation" includes, but is not
29 limited to, dairy, beef, and swine enterprises.

30 (b) Lenders shall apply for the State Guarantees on
31 forms provided by the Authority and certify that the
32 application and any other documents submitted are true and
33 correct. The lender or borrower, or both in combination,

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

22 (c) State Guarantees provided under this Section
23 (i) shall not exceed \$1,000,000 per applicant, (ii) shall
24 be no longer than 15 years in duration, and (iii) shall be
25 subject to an annual review and renewal by the lender and
26 the Authority. An applicant may use this program more than
27 once, provided that the aggregate principal amount of
28 State Guarantees under this Section to that applicant
29 does not exceed \$1,000,000. A State Guarantee shall not
30 be revoked by the Authority without a 90-day notice, in
31 writing, to all parties.

32 (d) The Authority shall provide or renew a State
33 Guarantee to a lender if: (i) The lender pays a fee equal
34 to 25 basis points on the loan to the Authority on an annual

1 basis. (ii) The application provides collateral
2 acceptable to the Authority that is at least equal to the
3 State Guarantee. (iii) The lender assumes all
4 responsibility and costs for pursuing legal action on
5 collecting any loan that is delinquent or in default.
6 (iv) The lender is at risk for the first 15% of the
7 outstanding principal of the note for which the State
8 Guarantee is provided.

9 (e) The Illinois Farmer and Agribusiness Loan Guarantee
10 Fund may be used to secure State Guarantees issued under this
11 Section as provided in Section 30-35.

12 (f) Notwithstanding the provisions of this Section
13 70 with respect to the specialized livestock operations and
14 lenders who may obtain State Guarantees, the Authority may
15 promulgate rules establishing the eligibility of
16 specialized livestock operations and lenders to
17 participate in the State Guarantee program and the terms,
18 standards, and procedures that will apply, when the
19 Authority finds that emergency conditions in Illinois
20 agriculture have created the need for State Guarantees
21 pursuant to terms, standards, and procedures other than those
22 specified in this Section.

23 ARTICLE 35

24 HOUSING DEVELOPMENT

25 Section 35-5. The Authority may make non-interest bearing
26 advances to nonprofit corporations for constructing or
27 rehabilitating developments designed and planned to make
28 housing available at low and moderate rentals to low
29 and moderate income persons and families if such housing
30 complies with the standards set by the Authority under
31 this Act. No advances may be made unless the Authority may
32 reasonably anticipate that assisted mortgage financing may

1 be obtained for the permanent financing of the development.
2 The proceeds of the advance may be used only to defray
3 the development costs of such development.

4 Section 35-10. The Authority may make mortgage or
5 other loans to non-profit corporations and limited-profit
6 entities for the acquisition, construction or substantial or
7 moderate rehabilitation of such developments as in the
8 judgment of the Authority have promise of supplying,
9 on a rental, cooperative, condominium or home ownership
10 basis, well planned, well designed energy-efficient housing
11 for low or moderate income persons or families at low
12 or moderate rentals in locations where there is a need for
13 such housing. Such loans may be for development costs and
14 construction financing as well as permanent financing,
15 and may provide financing for community facilities to the
16 extent permitted by applicable Authority regulations. The
17 Authority may also make loans to individuals, joint
18 ventures, partnerships, limited partnerships, trusts or
19 corporations, including not-for-profit corporations, for
20 the acquisition, construction, equipment or rehabilitation
21 of housing related commercial facilities. When the
22 Authority makes a loan for housing related commercial
23 facilities, it may require as a condition of the loan that a
24 portion of the borrower's receipts from the use of the
25 facilities be used for the construction, acquisition,
26 rehabilitation, operation or maintenance or payment of debt
27 service on a development to which the facilities relate. The
28 Authority may set from time to time the interest
29 rates and other terms and conditions at which it shall make
30 mortgage and other loans and may establish other terms
31 and conditions with respect to the making of such loans,
32 including the charging of fees or penalties for the late
33 payment of principal and interest on its loans. When the

1 loan by the Authority is for the purpose of providing
2 housing on a condominium or home ownership basis, sale of
3 the housing units by the nonprofit corporation or
4 limited-profit entity shall be to individual purchasers who
5 are persons or families of low or moderate income and
6 shall be subject to the approval of the Authority. Upon the
7 sale by the nonprofit corporation or limited-profit
8 entity of any housing unit to a low or moderate income
9 person, such housing unit shall be released from the
10 overall development mortgage running from the nonprofit
11 corporation or limited-profit entity to the Authority and,
12 as to such housing unit, the overall development mortgage
13 shall be replaced by an individual mortgage running from
14 the low or moderate income purchaser to the Authority. To
15 secure notes or bonds of the Authority in connection with
16 loans made pursuant to this Section for a development or
17 other facilities, the Authority may require or obtain for the
18 benefit of itself, the holders of the notes or bonds or their
19 trustee, mortgages, pledges, assignments, liens, letters
20 of credit, guarantees or other security interests or devices
21 from any persons or entities, whether or not the owner
22 of the development or facilities, and covering any
23 property, real or personal, tangible or intangible,
24 whether or not pertaining to the development or facilities.
25 When the Authority issues Affordable Housing Program
26 Trust Fund Bonds or Notes in connection with loans made
27 pursuant to this Section for financing low and very low
28 income residential housing as provided in the Illinois
29 Affordable Housing Act, to secure such bonds and notes, the
30 Authority, in addition to the other devices, security
31 interests, mortgages and rights provided by this Section
32 and other provisions of this Act, may pledge and grant rights
33 in Trust Fund Moneys as provided in Section 9 of the
34 Illinois Affordable Housing Act.

1 Section 35-15. The Authority may undertake and carry out
2 studies and analyses of housing needs within the State and
3 study ways of meeting such needs.

4 Section 35-20. The Authority may collect fees and
5 charges in connection with its housing loans, commitments
6 and servicing; and may provide technical assistance in the
7 development of housing for low and moderate income
8 persons and may charge and collect reasonable fees and
9 charges in connection with such assistance.

10 Section 35-25. The Authority may encourage research in
11 demonstration projects to develop new and better techniques
12 and methods for increasing the quality and supply of
13 housing for low and moderate income persons, and make
14 grants or loans, with or without interest, in connection
15 therewith.

16 Section 35-30. The Authority may acquire real property,
17 or any interest therein, by purchase, foreclosure or
18 otherwise; own, manage, operate, hold, clear, improve and
19 rehabilitate such real property; and sell, assign, exchange,
20 transfer, convey, lease, mortgage, or otherwise dispose of
21 or encumber such real property. Any acquisition of real
22 property, or an interest therein, or mortgage loan by
23 the Authority, shall be deemed an acquisition of real
24 property and shall be subject to the requirements of section
25 11-12-4.1 of the Illinois Municipal Code of 1961, as amended.

26 Section 35-35. The Authority may invest any funds
27 in mortgage participation certificates representing
28 undivided interests in specified, first-lien conventional
29 residential Illinois mortgages which are underwritten,
30 insured, guaranteed or purchased by the Federal Home Loan

1 Mortgage Corporation. The Authority may also invest any
2 funds in such investments as may be lawful for fiduciaries in
3 this State. The Authority may also invest any funds in such
4 investments as may be lawful for State or
5 nationally-chartered banks, State or federally-chartered
6 savings and loan associations or fiduciaries subject to the
7 Employee Retirement Income Security Act of 1974.

8 Section 35-40. The Authority may borrow money and issue
9 its negotiable notes and bonds and secure the payment
10 thereof by, among other things, the pledge, or assignment, or
11 grant of a lien on or security interest of mortgages and
12 notes of others, revenues derived from its operations and
13 loan repayments and other funds, if any, received by the
14 Authority, including, in connection with the issuance of
15 Affordable Housing Program Trust Fund Bonds or Notes, the
16 pledge of Trust Fund Moneys as provided in Section 9 of
17 the Illinois Affordable Housing Act. For purposes of this
18 Section and all other Sections of this Act, all references
19 to and use of the terms "bonds" or "notes" issued or to
20 be issued under this Act shall include reference to and
21 include within the meaning of the term, Illinois
22 Affordable Housing Program Trust Fund Bonds or Notes,
23 unless the reference or term expressly excludes such bonds or
24 notes.

25 Section 35-45. Subject to its covenants with its
26 noteholders and bondholders, the Authority may sell at
27 public or private sale, any mortgage or other obligation held
28 by the Authority.

29 Section 35-50. The Authority may consent, whenever it
30 deems it necessary or desirable in the fulfillment of the
31 purposes of this Act, to the modification, with

1 respect to rate of interest; time of payment or any
2 installment of principal or interest, or any other
3 terms, of any mortgage, mortgage loan, mortgage loan
4 commitment, other loan, contract or agreement of any kind to
5 which the Authority is a party.

6 Section 35-55. The Authority may make grants to
7 nonprofit corporations for operating, administrative and
8 other expenses of planning, constructing, rehabilitating
9 and operating developments under assisted or unassisted
10 mortgage financing programs and may make grants to
11 nonprofit corporations or limited-profit entities for the
12 benefit of residents of developments in order to achieve
13 lower rentals for some or all of the units within
14 developments financed under assisted or unassisted
15 mortgage financing programs.

16 Section 35-60. The Authority may act as the State land
17 development agency in the carrying out of new community
18 development programs and may issue notes and bonds for the
19 financing of land development complying with the
20 requirements for federal guarantees.

21 Section 35-65. The Authority may act as a
22 developer of land or structures to provide
23 developments, community facilities or housing related
24 commercial facilities. For that purpose it may utilize
25 its various powers, including without limitation,
26 acquiring, constructing, rehabilitating and equipping
27 developments and facilities, granting mortgages or other
28 security interests in them or disposing of them. It may be
29 a partner in a partnership or limited partnership, a
30 participant in joint ventures for that purpose and may
31 participate in the syndication of partnership interests

1 and may contribute funds in respect of its interests in
2 partnerships or joint ventures.

3 Section 35-70. (a) The Authority may acquire, and
4 contract and enter into advance commitments to acquire,
5 residential mortgages owned by lending institutions at
6 purchase prices and upon other terms and conditions
7 that are determined by the Authority. When acquiring those
8 mortgages and contracts, the Authority may give priority
9 consideration to contracts that include energy conservation
10 measures, including, but not limited to, solar energy
11 measures. The Authority may also give priority
12 consideration when the mortgagor was a domiciliary of
13 this State while serving on active duty in the military or
14 naval service of the United States at any time during the
15 period from August 1990 through August 1992 and was
16 stationed outside the United States and in the "Desert
17 Storm" theater of operations. The Authority may
18 establish rules and regulations under this subsection,
19 including provisions regarding energy conservation matters.

20 (b) The Authority may make and execute contracts
21 with lending institutions for the servicing of residential
22 mortgages acquired by the Authority under this Section and
23 pay the reasonable value of services rendered to the
24 Authority under those contracts.

25 (c) The Authority shall establish rules and
26 regulations for the purchase of mortgages under this Section
27 governing: the use that is to be made of amounts
28 received by the lending institutions upon the purchase of
29 mortgages by the Authority, including the proportion of
30 those amounts, if any, that are to be used by the institution
31 for making additional residential mortgages; the time
32 within which lending institutions must make commitments
33 and disbursements for residential mortgages, that time

1 for the making of commitments to be established by the
2 Authority; standards as to the number of dwelling units and
3 other characteristics of residences, the
4 construction, acquisition, improvement, or rehabilitation
5 of which is to be financed by residential mortgages made or
6 to be made by the lending institution; standards and
7 requirements as to the condition of residential mortgages to
8 be acquired by the Authority, the mortgagors under
9 those mortgages, and the representations and warranties of
10 the lending institutions in connection with that condition;
11 and any other matters related to those purchases or the
12 residential mortgages that are deemed relevant by the
13 Authority.

14 (d) The Authority shall require from each lending
15 institution from which residential mortgages are
16 purchased under this Section the submission of evidence
17 satisfactory to the Authority of compliance with the rules
18 and regulations of the Authority; in that connection, the
19 Authority may inspect the books and records of the lending
20 institution.

21 Section 35-75. (a) The Authority may make loans
22 to lending institutions under terms and conditions
23 which, in addition to other provisions as determined by the
24 Authority, shall require the lending institutions to use
25 a portion of the proceeds thereof for the making of
26 residential mortgages, or loans for housing related
27 commercial facilities, as the Authority shall specify, in
28 an aggregate principal amount equal to the amount of such
29 proceeds. When making loans from such proceeds for new
30 residential mortgages under this Section, priority
31 consideration may be given to loans which include energy
32 conservation measures including, but not limited to, solar
33 energy measures. The Authority may establish rules

1 and regulations pursuant to this subsection.

2 (b) The Authority shall establish rules and
3 regulations for the making of loans pursuant to this
4 Section governing: the time within which lending institutions
5 must make commitments and disbursements for new
6 residential mortgages, which time for the making of
7 commitments shall be established by the Authority; standards
8 as to the number of dwelling units and other
9 characteristics of residences, the construction,
10 acquisition, improvement or rehabilitation of which is to be
11 financed by new residential mortgages; restrictions as to
12 interest rate and other terms of residential mortgages or
13 the return realized therefrom by the lending institution;
14 the type and amount of collateral security to be provided by
15 lending institutions to assure repayment of loans from the
16 Authority; and any other matters related to such loans or
17 residential mortgages as shall be deemed relevant by the
18 Authority.

19 (c) The Authority shall require from each lending
20 institution receiving loans under this Section the
21 submission of evidence satisfactory to the Authority of
22 compliance with the rules and regulations of the
23 Authority and whatever documentation or evidence deemed
24 appropriate by the Authority; in connection therewith,
25 the Authority may inspect the books and records of such
26 lending institution.

27 Section 35-80. (a) The Authority may make, purchase, or
28 participate in loans, grants, or deferred payment loans to
29 persons and families of low and moderate income and to
30 not-for-profit and limited-profit entities for the benefit of
31 low and moderate income persons and families, to finance
32 the development, improvement or rehabilitation of
33 residential real property. When financing loans, grants, or

1 deferred payment loans under this Section, the Authority
2 may give priority to applications which include energy
3 conservation measures including, but not limited to, solar
4 energy systems.

5 (b) A loan or deferred payment loan under this
6 Section may be secured or unsecured as determined by the
7 Authority. A grant may be secured or unsecured as
8 determined by the Authority, and shall be made under
9 additional terms and conditions determined by the Authority.

10 (c) Loans under this Section may be in such principal
11 amounts, bear interest at such rates, have such other terms
12 and conditions and be repaid within such period as the
13 Authority may determine.

14 (d) Loans under this Section financed by Affordable
15 Housing Program Trust Fund Bonds or Notes or from Trust Fund
16 Moneys shall be restricted to the purposes and subject to the
17 limitations on use provided in the Illinois Affordable
18 Housing Act.

19 Section 35-85. The Authority shall prescribe by rule for
20 notification to affected parties and the A-95 agencies prior
21 to any commitment on any development. The Authority shall
22 report to the General Assembly no later than October 31, 1982
23 the status of such proposed rules.

24 Section 35-90. The Authority may issue or provide for
25 the issuance of trust certificates or other obligations
26 secured by or representing ownership in residential
27 mortgages, may transfer residential mortgages to trusts
28 to facilitate the issuance of such certificates or other
29 obligations and may enter into trust agreements with
30 respect to and providing for the securing of those
31 certificates or other obligations.

1 Section 35-95. (a) Not later than January 1, 1986,
2 the Authority shall establish rules and regulations
3 governing minimum energy efficiency standards in
4 developments financed by the Authority and such other
5 standards as may be deemed necessary by the Authority to
6 assess, evaluate and compare the energy efficiency of
7 current and proposed developments.

8 (b) After July 1, 1986, no commitment for
9 assisted mortgage financing shall be made by the Authority
10 for any new development unless the Authority certifies
11 compliance with the minimum energy efficiency standards
12 specified in its rules and regulations.

13 Section 35-100. The Authority may issue bonds or notes
14 for the purpose of financing single room occupancy
15 facilities for low income individuals or families. Such
16 facilities must be determined by the Authority to be
17 financially and operationally feasible, and such bond or note
18 issuances are subject to the normal rating agency and
19 financial market restrictions.

20 Section 35-105. (a) The Authority is hereby
21 designated the State Housing Credit Agency and is
22 charged with responsibility for administering low-income
23 housing tax credits allocated to the State under
24 Section 42 of the Internal Revenue Code of 1986, as amended.
25 In fulfilling its responsibilities as the State Housing
26 Credit Agency, the Authority is authorized to do all
27 acts authorized or required under Section 42 of the Internal
28 Revenue Code of 1986, as amended, and to:

29 (1) Establish a plan for allocation of low-income
30 housing tax credits (which plan shall be effective upon
31 the Governor's written approval) ; prepare application
32 forms for allocation of such tax credits; and make

1 allocation of such tax credits to eligible
2 individuals and corporations.

3 (2) Initiate marketing, education and
4 out-reach projects throughout the State to maximize
5 utilization of all available low-income housing tax
6 credits.

7 (3) Provide technical assistance and training
8 to local governments, including home rule
9 jurisdictions, to encourage coordination of local,
10 State and federal resources with the allocation of
11 low-income housing tax credits.

12 (4) Accept and allocate low-income housing tax
13 credits that may be transferred from Illinois home rule
14 jurisdictions.

15 (5) Assess fees to cover the costs of
16 allocating and administering the tax credits.

17 (b) Commencing in calendar year 1990, the aggregate
18 unused housing tax credit dollar amount of all home
19 rule jurisdictions available pursuant to Section 42 of the
20 Internal Revenue Code of 1986, as amended, shall be as of
21 June 1 of each calendar year reserved to the Authority for
22 allocation by the Authority in the same manner as the
23 Authority allocates low-income housing tax credits
24 allocated to the State; provided that this reservation
25 shall not apply to the housing tax credit amount of a city
26 with over 2,000,000 inhabitants. This amendatory Act of 1989
27 is intended to alter the allocation of low-income housing
28 tax credits to home rule units, other than a
29 municipality with over 2,000,000 inhabitants otherwise
30 conferred pursuant to Section 42 of the Internal Revenue Code
31 of 1986, as amended.

32 Section 35-110. The Authority may use its administrative
33 funds for loans or grants to finance the cost of

1 rehabilitating housing units for the homeless mentally
2 ill. For purposes of this Section, a person is
3 "homeless" if such person has no permanent or temporary
4 housing. The Authority shall, within 90 days after the
5 effective date of this amendatory Act of 1989, develop a plan
6 for making rehabilitated housing units financed by the
7 Authority available to the homeless mentally ill.

8 Section 35-115. In connection with the acquisition or
9 carrying of the Authority's investments, in connection
10 with issuances by the Authority of its bonds and notes for
11 purposes of the Authority's programs or in support of
12 its bonds and notes outstanding, or in connection with any
13 other of its corporate purposes, the Authority, for its own
14 benefit or for the benefit of the holders of notes or
15 bonds of the Authority or their trustee, may enter into rate
16 protection contracts and related credit enhancement or
17 liquidity agreements. The Authority shall enter into a rate
18 protection contract only pursuant to a determination that
19 the terms of the rate protection contracts and any related
20 agreements reduce the risk of loss to the Authority or
21 protect, preserve or enhance the value of its assets. The
22 determination may be made, and the terms and conditions
23 of any rate protection contract may be approved, by the
24 members or may be delegated by the members, in particular
25 cases or generally, to any 2 of the chairperson, the vice
26 chairperson, the director, the deputy director, the treasurer
27 or the assistant treasurer of the Authority. The
28 Authority's obligations under any rate protection
29 contract shall not be considered bonds or notes for
30 purposes of this Act.

31 Section 35-120. The Authority may offer non-recourse
32 reverse mortgage loans to qualified borrowers with the same

1 restrictions and requirements as prescribed in Section 6.1 of
2 the Illinois Banking Act. The Authority may seek funds
3 from the Federal Home Loan Bank of Chicago to fund
4 reverse mortgage loans made under this Section. Reverse
5 mortgage loans may be made under terms which qualify
6 the loans for purchase by the Federal National Mortgage
7 Association.

8 Section 35-125. A limited-profit entity which
9 receives loans from the Authority may not make
10 distributions in any one year with respect to a development
11 financed by the Authority in excess of 6% of its equity in
12 such development, except that the right to such
13 distribution shall be cumulative. This distribution
14 limitation may not be increased above 6% during the life of
15 the Authority's loan, whether the loan is outstanding on or
16 is made after the effective date of this amendatory Act of
17 1991, unless, by resolution of the members, the Authority
18 determines that an increase is necessary to preserve the
19 development as affordable to low and moderate income persons
20 and families or that an increase provides for the
21 creation of additional units of housing affordable to low
22 or moderate income persons and families in the development or
23 otherwise in this State. The equity in a development shall
24 consist of the difference between the amount of the mortgage
25 loan and the total cost of the development. The
26 total cost of the development shall include
27 construction or rehabilitation costs including job
28 overhead and a builder's and sponsor's profit and risk fee,
29 architectural, engineering, legal and accounting costs,
30 organizational expenses, land value, interest and
31 financing charges paid during construction, the cost of
32 landscaping and off-site improvements, whether or not such
33 costs have been paid in cash or in a form other than cash.

1 With respect to every development the Authority shall,
2 by resolution, establish the entity's equity at the time of
3 making of the final mortgage advance and, for purposes
4 of this paragraph, that figure shall remain constant during
5 the life of the Authority's loan with respect to such
6 development, unless adjusted pursuant to a resolution of the
7 members based on criteria set forth in the Authority's
8 rules or regulations. The Authority may, pursuant to its
9 rules or regulations, or pursuant to agreements with
10 persons to whom it makes mortgage or other loans, provide for
11 methods of limiting profits or cash flow or other
12 distributions available to the person. Such alternative
13 methods may include, without limitation, a limitation
14 which may vary from period to period based on changes in the
15 costs of borrowing money and may be changed from time to
16 time. Such alternative methods may be in lieu of the 6%
17 limitation as provided in this Section. With respect to
18 mortgage loans to limited profit entities, the
19 alternative method shall be such as shall, in the sole
20 judgment of the Authority, result in the lowest rents
21 consistent with attracting private enterprise to acquire,
22 construct, rehabilitate, operate and maintain the
23 development.

24 Section 35-130. With respect to mortgage loans for
25 developments financed by the issuance of the Authority's
26 bonds and notes and not covered under the Low-Income
27 Housing Preservation and Resident Homeownership Act of 1990
28 (12 U.S.C. 4101 et seq.) created by Title VI of
29 the Cranston-Gonzalez National Affordable Housing Act,
30 the owner may not make, and the Authority may not accept, a
31 prepayment of the mortgage loan except in accordance with
32 the provisions of this Section.

33 (a) For those developments covered under this

1 Section, the owner may make, and the Authority may accept, a
2 prepayment of the mortgage loan if the owner enters into
3 an agreement with the Authority to extend to the full term of
4 the mortgage loan the affordability restrictions on those
5 units affordable to low income persons and families or
6 create a comparable number of new units of housing
7 affordable for low income persons and families. As
8 used in this Section, "affordability restrictions" means
9 limits imposed by a federal or Authority regulation,
10 regulatory agreement or rent subsidy contract on tenant
11 rents, rent contributions, or income eligibility for
12 the development so as to require that the units be
13 affordable to low income persons and families.

14 (b) If the owner does not enter into the agreement
15 described in subsection (a), prior to the owner making
16 and the Authority accepting prepayment of the mortgage loan
17 on those developments covered by this Section the owner
18 shall provide notice to the tenants of the development of
19 the owner's intent to prepay the mortgage loan and the
20 tenants' rights under this Section. The notice shall be in a
21 form approved by the Authority and shall be delivered at
22 least 9 months prior to the date the owner intends to prepay
23 the mortgage loan.

24 (c) If the owner does not enter into the agreement
25 described in subsection (a) and intends to cause the
26 prepayment of the mortgage loan, the tenants shall have the
27 first right to purchase the development as follows:

28 (1) The tenants shall, within 60 days after the
29 date of the owner's notice under subsection (b), notify
30 the owner in writing that the tenants have formed
31 a tenant association and shall designate the name of
32 its representative. As used in this Section "tenant
33 association" means an association, corporation or
34 other organization that represents at least a majority

1 of the tenants in the development.

2 (2) After receiving notice from the tenants under
3 paragraph (1) of this subsection (c), the owners shall
4 provide a bona fide offer for sale of the development to
5 the tenant association which contains the essential
6 terms of the sale, including, at a minimum, the
7 following: the sale price; the terms of seller
8 financing, if any, including the amount, the interest
9 rate, and amortization rate; the terms of assumable
10 financing, if any, including the amount, interest rate,
11 and the amortization rate; and the proposed
12 improvements, if any, to the property to be made by
13 the owner in connection with the sale. The bona fide
14 offer for sale shall also state that within 30 days
15 after its receipt, the tenant association shall notify
16 the owner, in writing, of its intent to purchase the
17 development, which notice shall not create any legal
18 obligation other than under this Section. By this
19 notice the tenant association may designate a
20 not-for-profit corporation to act on its behalf to
21 purchase the development.

22 (3) The tenant association or its designee
23 shall, within 90 days after delivery of the notice of
24 intent to purchase under paragraph (2) of this
25 subsection (c), deliver to the owner and the owner shall
26 execute a purchase contract reflecting a sale price and
27 terms agreed to by the parties or the sale price
28 and terms determined as follows: If the owner and the
29 tenant association or its designee are unable to agree
30 to a sale price within the first 60 days of the 90
31 day period specified above, the sale price of the
32 development shall be based upon its fair market value at
33 its highest and best use minus any rehabilitation costs
34 or other costs required to convert the development

1 to that use, as determined by 2 independent
2 appraisers qualified to perform multi-family housing
3 appraisals. One appraiser shall be selected and paid by
4 the owner and the other shall be selected and paid by
5 the tenant association or its designee. If the
6 appraisers fail to agree upon a fair market value, the
7 owner and the tenant association or its designee shall
8 either jointly select and pay a third appraiser
9 whose appraisal shall be binding, or agree to take an
10 average of the 2 appraisals. All appraisers shall be
11 MAI certified. The determination of the sale price shall
12 be completed within the 90 day period specified
13 above.

14 (4) The tenant association or its designee shall
15 close on the sale of the development within 90 days after
16 the date the parties sign the contract to purchase.

17 (d) The provisions of this Section shall not apply to
18 any of the following: a government taking by eminent domain
19 or negotiated purchase; a forced sale pursuant to a
20 foreclosure; or a transfer by gift, devise or operation of
21 law.

22 (e) If the Authority determines, in its sole
23 discretion, that the tenants of the development failed to
24 form a tenant association as defined in this Section, or
25 that the tenant association or its designee failed to provide
26 notice to the owner of the formation of a tenant
27 association under paragraph (1) of subsection (c), failed
28 to provide notice to the owner of its intent to purchase
29 under paragraph (2) of subsection (c), failed to
30 provide a bona fide offer to purchase under paragraph (3) of
31 subsection (c), or failed to close on the development under
32 paragraph (4) of subsection (c), the owner may prepay the
33 mortgage loan and the Authority may accept the prepayment of
34 the mortgage loan.

1 (f) The owner and the tenant association or its
2 designee shall timely forward a copy of all notices required
3 under this Section to the Authority.

4 Section 35-135. The ratio of loan to development cost
5 and the amortization period of loans made by the Authority
6 shall be determined in accordance with regulations
7 formulated and published by the Authority.

8 Section 35-140. Prior to making a loan commitment for a
9 development under this Act, the Authority shall approve a
10 tenant selection plan submitted by the applicant for the
11 loan. The Authority shall formulate regulations from time to
12 time setting forth the criteria for tenant selection plans.
13 These criteria shall include income limits, which may vary
14 with the size and circumstances of the family unit of
15 tenants. The income limits shall be sufficiently flexible to
16 avoid undue economic homogeneity among the tenants of a
17 development. The Authority may formulate regulations from
18 time to time for the alteration of occupancies of tenants
19 who exceed established income limits. The tenant selection
20 plan shall specify how many units in the development shall be
21 held available for rentals to persons of low or moderate
22 income, as defined in this Act. In determining the number of
23 units which shall be so held available for rental to persons
24 of low or moderate income, the Authority shall require
25 that the number of dwelling units so held reserved for them
26 in each development shall not be less than the number
27 required by applicable federal and State law.

28 In connection with any mortgage loan for a
29 development, the Authority may enter into an agreement with
30 the owner of the development as a part of the loan
31 providing that as long as the loan remains outstanding or
32 such longer period as is set forth in the agreement, the

1 development shall be held available for such rentals.
2 Any such agreement shall, upon being recorded in the
3 manner provided for recording of deeds or registered
4 in the manner specified for registration of titles, be
5 binding upon any subsequent owners of the development as
6 provided by its terms.

7 Section 35-145. Among low or moderate income persons and
8 families, preference for occupancy in a development
9 financed under the Act shall be given to those persons and
10 families displaced from an urban renewal area, or as a result
11 of governmental action, or as a result of a major disaster,
12 in accordance with applicable regulations and procedures.

13 Section 35-150. In order to encourage developments
14 which are not economically homogeneous and to achieve
15 rent charges which will make units available to persons and
16 families of low income at low rentals, the Authority and a
17 mortgagor may use devices including, but not limited to:
18 direct rental assistance in the form of partial rent
19 subsidy from any county, municipal, State or federal
20 source; allocation of lower rents to less desirable
21 locations and apartments with less expensive facilities; and
22 the raising of rents in the majority of apartments in the
23 development in order to lower the rents of those in the
24 lower rent charge category. With respect to each
25 development the Authority shall, prior to initial occupancy,
26 allocate and prescribe the number of lower rental units and
27 the rents to be charged therefor. The allocation may be
28 reviewed and adjusted from time to time. The method of
29 achieving lower rental charges shall, in each instance, be
30 prescribed by the Authority.

31 Section 35-155. The Authority shall require that

1 occupancy of all housing financed or otherwise assisted
2 under this Act be open to all persons regardless of race,
3 national origin, religion, creed, sex, age or handicap
4 and that contractors and subcontractors engaged in the
5 construction or rehabilitation of such housing or any
6 housing related commercial facility, shall provide equal
7 opportunity for employment without discrimination as to race,
8 national origin, religion, creed, sex, age or handicap.

9 Section 35-160. Housing Bonds. The Authority may from
10 time to time issue its negotiable bonds and notes in
11 such principal amount, as, in the opinion of the Authority,
12 shall be necessary to provide sufficient funds for achieving
13 its corporate purposes, including the making of mortgage or
14 other loans for the acquisition, construction and
15 rehabilitation of housing to be occupied by low and
16 moderate income persons, for the acquisition, construction
17 and rehabilitation of community facilities as provided in
18 this Act and for the acquisition, construction and
19 rehabilitation of housing related commercial facilities; the
20 acquisition of land and land development; the purchase of
21 residential mortgages from lending institutions; the
22 making of loans to lending institutions; the payment of
23 interest on bonds and notes of the Authority; the
24 establishment of reserves to secure such bonds and notes; and
25 all other expenditures of the Authority incidental to and
26 necessary or convenient to carrying out its corporate
27 purposes and powers, including the reimbursement of the
28 Authority for expenditures made by it from other funds for
29 achieving its corporate purposes set forth in this Section.
30 The bonds and notes of the Authority may be issued as
31 general obligations of the Authority payable from such
32 revenues, funds and obligations of the Authority as
33 the resolution authorizing issuance of the bonds or notes

1 shall provide, or may be issued as limited obligations with a
2 claim for payment solely from such revenues, funds and
3 obligations as the resolution authorizing issuance of the
4 bonds or notes shall provide. The Authority is
5 specifically granted the power and authority to issue
6 Affordable Housing Program Trust Fund Bonds or Notes,
7 provided that the use of the proceeds thereof is subject to
8 the limitation provided in the Illinois Affordable Housing
9 Act. Except for such limitation and the dedication and
10 pledge of Trust Fund Moneys provided for in that Act,
11 Affordable Housing Program Trust Fund Bonds or Notes shall
12 be treated in all respects as, and shall be entitled to
13 all the benefits, rights, grants and authorizations in
14 respect of, bonds and notes issued pursuant and subject
15 to the provisions of this Act.

16 Section 35-165. The Authority may issue to persons
17 acquiring, improving or rehabilitating residences in
18 Illinois mortgage credit certificates (or such other
19 arrangements by which entities authorized to issue
20 qualified mortgage bonds under Section 143 of the Internal
21 Revenue Code may grant persons Federal income tax credits or
22 other advantages with respect to costs of residential
23 mortgages). The Authority shall have the authority to take
24 all steps, make all conditions and do all things necessary
25 in order so to issue such certificates or make such other
26 arrangements including, without limitation, establishing for
27 the State a qualified mortgage credit certificate program,
28 enforcing and carrying out that program, and giving notice
29 of the provisions of the program.

30 Section 35-170. The Authority shall create and establish
31 a special fund to secure the Housing Development Bonds
32 issued under this Act. The fund shall be designated as "the

1 housing capital reserve fund." The Authority shall pay into
2 the housing capital reserve fund:

3 (a) all moneys specifically appropriated, earmarked or
4 made available by gift, grant, or otherwise, from any
5 source, public or private, for the purposes of meeting
6 expenditures authorized from such fund;

7 (b) any proceeds of sale of notes or bonds, to the
8 extent provided in the resolution of the Authority
9 authorizing the issuance thereof;

10 (c) any moneys transferred into the fund by the
11 Authority from any other fund authorized by this Act,
12 in such amounts and at such times as the Authority deems
13 necessary for the purposes of this fund; and

14 (d) any other income or moneys available to the
15 Authority from any other source or sources for the purpose of
16 such fund.

17 All moneys held in the housing capital reserve fund,
18 except as hereinafter provided, shall be used solely
19 for the payment of the principal or annual sinking fund
20 payment of housing bonds of the Authority as the same
21 mature, the purchase of such bonds of the Authority, the
22 payment of interest on such bonds of the Authority or the
23 payment of any redemption premium required to be paid
24 when such bonds are redeemed prior to maturity. Moneys in
25 the housing capital reserve fund shall not be withdrawn at
26 any time in such amount as would reduce the amount of the
27 fund to less than the maximum amount of principal and
28 interest or annual sinking fund payment, whichever is less,
29 maturing and becoming due in any succeeding calendar year on
30 all housing bonds of the Authority then outstanding,
31 except for the purpose of paying principal of and
32 interest on such bonds of the Authority becoming due, whether
33 at maturity or by annual sinking fund payment, and for the
34 payment of which other moneys of the Authority are

1 not available.

2 For purposes of this Section the word "bonds" shall mean
3 only those bonds of the Authority issued for the purpose
4 of making mortgage loans to nonprofit corporations and
5 limited-profit entities to finance multi-family rental
6 and cooperative developments and designated as "Housing
7 Development Bonds" by the Authority.

8 Section 35-175. In computing the amount of the housing
9 capital reserve fund for the purposes of this Act, securities
10 in which all or a portion of the fund is invested
11 shall be valued at par, or if purchased at less than par,
12 at their cost to the Authority.

13 Section 35-180. The Authority is authorized to provide
14 to nonprofit corporations, housing corporations and
15 limited-profit entities such advisory, consultative
16 training and educational services as will assist them to
17 become owners of housing constructed or rehabilitated
18 under this Act. Advisory and education services may include,
19 but are not necessarily limited to, technical and
20 professional planning assistance, the preparation and
21 promulgation of organizational planning and development
22 outlines and guides, consultation services, training
23 courses, seminars and lectures, the preparation and
24 dissemination of newsletters and other printed materials
25 and the services of field representatives. The
26 Authority is also authorized to provide nonprofit
27 corporations, housing corporations and limited-profit
28 entities with advisory, consultative, technical, training
29 and educational services in the management of housing,
30 including but not limited to home management and training
31 and advisory services for the residents of housing so
32 as to promote efficient and harmonious management thereof.

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ARTICLE 40

HEALTH FACILITIES DEVELOPMENT

Section 40-5. The Authority shall have the following powers:

(a) To fix and revise from time to time and charge and collect rates, rents, fees and charges for the use of and for the services furnished or to be furnished by a project or other health facilities owned, financed or refinanced by the Authority or any portion thereof and to contract with any person, partnership, association or corporation or other body, public or private, in respect thereto; to coordinate its policies and procedures and cooperate with recognized health facility rate setting mechanisms which may now or hereafter be established.

(b) To establish rules and regulations for the use of a project or other health facilities owned, financed or refinanced by the Authority or any portion thereof and to designate a participating health institution as its agent to establish rules and regulations for the use of a project or other health facilities owned by the Authority undertaken for that participating health institution.

(c) To establish or contract with others to carry out on its behalf a health facility project cost estimating service and to make this service available on all projects to provide expert cost estimates and guidance to the participating health institution and to the Authority. In order to implement this service and, through it, to contribute to cost containment, the Authority shall have the power to require such reasonable reports and documents from health facility projects as may be required for this service and for the development of cost reports and guidelines. The Authority may appoint a Technical Committee on Health Facility Project Costs and Cost

1 Containment.

2 (d) To make mortgage or other secured or unsecured loans
3 to or for the benefit of any participating health
4 institution for the cost of a project in accordance with an
5 agreement between the Authority and the participating
6 health institution; provided that no such loan shall exceed
7 the total cost of the project as determined by the
8 participating health institution and approved by the
9 Authority; provided further that such loans may be made to
10 any entity affiliated with a participating health
11 institution if the proceeds of such loan are made available
12 to or applied for the benefit of such participating health
13 institution.

14 (e) To make mortgage or other secured or unsecured loans
15 to or for the benefit of a participating health institution
16 in accordance with an agreement between the Authority and
17 the participating health institution to refund
18 outstanding obligations, loans, indebtedness or advances
19 issued, made, given or incurred by such participating
20 health institution for the cost of a project; including the
21 function to issue bonds and make loans to or for the benefit
22 of a participating health institution to refinance
23 indebtedness incurred by such participating health
24 institution in projects undertaken and completed or for
25 other health facilities acquired prior to or after the
26 enactment of this Act when the Authority finds that such
27 refinancing is in the public interest, and either
28 alleviates a financial hardship of such participating
29 health institution, or is in connection with other
30 financing by the Authority for such participating health
31 institution or may be expected to result in a lessened
32 cost of patient care and a saving to third parties, including
33 government, and to others who must pay for care, or
34 any combination thereof; provided further that such loans may

1 be made to any entity affiliated with a participating
2 health institution if the proceeds of such loan are
3 made available to or applied for the benefit of such
4 participating health institution.

5 (f) To mortgage all or any portion of a project or
6 other health facilities and the property on which any such
7 project or other health facilities are located whether owned
8 or thereafter acquired, and to assign or pledge mortgages,
9 deeds of trust, indentures of mortgage or trust or
10 similar instruments, notes, and other securities of
11 participating health institutions to which or for the benefit
12 of which the Authority has made loans or of entities
13 affiliated with such institutions and the revenues therefrom,
14 including payments or income from any thereof owned or
15 held by the Authority, for the benefit of the holders of
16 bonds issued to finance such project or health facilities or
17 issued to refund or refinance outstanding
18 obligations, loans, indebtedness or advances of
19 participating health institutions as permitted by this
20 Act.

21 (g) To lease to a participating health institution
22 the project being financed or refinanced or other health
23 facilities conveyed to the Authority in connection with such
24 financing or refinancing, upon such terms and conditions as
25 the Authority shall deem proper, and to charge and
26 collect rents therefor and to terminate any such lease upon
27 the failure of the lessee to comply with any of the
28 obligations thereof; and to include in any such lease, if
29 desired, provisions that the lessee thereof shall have
30 options to renew the lease for such period or periods and at
31 such rent as shall be determined by the Authority or to
32 purchase any or all of the health facilities or that upon
33 payment of all of the indebtedness incurred by the Authority
34 for the financing of such project or health facilities or for

1 refunding outstanding obligations, loans, indebtedness or
2 advances of a participating health institution, then the
3 Authority may convey any or all of the project or such
4 other health facilities to the lessee or lessees
5 thereof with or without consideration.

6 (h) To make studies of needed health facilities that
7 could not sustain a loan were it made under this Act and to
8 recommend remedial action to the General Assembly; to do the
9 same with regard to any laws or regulations that prevent
10 health facilities from benefiting from this Act.

11 (i) To assist the Department of Commerce and
12 Community Affairs to establish and implement a program to
13 assist health facilities to identify and arrange financing
14 for energy conservation projects in buildings and facilities
15 owned or leased by health facilities.

16 (j) To assist the Department of Human Services
17 in establishing a low interest loan program to help child
18 care centers and family day care homes serving children of
19 low income families under Section 22.4 of the Children and
20 Family Services Act.

21 Section 40-10. By means of this Act it is the intent
22 of the General Assembly to provide a measure of
23 assistance and alternative methods of financing to
24 participating health institutions to aid them in providing
25 needed health facilities that will assure admission and
26 care of high quality to all who need it and in dealing with
27 the cash requirements of such facilities, whether resulting
28 from capital expenditures, operating expenditures, delays
29 in the receipt of payments for services or otherwise.

30 Section 40-15. The Authority is authorized and
31 empowered to acquire, directly or by and through a
32 participating health institution as its agent, by purchase

1 solely from funds provided under the authority of this
2 Act, or by gift or legacy, such lands, structures, property,
3 real or personal, rights, rights-of-way, franchises,
4 easements and other interests in lands, including lands
5 lying under water and riparian rights, which are located
6 within the State as it may deem necessary or convenient
7 for the construction or operation of a project, upon such
8 terms and at such prices as may be considered by it to be
9 reasonable and can be agreed upon between it and the owner
10 thereof, and to take title thereto in the name of the
11 Authority or in the name of a participating health
12 institution as its agent.

13 Section 40-20. It is the intent and purpose of this Act
14 that the exercise by the Authority of the powers granted
15 to it shall be in all respects for the benefit of the people
16 of this state to assist them to provide needed health
17 facilities of the number, size, type, distribution, and
18 operation that will assure admission and care of
19 high-quality to all who need it. To this end, the Authority
20 is charged with the responsibility to identify and
21 study all projects which are determined by health planning
22 agencies to be needed but which could not sustain a loan were
23 such to be made to it under this Act. The Authority shall,
24 following such study, formulate and recommend to the
25 General Assembly, such amendments to this and other Acts,
26 and such other specific measures as grants, loan
27 guarantees, interest subsidies or other actions as may be
28 provided for by the state which actions would render the
29 construction and operation of such needed health facility
30 feasible and in the public interest. Further, the
31 Authority is charged with responsibility to identify and
32 study any laws or regulations which it finds handicaps or
33 bars a needed health facility from participating in the

1 benefits of this Act and to recommend to the General Assembly
2 such actions as will remedy such situation.

3 Section 40-25. The Authority shall fix, revise, charge
4 and collect rents for the use of each health facility owned
5 by the Authority and contract with any person, partnership,
6 association or corporation, or other body, public or private,
7 in respect thereof. Each lease entered into by the
8 Authority with a participating health institution and each
9 agreement, note, mortgage or other instrument evidencing
10 the obligations of a participating health institution to
11 the Authority shall provide that the rents or principal,
12 interest and other charges payable by or for the benefit of
13 the participating health institution or the process of
14 accounts receivable purchased by the Authority from the
15 participating health institution shall be sufficient at all
16 times, (a) to pay its share of the administrative costs
17 and expenses of the Authority, (b) to pay the cost of
18 maintaining, repairing and operating the project and
19 other related health facilities and each and every portion
20 thereof, (c) to pay the principal of, the premium, if any,
21 and the interest on outstanding bonds of the Authority
22 issued in respect of such project as the same shall become
23 due and payable, and (d) to create and maintain reserves
24 which may but need not be required or provided for in the
25 bond resolution relating to such bonds of the Authority. The
26 Authority shall pledge the revenues derived and to be derived
27 from a project or other related health facilities or from
28 a participating health institution or an affiliate thereof
29 for the purposes specified in (a), (b), (c) and (d) of the
30 preceding sentence and additional bonds may be issued which
31 may rank on a parity with other bonds relating to the
32 project to the extent and on the terms and conditions
33 provided in the bond resolution. Such pledge shall be

1 valid and binding from the time when the pledge is made; the
2 revenues so pledged by the Authority shall immediately be
3 subject to the lien of such pledge without any physical
4 delivery thereof or further act and the lien of any
5 such pledge shall be valid and binding as against all
6 parties having claims of any kind in tort, contract or
7 otherwise against the Authority, irrespective of whether
8 such parties have notice thereof. Neither the bond
9 resolution nor any financing statement, continuation
10 statement or other instrument by which a pledge is created or
11 by which the Authority's interest in revenues is assigned
12 need be filed or recorded in any public records in order to
13 perfect the lien thereof as against third parties except that
14 a copy of the bond resolution shall be filed in the
15 records of the Authority and with the Secretary of State.

16 Section 40-30. It is intended that all private health
17 facilities in this State be enabled to benefit from and
18 participate in the provisions of this Act. To this end, all
19 private health facilities operating, or authorized to
20 be operated, under any statute of this State are
21 authorized and empowered to undertake projects, as defined
22 in this Act, and to utilize the financing sources and methods
23 of repayment provided by this Act, the provisions of
24 any other laws to the contrary notwithstanding.
25 Notwithstanding the provisions of any other law to the
26 contrary, the State of Illinois and any political
27 subdivision, agency, instrumentality, district or
28 municipality thereof owning or operating any health
29 facility is hereby authorized to take all actions necessary
30 or appropriate and to execute and deliver any and all
31 evidences of indebtedness and agreements, including loan
32 agreements, leases and agreements providing for credit
33 enhancement, as may be necessary to permit such

1 publicly owned health facility to avail itself of the
2 provisions of this Act. Any evidence of indebtedness or
3 agreement entered into by the State or any political
4 subdivision, agency, instrumentality, district or
5 municipality thereof pursuant to this Act may provide for the
6 payment of interest at such rate or rates as shall be
7 determined by the issuer thereof or obligor thereunder and
8 may be issued or entered into without referendum approval;
9 provided, that this Act shall not be deemed to be
10 independent authority for levy of any taxes to pay an
11 obligation owing from the State or any political
12 subdivision, agency, instrumentality, district or
13 municipality thereof and arising hereunder or incurred in
14 connection with a financing pursuant hereto.

15 ARTICLE 45

16 AUTHORITY DEBTS, CONTRACTS AND REPORTS

17 Section 45-5. The Authority may not have outstanding at
18 any one time bonds for any of its corporate purposes in an
19 aggregate principal amount exceeding \$28,000,000,000,
20 excluding bonds issued by the Authority to refund the bonds
21 of the Authority or bonds of the Predecessor Authorities.

22 Section 45-10. The Authority may issue a single bond
23 issue pursuant to this Act for a group of industrial
24 projects, a group of corporations or a group of business
25 entities, a group of units of local government or other
26 borrowers or any combination thereof. A bond issue for
27 multiple projects as provided in this Section shall be
28 subject to all requirements for bond issues as established by
29 this Act.

30 Section 45-15. In order to preserve and protect the

1 general obligation of bonds issued by the Illinois Housing
2 Development Authority ("IHDA") prior to its consolidation
3 into the Authority, the administrative fund and any other
4 funds of IHDA in existence on the effective date of this Act
5 not pledged to the repayment of bonds other than IHDA's
6 general obligation bonds shall be segregated apart from all
7 other funds of the Authority and available solely for payment
8 of IHDA's general obligation bonds assumed by the Authority
9 and any general obligation bonds for housing purposes issued
10 by the Authority and for activities of the Authority in
11 connection with housing.

12 Section 45-20. The Authority may maintain an office or
13 branch office anywhere in the State, and may utilize, without
14 the payment of rent, any office facilities which the State
15 may conveniently make available to it.

16 Section 45-25. The Authority shall not have power to
17 levy taxes for any purpose whatsoever.

18 Section 45-30. The Authority shall not incur any
19 obligations for salaries, office or other administrative
20 expenses prior to the making of appropriations to meet such
21 expenses. Interest earned from investments of any funds of
22 the Authority and repayments of principal of such investments
23 shall be available for appropriation by the Board for the
24 corporate purposes of the Authority.

25 Section 45-35. The State and all counties, cities,
26 villages, incorporated towns and other municipal
27 corporations, political subdivisions and public bodies, and
28 public officers of any thereof, all banks, bankers, trust
29 companies, savings banks and institutions, building and loan
30 associations, savings and loan associations, investment

1 companies and other persons carrying on a banking business,
2 all insurance companies, insurance associations and other
3 persons carrying on an insurance business and all executors,
4 administrators, guardians, trustees and other fiduciaries may
5 legally invest any sinking funds, moneys or other funds
6 belonging to them or within their control in any bonds or
7 evidences of indebtedness issued pursuant to this Act or
8 issued by the Predecessor Authorities, it being the purpose
9 of this section to authorize the investment in such bonds or
10 evidences of indebtedness of all sinking, insurance,
11 retirement, compensation, pension and trust funds, whether
12 owned or controlled by private or public persons or officers;
13 provided, however, that nothing contained in this section may
14 be construed as relieving any person from any duty of
15 exercising reasonable care in selecting securities for
16 purchase or investment.

17 Section 45-40. Under no circumstances shall any bonds or
18 other evidences of indebtedness issued by the Authority or
19 the Predecessor Authorities under this Act or under any other
20 law be or become an indebtedness or obligation of the State
21 of Illinois, within the purview of any constitutional
22 limitation or provision, and it shall be plainly stated on
23 the face of each bond or other evidence of indebtedness that
24 it does not constitute such an indebtedness or obligation but
25 is payable solely from the revenues or income of the
26 Authority.

27 Section 45-45. The Authority shall appoint a secretary
28 and treasurer, who may, but need not, be a member or members
29 of the Authority to hold office during the pleasure of the
30 Authority. Before entering upon the duties of the respective
31 offices such person or persons shall take and subscribe to
32 the constitutional oath of office, and the treasurer shall

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

17 All funds of the Authority, including without limitation,
18 grants or loans from the federal government, the State or any
19 agency or instrumentality thereof, fees, service charges,
20 interest or other investment earnings on its funds, payments
21 of principal of and interest on loans of its funds and
22 revenue from any other source, except funds the application
23 of which is otherwise specifically provided for by
24 appropriation, resolution, grant agreement, lease agreement,
25 loan agreement, indenture, mortgage or trust agreement or
26 other agreement, may be held by the Authority in its treasury
27 and be generally available for expenditure by the Authority
28 for any of the purposes authorized by this Act. In
29 addition to investments authorized by Section 2 of "An Act
30 relating to certain investments of public funds by public
31 agencies", approved July 23, 1943, as amended, funds of the
32 Authority may be invested in (a) obligations issued by any
33 State, unit of local government or school district which
34 obligations are rated at the time of purchase by a national

1 rating service within the two highest rating classifications
2 without regard to any rating refinement or gradation by
3 numerical or other modifier, or (b) equity securities of an
4 investment company registered under the Investment Company
5 Act of 1940 whose sole assets, other than cash and other
6 temporary investments, are obligations which are eligible
7 investments for the Authority, provided that not more than
8 20% of the assets of the investment company may consist of
9 unrated obligations of the type described in clause (a) which
10 the Board of Directors of the investment company has
11 determined to be of comparable quality to rated obligations
12 described in clause (a).

13 Funds appropriated by the General Assembly to the
14 Authority shall be held in the State Treasury unless this Act
15 or the act making the appropriation specifically states that
16 the monies are to be held in or appropriated to the
17 Authority's treasury.

18 Such funds as are authorized to be held in the
19 Authority's treasury and deposited in any bank or savings and
20 loan association and placed in the name of the Authority
21 shall be withdrawn or paid out only by check or draft upon
22 the bank or savings and loan association, signed by the
23 treasurer and countersigned by the Chairperson of the
24 Authority. The Authority may designate any of its members or
25 any officer or employee of the Authority to affix the
26 signature of the Chairperson and another to affix the
27 signature of the treasurer to any check or draft for payment
28 of salaries or wages and for payment of any other obligations
29 of not more than \$2,500.

30 In case any officer whose signature appears upon any
31 check or draft, issued pursuant to this Act, ceases to hold
32 his office before the delivery thereof to the payee, his
33 signature nevertheless shall be valid and sufficient for all
34 purposes with the same effect as if he had remained in office

1 until delivery thereof.

2 No bank or savings and loan association shall receive
3 public funds as permitted by this Section, unless it has
4 complied with the requirements established pursuant to
5 Section 6 of "An Act relating to certain investments of
6 public funds by public agencies", approved July 23, 1943, as
7 now or hereafter amended.

8 Section 45-50. (a) No member, officer, agent, or
9 employee of the Authority shall, in his or her own name or in
10 the name of a nominee, be an officer or director or hold an
11 ownership interest of more than 7 1/2% in any person,
12 association, trust, corporation, partnership, or other entity
13 that is, in its own name or in the name of a nominee, a party
14 to a contract or agreement upon which the member, officer,
15 agent, or employee may be called upon to act or vote.

16 (b) With respect to any direct or any indirect interest,
17 other than an interest prohibited in subsection (a), in a
18 contract or agreement upon which the member, officer, agent,
19 or employee may be called upon to act or vote, a member,
20 officer, agent, or employee of the Authority shall disclose
21 the interest to the secretary of the Authority before the
22 taking of final action by the Authority concerning the
23 contract or agreement and shall so disclose the nature and
24 extent of the interest and his or her acquisition of it, and
25 those disclosures shall be publicly acknowledged by the
26 Authority and entered upon the minutes of the Authority. If
27 a member, officer, agent, or employee of the Authority holds
28 such an interest, then he or she shall refrain from any
29 further official involvement in regard to the contract or
30 agreement, from voting on any matter pertaining to the
31 contract or agreement, and from communicating with other
32 members of the Authority or its officers, agents, and
33 employees concerning the contract or agreement.

1 Notwithstanding any other provision of law, any contract or
2 agreement entered into in conformity with this subsection (b)
3 shall not be void or invalid by reason of the interest
4 described in this subsection, nor shall any person so
5 disclosing the interest and refraining from further official
6 involvement as provided in this subsection be guilty of an
7 offense, be removed from office, or be subject to any other
8 penalty on account of that interest.

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

12 Section 45-55. The fiscal year for the Authority shall
13 commence on the first of July. As soon after the end of each
14 fiscal year as may be expedient, the Authority shall cause to
15 be prepared and printed a complete report and financial
16 statement of its operations and of its assets and
17 liabilities. A reasonably sufficient number of copies of such
18 report shall be printed for distribution to persons
19 interested, upon request, and a copy thereof shall be filed
20 with the Governor, the Secretary of State, the State
21 Comptroller, the Secretary of the Senate and the Chief Clerk
22 of the House of Representatives.

23 Section 45-60. For the purposes of the Illinois
24 Securities Law of 1953, bonds issued by the Authority shall
25 be deemed to be securities issued by a public instrumentality
26 of the State of Illinois.

27 Section 45-65. Tax Exemption. The exercise of the
28 powers granted in this Act are in all respects for the
29 benefit of the people of Illinois and in consideration
30 thereof the bonds issued by the Authority for units of local
31 government pursuant to Article 20 of this Act issued in total

1 principal amount per issue not to exceed \$10,000,000 shall be
2 free from all taxation by the State or its political
3 subdivisions, except for estate, transfer and inheritance
4 taxes. For purposes of Section 250 of the Illinois Income
5 Tax Act, the exemption of the income from such bonds shall
6 terminate after all of the bonds have been paid. The amount
7 of such income that shall be added and then subtracted on the
8 Illinois income tax return of a taxpayer, pursuant to Section
9 203 of the Illinois Income Tax Act, from federal adjusted
10 gross income or federal taxable income in computing Illinois
11 base income shall be the interest net of any bond premium
12 amortization. The tax exemptions of outstanding bonds issued
13 by the Predecessor Authorities pursuant to Sections of the
14 enabling Acts of the Predecessor Authorities applicable to
15 those bonds when issued shall remain valid and continue to be
16 recognized by the State until final payment of those bonds,
17 notwithstanding the repeal of the enabling Acts of the
18 Predecessor Authorities.

19 ARTICLE 50

20 MISCELLANEOUS

21 Section 50-5. Severability. If any provision of this
22 Act is held invalid, such provision shall be deemed to be
23 excised and the invalidity thereof shall not affect any of
24 the other provisions of this Act. If the application of any
25 provision of this Act to any person or circumstance is held
26 invalid, it shall not affect the application of such
27 provision to such persons or circumstances other than those
28 as to which it is held invalid.

29 Section 50-10. Tax avoidance. Notwithstanding any
30 other provision of law, the Authority shall not enter into
31 any agreement providing for the purchase and lease of

1 tangible personal property that results in the avoidance
2 of taxation under the Retailers' Occupation Tax Act, the Use
3 Tax Act, the Service Use Tax Act, or the Service Occupation
4 Tax Act, without the prior written consent of the Governor.

5 Section 50-15. Transfer of functions from previously
6 existing authorities to the Illinois State Finance Authority.
7 The Illinois State Finance Authority created by the Illinois
8 State Finance Authority Act shall succeed to, assume and
9 exercise all rights, powers, duties and responsibilities
10 formerly exercised by the following Authorities and entities
11 (herein called the "Predecessor Authorities") prior to the
12 abolition of the Predecessor Authorities by this Act:

- 13 Illinois Development Finance Authority
- 14 Illinois Housing Development Authority
- 15 Illinois Student Assistance Commission
- 16 Illinois Farm Development Authority
- 17 Illinois Health Facilities Authority
- 18 Illinois Educational Facilities Authority
- 19 Illinois Community Development Finance Corporation
- 20 Illinois Rural Bond Bank
- 21 Joliet Arsenal Development Authority
- 22 Illinois Research Park Authority
- 23 Quad Cities Regional Economic Development Authority
- 24 Southwestern Illinois Development Authority
- 25 Tri-County River Valley Development Authority
- 26 Upper Illinois River Valley Development Authority
- 27 Will-Kankakee Regional Development Authority
- 28 State Park Revenue Bond Commission

29 All books, records, papers, documents and pending
30 business in any way pertaining to the Predecessor Authorities
31 are transferred to the Illinois State Finance Authority, but
32 any rights or obligations of any person under any contract
33 made by, or under any rules, regulations, uniform standards,

1 criteria and guidelines established or approved by, such
2 Predecessor Authorities shall be unaffected thereby. All
3 bonds, notes or other evidences of indebtedness outstanding
4 on the effective date of this Act shall be unaffected by the
5 transfer of functions to the Illinois State Finance
6 Authority. No rule, regulation, standard, criteria or
7 guideline promulgated, established or approved by the
8 Predecessor Authorities pursuant to an exercise of any right,
9 power, duty or responsibility assumed by and transferred to
10 the Illinois State Finance Authority shall be affected by
11 this Act, and all such rules, regulations, standards,
12 criteria and guidelines shall become those of the Illinois
13 Finance Authority until such time as they are amended or
14 repealed by the Illinois Finance Authority.

15 Section 50-20. Any reference in statute, in rule, or
16 otherwise to the following entities is a reference to the
17 Illinois State Finance Authority created by this Act:

- 18 The Illinois Development Finance Authority.
- 19 The Illinois Farm Development Authority.
- 20 The Illinois Health Facilities Authority.
- 21 The Illinois Housing Development Authority.
- 22 The Illinois Research Park Authority.
- 23 The Illinois Rural Bond Bank.
- 24 The State Parks Revenue Bond Commission.
- 25 The Joliet Arsenal Development Authority.
- 26 The Quad Cities Regional Economic Development Authority.
- 27 The Southwestern Illinois Development Authority.
- 28 The Tri-County River Valley Development Authority.
- 29 The Upper Illinois River Valley Authority.
- 30 The Will-Kankakee Regional Development Authority.
- 31 The Illinois Student Assistance Commission.
- 32 The Illinois Educational Facilities Authority.
- 33 The Illinois Community Development Finance Corporation.

1 Section 50-25. Any reference in statute, in rule, or
2 otherwise to the Prairie State 2000 Authority is a reference
3 to the Department of Commerce and Community Affairs.

4 Section 50-30. Any reference in statute, in rule, or
5 otherwise to the following Acts is a reference to this Act:

6 The Illinois Development Finance Authority Act.

7 The Illinois Farm Development Act.

8 The Illinois Health Facilities Authority Act.

9 The Illinois Housing Development Act.

10 The Illinois Research Park Authority Act.

11 The Rural Bond Bank Act.

12 The State Parks Revenue Bond Act.

13 The Joliet Arsenal Development Authority Act.

14 The Quad Cities Regional Economic Development
15 Authority Act.

16 The Southwestern Illinois Development Authority Act.

17 The Tri-County River Valley Development Authority Act.

18 The Upper Illinois River Valley Development
19 Authority Act.

20 The Will-Kankakee Development Authority Law.

21 The Higher Education Student Assistance Act.

22 The Illinois Educational Facilities Authority Act.

23 The Illinois Community Development Finance Corporation Act.

24 Section 50-35. Any reference in statute, in rule, or
25 otherwise to the Prairie State 2000 Authority Act is a
26 reference to Section 605-455 of the Department of Commerce
27 and Community Affairs Law of the Civil Administrative Code of
28 Illinois.

29 ARTICLE 900

30 AMENDATORY PROVISIONS

1 Section 900. The Department of Commerce and Community
2 Affairs Law of the Civil Administrative Code of Illinois is
3 amended by adding Section 605-455 as follows:

4 (20 ILCS 605/605-455 new)

5 Sec. 605-455. Educational and vocational training.

6 (a) As of the effective date of this amendatory Act of
7 the 92nd General Assembly, the Department of Commerce and
8 Community Affairs shall assume all rights, obligations and
9 liabilities previously held by the Prairie State 2000
10 Authority. The Department shall take possession of all
11 funds, books, records, office equipment and any other
12 property, which was owned or possessed by the Authority.

13 (b) Declaration of findings and purpose.

14 (1) The General Assembly finds that:

15 (A) the State of Illinois possesses a highly
16 talented, conscientious and industrious labor force,
17 unmatched by any other state or nation;

18 (B) substantial changes being experienced in
19 all economic sectors and the rapid growth of
20 industries which employ new technologies have caused
21 severe economic and employment dislocations in this
22 State;

23 (C) such dislocations have caused substantial
24 hardships for all people of the State of Illinois;

25 (D) there exists a large surplus of workers
26 throughout the State who are ready, willing and able
27 to work but who lack the appropriate skills to
28 perform the specialized tasks for modern business
29 and industry;

30 (E) a significant barrier to re-employment and
31 new employment is the financial cost of
32 participation in high quality technical and
33 educational programs which will qualify an

1 individual for modern employment opportunities;

2 (F) a substantial impediment to attracting new
3 businesses and to encouraging the modernization of
4 existing businesses in Illinois has been the
5 shortage of workers who can perform the specialized
6 tasks required by the new technologies of modern
7 business;

8 (G) it is the duty and responsibility of the
9 State to offer educational and vocational training
10 opportunities to its citizens.

11 (2) The General Assembly declares it is the policy
12 of the State of Illinois to encourage continuing
13 educational, technical and vocational training by
14 providing a source of assistance to individuals who wish
15 to improve their skills, talent and education and by
16 providing training grants and loans to employers who are
17 retraining workers threatened with layoff or who are
18 increasing the number of jobs available to Illinois
19 workers, are expanding the tax base in Illinois or are
20 increasing Illinois exports.

21 (3) The purpose of this Section is to establish
22 employment training programs which foster job creation,
23 reduce employer unemployment costs, and meet the needs of
24 the economy for skilled workers by providing job-linked
25 training for unemployment insurance claimants and
26 potentially displaced workers who could become such
27 claimants.

28 (c) Benefits - Generally.

29 (1) All benefits provided by this Section shall be
30 in the form of tuition or educational fee vouchers
31 redeemable by a qualified educational or vocational
32 training institution for reimbursable services performed
33 by the institution on behalf of the individual presenting
34 the voucher.

1 (2) Each tuition or educational fee voucher shall
2 state on its face the value of such voucher and the
3 conditions to be met for partial or full redemption.

4 (3) Each tuition or education fee voucher shall
5 refer to all provisions, rules and regulations governing
6 the proper use of such voucher and all penalties which
7 may result in the event such voucher is not used in
8 accordance with such provisions, rules and regulations.

9 (d) Qualification for Benefits. An individual is
10 entitled to receive benefits under this Section if it is
11 determined that:

12 (1) the individual is (A) within a benefit year as
13 defined in the Unemployment Insurance Act or has been
14 employed as defined under Section 206 of the Unemployment
15 Insurance Act a minimum of 3 of the 10 years previous to
16 the date of an application for benefits; or (B) employed
17 but is in need of additional skills for continued
18 employment and would be determined to meet the
19 requirements of the Unemployment Insurance Act to
20 establish a benefit year if such individual became
21 unemployed through a lack of suitable work opportunities;
22 or (C) certified to be a dislocated worker under the
23 federal Job Training Partnership Act or any successor
24 federal Act;

25 (2) the individual has enrolled in a job-linked
26 program at a qualified institution, which program has
27 been certified by the Director as eligible for
28 reimbursement through issuance of vouchers from the
29 Prairie State 2000 Fund; and established vocational goals
30 directed toward the acquisition of marketable skills
31 relevant to current local labor market needs by means of
32 individual or multi-course programs which may contain
33 either remedial or academic components; and

34 (3) the individual has not been issued vouchers in

1 the maximum amount authorized under Section 50 within the
2 24 months previous to the pending determination that he
3 or she is eligible for receipt of benefits under this
4 Section and the individual is not receiving funds for a
5 job training program under the federal Job Training
6 Partnership Act.

7 (e) Amount of Benefits.

8 (1) An individual who claims benefits under this
9 Section, who is determined to be entitled to receive
10 benefits under the provisions of paragraphs (2) and (3)
11 and item (A) of paragraph (1) of subsection (d), or is
12 certified to be a dislocated worker under the federal Job
13 Training Partnership Act, may receive vouchers, the
14 aggregate value of which for the 12 months commencing on
15 the first day of the week when such claim is made shall
16 not exceed the aggregate costs for tuition and
17 educational fees eligible for payment under rules of the
18 Director, but in no event shall the aggregate value of
19 the vouchers to be issued together with all such vouchers
20 issued within the 24 months previous to the determination
21 exceed \$2000.

22 (2) An individual who claims benefits under this
23 Section and who has been determined to be qualified for
24 benefits under paragraphs (2) and (3) and item (B) of
25 paragraph (1) of subsection (d) may receive vouchers, the
26 aggregate value of which for the 12 months commencing on
27 the first day of the week during which a claim is made
28 shall not exceed 1/2 the aggregate costs for tuition or
29 other educational fees eligible for payment under rules
30 of the Director, but in no event shall the aggregate
31 value of the vouchers to be issued together with all such
32 vouchers issued within the 24 months previous to the
33 determination exceed \$1000.

34 (3) No person shall be entitled to receive vouchers

1 under this Section unless funds have been appropriated or
2 otherwise made available for such purposes during the
3 fiscal year. In the event adequate funds are not
4 available to meet all training applications pending
5 approval by the Director on a current basis, priority
6 shall be given to those applicants who are unemployed
7 over those applicants who are employed but
8 inappropriately skilled.

9 (4) A voucher is deemed to be received by the
10 individual making a claim for benefits under this Section
11 at the time the Director delivers such voucher to the
12 institution providing qualified educational or vocational
13 training services. Delivery of a voucher by the Director
14 to an institution is the same as though the individual on
15 whose behalf the voucher is made delivered such voucher
16 himself. A voucher may not be issued for any qualified
17 claim after 52 weeks from the first day of the week
18 during which such claim is made and for educational or
19 vocational training services, which are not completed
20 before 92 weeks after the first day of the week during
21 which such claim is made.

22 (5) An individual who is receiving benefits under
23 this Section, the amount of which is determined by
24 paragraph (2) of this subsection, is eligible to receive
25 benefits in the amount determined under paragraph (1) of
26 this subsection on the condition that the individual has
27 established a benefit year as determined under the
28 Unemployment Insurance Act and has been unemployed for
29 not fewer than 4 consecutive weeks during such benefit
30 year or is certified to be a dislocated worker under the
31 federal Job Training Partnership Act, and on the further
32 condition that the amount of benefits determined under
33 paragraph (1) of this subsection shall be reduced by the
34 amount of benefits which the individual has received

1 under paragraph (2) of this subsection for any qualified
2 claim made under paragraphs (2) and (3) and subparagraph
3 (B) of paragraph (1) of subsection (d) within the 24
4 months preceding the date on which the individual is
5 determined to be eligible for benefits under paragraphs
6 (2) and (3) and subparagraph (A) of paragraph (1) of
7 subsection (d).

8 (6) An individual who has received benefits under
9 this Section, the amount of which was determined under
10 paragraph (1) of this subsection is not eligible to
11 receive benefits in the amount determined under paragraph
12 (2) of this subsection until such individual is qualified
13 to receive benefits under paragraphs (2) and (3) and
14 subparagraph (B) of paragraph (1) of subsection (d).

15 (f) Utilization of Benefits.

16 (1) An individual determined to be entitled to
17 benefits under this Section shall apply such benefits
18 toward defraying the cost of qualified job-linked
19 educational or vocational training programs which will
20 help to qualify the individual for more advanced work in
21 the same occupational field or for work in some other
22 occupational field.

23 (2) Upon becoming admitted to a qualified
24 job-linked educational or vocational training program,
25 such individual may cause the institution which operates
26 such program to notify the Director of the individual's
27 admission, the cost of participation in such program, the
28 courses of instruction which comprise such program and
29 the term periods of such program.

30 (3) Upon receiving the notice described in
31 paragraph (2), and conducting any other investigations it
32 determines are necessary to make certain such individual
33 is qualified and has been admitted in a qualified
34 educational or vocational training program, the Director

1 shall immediately issue a voucher in the appropriate
2 amount. Such voucher shall be delivered to the
3 institution providing such qualified vocational training
4 program. A copy of such voucher shall be delivered to the
5 individual receiving benefits under this Section. Upon
6 receipt of the voucher, the institution shall deliver the
7 voucher to the State Comptroller who shall draw his
8 warrant on the State Treasurer for payment from the Fund
9 to the educational or vocational training institution.

10 (g) Qualification of Training Programs. The Director
11 shall, at the beginning of each calendar quarter, publish a
12 list of qualified training courses, training programs and
13 training providers, including all such training approved in
14 accordance with the federal Job Training Partnership Act, or
15 item 5 of paragraph C of Section 500 of the Unemployment
16 Insurance Act, or approved as an apprenticeship training
17 program by the Illinois Department of Employment Security.
18 Such training shall be provided by an educational or
19 vocational training institution which is located in this
20 State, and which is operated by a public school, as provided
21 by The School Code, or by a public community college as
22 provided for by the Public Community College Act, or which is
23 operated publicly or privately on a not for profit basis and
24 meets standards substantially equivalent to those of
25 comparable institutions operated by this State or by public
26 community colleges, or which is operated by a college or any
27 business, trade, technical or vocational school which is
28 recognized or accredited by a recognized national or
29 multistate organization or association which regularly
30 recognizes or accredits colleges or schools. Such training
31 shall provide vocational training in semi-technical or
32 technical fields, or semi-skilled or skilled vocational
33 fields. Programs shall at all times reflect current local
34 labor market needs, and shall be specifically structured to

1 develop marketable skills. In preparing such a list, the
2 Director shall solicit the recommendations of the State
3 Director of Higher Education, the State Director of
4 Education, the Illinois Community College Director, and such
5 other agencies of the State and associations and consortia of
6 educational or vocational training institutions, as the
7 Director deems appropriate. The Director is authorized to
8 qualify educational or vocational training programs which are
9 operated by a concern which has as its principal business
10 some activity other than the provision of educational and
11 vocational training programs where such programs are operated
12 as a distinct unit of the concern, on the condition that
13 participation in such programs is not contingent on an
14 individual's becoming an employee of that concern.

15 (h) Training Grants or Loans to Eligible Employers.

16 (1) The Director may make grants or loans to
17 eligible employers for the purposes of providing training
18 to employees in fields for which there are critical
19 demands for certain skills. Under procedures which it
20 shall establish by rule, the Director shall review
21 applications for funding, and shall, in his or her sole
22 judgment, make such grants or loans as he or she
23 determines to the employer, or the training agent under
24 contract with the employer,

25 (A) who will provide job-linked training which
26 offers special skills for career advancement or
27 which is preparatory for, and leads directly to,
28 jobs with definite career potential and long-term
29 job security;

30 (B) who is unable to provide sufficient funds
31 internally, or from other available sources,
32 including federal, State or locally administered
33 employment and training programs; and

34 (C) (i) who is expanding its business

1 enterprise in this State, is locating a new business
2 enterprise in this State, is introducing more
3 efficient technology into its operations which will
4 result in greater output per employee, is expanding
5 into new markets, or is expanding exports from
6 Illinois, and is thereby increasing tax revenues for
7 State and local governments; or (ii) whose existing
8 employees are threatened with layoff unless
9 additional training is made available to them.
10 Before making a final determination on a training
11 grant or loan, the Director may assist the employer
12 in the preparation of a final needs assessment and
13 design of a training program. The cost of such an
14 assessment and design may be paid fully by the
15 Director. The cost of such assistance shall be made
16 part of the final grant of training funds
17 notwithstanding any other provision of this Section.

18 (2) Apprenticeship and training programs which are
19 specifically the subject of an existing collective
20 bargaining agreement are eligible for funding under this
21 Section. No grant or loan shall be made which provides
22 for a training program, which is specifically the subject
23 of an existing collective bargaining agreement, unless
24 the signatory labor organization agrees to the training
25 program in writing.

26 (3) Any grant shall be made on such terms and
27 conditions as the Director shall determine, provided,
28 however, that no grant shall exceed 1/2 of the cost of
29 the training program to be provided by the employer or
30 its agent. Each grant shall require that not less than
31 25% of the amount shall be withheld until the trainee has
32 been retained in employment for 90 days after the end of
33 training, except for those occupations in which it is not
34 customary for a worker to be employed 90 consecutive days

1 with a single employer. In such cases the Director may
2 substitute a period similar to the probationary period
3 customary to such occupation, which shall be not less
4 than 500 work hours. The Director may allow exceptions
5 under this provision when individuals are not retained in
6 employment for the appropriate period due to medical
7 disability or death.

8 (4) Any loan shall be made on such terms and
9 conditions, as the Director shall determine, including
10 terms and conditions with respect to interest rate and
11 maturity of the loan. Any loan may provide that for each
12 individual who remains continuously employed on a
13 full-time basis with the employer for one year after
14 completion of training, up to 25% of the training costs
15 attributable to that employee and financed by the loan
16 may be credited as partial repayment of the principal of
17 such loan.

18 (5) No person shall receive employment training
19 under this Section for a period of more than 18 months.
20 No grant or loan to an employer shall be used to provide
21 training for a period exceeding 24 months.

22 (6) It is the intention of this subsection that,
23 from funds available for that purpose, the Director shall
24 make grants and loans to employers for training programs,
25 which will maximize the number of jobs to be created or
26 retained. It is the further intention of this Section
27 that no grant shall be made to an employer unless the
28 Director shall determine that a loan would not achieve
29 the purposes of this Section.

30 (i) Verification of completion of courses. The Director
31 shall promulgate rules and regulations which establish
32 reasonable procedures for verifying that an educational or
33 vocational training program for which it has expended funds
34 has been successfully completed by the benefit recipient in

1 accordance with the practices of the educational or
 2 vocational training institution, employer or training agent
 3 providing such services. An individual receiving benefits
 4 under subsection (e) of this Section who fails to
 5 successfully complete such a program shall refund the amount
 6 of all vouchers paid on his or her behalf unless the Director
 7 finds such individual was unable to complete such program
 8 because of medical disability, death or undue family
 9 hardship.

10 (j) Fraud. Any person who obtains, causes to be
 11 obtained, or attempts to obtain from the Fund any benefits
 12 provided by this Section, by falsely or fraudulently
 13 representing material information used in the determination
 14 of qualification for benefits, grants or loans, or the amount
 15 of benefits, grants or loans shall be guilty of a Class 4
 16 felony where such benefits equal or exceed \$25 and shall be
 17 guilty of a Class A misdemeanor where such benefits are less
 18 than \$25.

19 Section 901.1. The Statute on Statutes is amended by
 20 changing Section 8 as follows:

21 (5 ILCS 70/8) (from Ch. 1, par. 1107)

22 Sec. 8. Omnibus Bond Acts.

23 (a) A citation to the Omnibus Bond Acts is a citation to
 24 all of the following Acts, collectively, as amended from time
 25 to time: the Bond Authorization Act, the Registered Bond
 26 Act, the Municipal Bond Reform Act, the Local Government Debt
 27 Reform Act, subsection (a) of Section 1-7 of the Property Tax
 28 Extension Limitation Act, subsection (a) of Section 18-190 of
 29 the Property Tax Code, the Uniform Facsimile Signature of
 30 Public Officials Act, the Local Government Bond Validity Act,
 31 the Illinois State Development Finance Authority Act, the
 32 Public Funds Investment Act, the Local Government Credit

1 Enhancement Act, the Local Government Defeasance of Debt Law,
2 the Intergovernmental Cooperation Act, the Local Government
3 Financial Planning and Supervision Act, the Special
4 Assessment Supplemental Bond and Procedure Act, Section 12-5
5 of the Election Code, and any similar Act granting additional
6 omnibus bond powers to governmental entities generally,
7 whether enacted before, on, or after the effective date of
8 this amendatory Act of 1989.

9 (b) The General Assembly recognizes that the
10 proliferation of governmental entities has resulted in the
11 enactment of hundreds of statutory provisions relating to the
12 borrowing and other powers of governmental entities. The
13 General Assembly addresses and has addressed problems common
14 to all such governmental entities so that they have equal
15 access to the municipal bond market. It has been, and will
16 continue to be, the intention of the General Assembly to
17 enact legislation applicable to governmental entities in an
18 omnibus fashion, as has been done in the provisions of the
19 Omnibus Bond Acts.

20 (c) It is and always has been the intention of the
21 General Assembly that the Omnibus Bond Acts are and always
22 have been supplementary grants of power, cumulative in nature
23 and in addition to any power or authority granted in any
24 other laws of the State. The Omnibus Bond Acts are
25 supplementary grants of power when applied in connection with
26 any similar grant of power or limitation contained in any
27 other law of the State, whether or not the other law is
28 enacted or amended after an Omnibus Bond Act or appears to be
29 more restrictive than an Omnibus Bond Act, unless the General
30 Assembly expressly declares in such other law that a
31 specifically named Omnibus Bond Act does not apply.

32 (d) All instruments providing for the payment of money
33 executed by or on behalf of any governmental entity organized
34 by or under the laws of this State, including without

1 limitation the State, to carry out a public governmental or
2 proprietary function, acting through its corporate
3 authorities, or which any governmental entity has assumed or
4 agreed to pay, which were:

5 (1) issued or authorized to be issued by
6 proceedings adopted by such corporate authorities before
7 the effective date of this amendatory Act of 1989;

8 (2) issued or authorized to be issued in accordance
9 with the procedures set forth in or pursuant to any
10 authorization contained in any of the Omnibus Bond Acts;
11 and

12 (3) issued or authorized to be issued for any
13 purpose authorized by the laws of this State, are valid
14 and legally binding obligations of the governmental
15 entity issuing such instruments, payable in accordance
16 with their terms.

17 (Source: P.A. 90-480, eff. 8-17-97; 91-57, eff. 6-30-99.)

18 Section 901.2. The Department of Commerce and Community
19 Affairs Law of the Civil Administrative Code of Illinois is
20 amended by changing Sections 605-450, 605-675, 605-915,
21 605-920, and 605-925 as follows:

22 (20 ILCS 605/605-450) (was 20 ILCS 605/46.19g)

23 Sec. 605-450. Community economic emergencies.

24 (a) Upon the recommendation of the Director, the
25 Governor may find that an economic emergency exists in a
26 designated Illinois community. The finding shall be based on
27 one or more of the following conditions:

28 (1) There has been a relocation or closing of
29 operations of a major private employer in the community.

30 (2) There has been a closing or relocation of a
31 major public employer in the community.

32 (3) A natural disaster has resulted in substantial

1 damage to the local economy.

2 (4) The community or a portion of it has been
3 declared a disaster area by the federal government.

4 (5) A decision by the federal or State government
5 or by a foreign government has done substantial damage to
6 the local economy.

7 (b) Upon a finding by the Governor that an economic
8 emergency exists in a designated Illinois community, the
9 Governor shall convene an Economic Emergency Council. The
10 Council shall consist of 11 members as follows: the Director
11 of Commerce and Community Affairs, ex officio, the Director
12 of the Illinois State Development Finance Authority, ex
13 officio, the Director of the Illinois Housing Development
14 Authority, ex officio, and 8 members representing the
15 designated community appointed by the Governor with the
16 advice and consent of the Senate. Of the 8 members appointed
17 by the Governor, 4 shall be representatives of business and
18 finance, 2 shall be representatives of labor, and 2 shall be
19 representatives of education. Each member of the General
20 Assembly whose legislative district or representative
21 district lies in whole or in part within the designated
22 community shall also be a member of the Council, ex officio.
23 Members of a Council shall serve without compensation but may
24 be reimbursed for their reasonable and necessary expenses
25 incurred in the performance of their duties.

26 (c) An Economic Emergency Council shall develop a plan
27 to address the designated community's economic needs and
28 shall recommend that plan to the Governor and to the General
29 Assembly for further resolution and appropriation. The plan
30 may include extending enterprise zone tax incentives, making
31 economic development business loans and grants, making
32 infrastructure rehabilitation loans and grants, extending job
33 training and retraining assistance, extending tax increment
34 financing, and other appropriate economic programs or

1 incentives.

2 (d) The Illinois Economic Emergency Assistance Fund is
3 created as a special fund in the State treasury for the
4 purpose of channeling moneys to designated communities upon
5 further resolution and appropriation by the General
6 Assembly. In addition to amounts that may be appropriated to
7 the fund, gifts or grants from any legal source may be
8 deposited into the fund. Any fees or other charges collected
9 by the Department in connection with programs under this
10 Section shall also be deposited into the fund.

11 (Source: P.A. 91-239, eff. 1-1-00.)

12 (20 ILCS 605/605-675) (was 20 ILCS 605/46.66)

13 Sec. 605-675. Exporter award program. The Department
14 shall establish and operate, in cooperation with the
15 Department of Agriculture and the Illinois State Development
16 Finance Authority, an annual awards program to recognize
17 Illinois-based exporters. In developing criteria for the
18 awards, the Department shall give consideration to the
19 exporting efforts of small and medium sized businesses,
20 first-time exporters, and other appropriate categories.

21 (Source: P.A. 91-239, eff. 1-1-00.)

22 (20 ILCS 605/605-915) (was 20 ILCS 605/46.45)

23 Sec. 605-915. Assisting local governments to achieve
24 lower borrowing costs. To cooperate with the Illinois State
25 Development Finance Authority in assisting local governments
26 to achieve overall lower borrowing costs and more favorable
27 terms under ~~Sections 7-50 through 7-61~~ of the Illinois State
28 Development Finance Authority Act, including using the
29 Department's federally funded Community Development
30 Assistance Program for those purposes.

31 (Source: P.A. 91-239, eff. 1-1-00.)

1 (20 ILCS 605/605-920) (was 20 ILCS 605/46.47)

2 Sec. 605-920. Assisting local governments; debt
3 management, capital facility planning, infrastructure. To
4 provide, in cooperation with the Illinois State Development
5 Finance Authority, technical assistance to local governments
6 with respect to debt management and bond issuance, capital
7 facility planning, infrastructure financing, infrastructure
8 maintenance, fiscal management, and other infrastructure
9 areas.

10 (Source: P.A. 91-239, eff. 1-1-00.)

11 (20 ILCS 605/605-925) (was 20 ILCS 605/46.48)

12 Sec. 605-925. Helping local governments reduce
13 infrastructure costs. To develop and recommend to the
14 Governor and the General Assembly, in cooperation with the
15 Illinois State Development Finance Authority and local
16 governments, methods and techniques that can be used to help
17 local governments reduce their public infrastructure costs,
18 including strengthened local financial management, user fees,
19 and other appropriate options.

20 (Source: P.A. 91-239, eff. 1-1-00.)

21 Section 901.3. The Illinois Enterprise Zone Act is
22 amended by changing Section 7 as follows:

23 (20 ILCS 655/7) (from Ch. 67 1/2, par. 611)

24 Sec. 7. State Incentives Regarding Public Services and
25 Physical Infrastructure. (a) This Act does not restrict tax
26 incentive financing pursuant to the " Tax Increment
27 Allocation Redevelopment Act".

28 (b) Industrial development bonds. Priority in the use
29 of industrial development bonds issued by the Illinois State
30 Development Finance Authority shall be given to businesses
31 located in an Enterprise Zone.

1 (c) Deposit of State funds by the State Treasurer. The
2 State Treasurer is authorized and encouraged to place
3 deposits of State funds with financial institutions doing
4 business in an Enterprise Zone.

5 (Source: P.A. 84-1417.)

6 Section 901.4. The State and Regional Development
7 Strategy Act is amended by changing Section 20-10 as follows:

8 (20 ILCS 695/20-10)

9 Sec. 20-10. Strategic Planning. The Department of
10 Commerce and Community Affairs has the following powers:

11 By no later than February 1, 2000, the Department shall
12 prepare an economic development strategy for Illinois for the
13 period beginning on July 1, 2000 and ending on June 30, 2005,
14 and for the 4 years next ensuing. By no later than February
15 1, 2000 and annually thereafter, the Department shall make
16 modifications in the economic development strategy for the 4
17 years beginning on the next ensuing July 1 as the
18 modifications are warranted by changes in economic conditions
19 or by other factors, including changes in policy, and shall
20 prepare an economic development strategy for the fifth year
21 beginning after the next ensuing July 1. In preparing the
22 strategy and in making modifications to the strategy, the
23 Department shall take cognizance of the special economic
24 attributes of the various component areas of the State.

25 (1) The "component areas" shall be determined by
26 the Department after a county by county economic analysis
27 and shall group counties that are close in geographical
28 proximity and share common economic traits such as labor
29 market areas.

30 (2) The strategy shall recommend specific
31 legislative, administrative, and programmatic action at
32 both the State and area level for promoting sustained

1 economic growth at or above national rates of economic
2 growth while keeping the rate of unemployment below
3 national levels of unemployment.

4 (3) The strategy shall include an assessment of
5 historical patterns of economic activity for the State as
6 a whole and by area, and projections of future economic
7 trends for the State as a whole and by area. National
8 economic trends and projections shall be considered in
9 the formulation of the State and area projections. All
10 assumptions made in the formulation of the State and area
11 projections shall be clearly and explicitly set forth in
12 the strategy.

13 (4) The strategy shall identify, for each area,
14 those community economic improvement characteristics that
15 most likely will influence whether the area will exceed
16 or fall below the rate of overall State economic growth.

17 (5) The strategy shall recommend programmatic
18 action to be taken to foster and promote economic growth
19 in specific areas, taking into account the resources and
20 economic factors indigenous to the areas.

21 (A) The strategy shall identify for the State
22 and each region the critical business development
23 approaches being considered or to be considered.
24 The approaches may include, but are not limited to:
25 investment recruitment, such as industry attraction,
26 expansion and retention; trade development efforts
27 including international trade, support for small
28 businesses' efforts to export products and services,
29 tourism attraction and development including
30 cultural tourism; technology development efforts
31 including technology commercialization and
32 manufacturing modernization; and business
33 development efforts, including entrepreneurship and
34 entrepreneurial education, small business management

1 assistance, and business financing.

2 (B) The strategy shall identify for the State
3 and each region the critical workforce training and
4 development being considered or to be considered.
5 The approaches may include, but are not limited to:
6 customized job training, retraining and skill
7 upgrading, economic adjustment, job creation and
8 addressing labor shortages in areas of high demand;
9 the market for and quality of the local labor force;
10 the quality of the education and workforce
11 infrastructure; and related issues.

12 (C) The strategy shall identify for the State
13 and each region the critical community development
14 approaches being considered or to be considered.
15 The approaches may include, but are not limited to:
16 community growth management such as regional
17 planning and smart growth; area revitalization
18 including brownfields redevelopment and facility
19 reuse; and family self-sufficiency such as through
20 housing conservation and economic opportunity.

21 (D) The strategy shall identify for the State
22 and each region the critical public facilities
23 development approaches being considered or to be
24 considered. The approaches may include, but are not
25 limited to: local public services; the local,
26 regional, and State tax and regulatory climate; the
27 physical infrastructure, including communications
28 and transportation systems; the capacity of area
29 utilities; and the quality of public institutions
30 such as schools.

31 (E) The strategy shall identify for the State
32 and each region the other critical marketplace
33 systems, including: the financial marketplace; the
34 competitive advantages of the area in terms of

1 natural resources, capital resources or technology
2 resources; and other factors affecting area
3 development.

4 (6) In preparing the strategy or modifications to
5 the strategy, the Department shall work with State
6 agencies, boards, and commissions whose programs and
7 activities significantly affect economic activity in the
8 State including the Illinois State Development Finance
9 Authority, the Department of Revenue, the Department of
10 Transportation, the Department of Employment Security,
11 the Department of Agriculture, the Department of Natural
12 Resources, the Environmental Protection Agency, and other
13 agencies, boards, or commissions as appropriate. The
14 Directors of the agencies, boards, and commissions shall
15 provide the assistance to the Department as the Governor
16 deems appropriate.

17 (7) In preparing the strategies for the component
18 areas, the Department shall consult with local and
19 regional economic development organizations, local
20 elected officials, community-based organizations, service
21 delivery providers, and other organizations whose
22 programs and activities significantly affect economic
23 activity in the area.

24 (8) In preparing the economic development strategy,
25 the Department shall take into consideration any
26 decisions or recommendations related to programs,
27 services, and government regulations contained in the
28 strategy that have been rendered as a result of a
29 Statewide Performance Review.

30 (9) The strategy shall be presented to the
31 Governor, the President and Minority Leader of the
32 Senate, the Speaker and Minority Leader of the House of
33 Representatives, the members of the Illinois Economic
34 Development Board, and the Chair of the Economic and

1 Fiscal Commission on February 1, 2000 and annually
2 thereafter.

3 (10) The strategy shall be published and made
4 available to the public in both paper and electronic
5 media.

6 (Source: P.A. 91-476, eff. 8-11-99.)

7 Section 901.5. The Energy Conservation and Coal
8 Development Act is amended by changing Section 15 as follows:

9 (20 ILCS 1105/15) (from Ch. 96 1/2, par. 7415)

10 Sec. 15. (a) The Department, in cooperation with the
11 Illinois State Development Finance Authority, shall establish
12 a program to assist units of local government, as defined in
13 the Illinois State Development Finance Authority Act, to
14 identify and arrange financing for energy conservation
15 projects for buildings and facilities owned or leased by
16 those units of local government.

17 (b) The Department, in cooperation with the Illinois
18 Health Facilities Authority, shall establish a program to
19 assist health facilities to identify and arrange financing
20 for energy conservation projects for buildings and facilities
21 owned or leased by those health facilities.

22 (Source: P.A. 87-852; 88-45.)

23 Section 901.6. The Department of Public Health Powers
24 and Duties Law of the Civil Administrative Code of Illinois
25 is amended by changing Section 2310-200 as follows:

26 (20 ILCS 2310/2310-200) (was 20 ILCS 2310/55.53)

27 Sec. 2310-200. Programs to expand access to primary
28 care.

29 (a) The Department shall establish a program to expand
30 access to comprehensive primary care in medically underserved

1 communities throughout Illinois. This program may include
2 the provision of financial support and technical assistance
3 to eligible community health centers. To be eligible for
4 those grants, community health centers must meet requirements
5 comparable to those enumerated in Sections 329 and 330 of the
6 federal Public Health Service Act. In establishing its
7 program, the Department shall avoid duplicating resources in
8 areas already served by community health centers.

9 (b) The Department may develop financing programs with
10 the Illinois State Development Finance Authority to carry out
11 the purposes of the Civil Administrative Code of Illinois or
12 any other Act that the Department is responsible for
13 administering. The Department may transfer to the Illinois
14 State Development Finance Authority, into an account outside
15 of the State treasury, any moneys it deems necessary from its
16 accounts to establish bond reserve or credit enhancement
17 escrow accounts, or loan or equipment leasing programs. The
18 disposition of moneys at the conclusion of any such financing
19 program shall be determined by an interagency agreement.

20 (Source: P.A. 91-239, eff. 1-1-00.)

21 Section 901.7. The Asbestos Abatement Finance Act is
22 amended by changing Sections 2 and 3 as follows:

23 (20 ILCS 3510/2) (from Ch. 111 1/2, par. 8102)

24 Sec. 2. Definitions. The following words and terms,
25 whether or not capitalized, have the following meanings,
26 unless the context or use clearly requires otherwise:

27 "Asbestos" means asbestos as defined and used in the
28 federal Asbestos Hazard Emergency Response Act of 1986, as
29 now or hereafter amended, including the regulations
30 promulgated under that Act.

31 "Asbestos Abatement Project" means asbestos inspection,
32 planning and response action under and within the meaning of

1 the federal Asbestos Hazard Emergency Response Act of 1986,
2 as now or hereafter amended, to abate a health hazard caused
3 directly or indirectly by the existence of asbestos in any
4 building or other facility owned, operated, maintained or
5 occupied in whole or in part by a public corporation or a
6 private institution.

7 "Authority" means the Illinois State Development Finance
8 Authority.

9 "Board" means the Board of the Authority.

10 "Bond" means any bond, note or other evidence of
11 indebtedness issued by the Authority under this Act.

12 "Chairman" means the Chairman of the Authority.

13 "Cost" as applied to an asbestos abatement project means
14 the costs incurred or to be incurred by a public corporation
15 or a private institution in the removal, encapsulation,
16 enclosure, repair, or maintenance of asbestos in any building
17 or other facility owned, operated, maintained or occupied in
18 whole or in part by a public corporation or a private
19 institution, including all incidental costs such as
20 engineering, architectural, consulting and legal expenses
21 incurred in connection with an asbestos abatement project,
22 plans, specifications, surveys, estimates of costs and
23 revenues, finance charges, interest before and during
24 construction of an asbestos abatement project and, for up to
25 18 months after completion of construction, other expenses
26 necessary or incident to determining the need, feasibility or
27 practicability of an asbestos abatement project,
28 administrative expenses, and such other costs, charges and
29 expenses as may be necessary or incident to the construction
30 or financing of any asbestos abatement project. As used in
31 this Act, "cost" means not only costs of an asbestos
32 abatement project expected to be incurred in the future, but
33 costs already incurred and paid by a public corporation or a
34 private institution so that a public corporation or a private

1 institution shall be permitted to reimburse itself for those
2 costs previously incurred and paid.

3 "Person" means any individual, firm, partnership,
4 association, or corporation, separately or in any
5 combination.

6 "Private institution" means any not-for-profit
7 organization within the meaning of Section 501(c)(3) of the
8 Internal Revenue Code of 1986, as now or hereafter amended,
9 including any private or nonpublic pre-school, day care
10 center, day or residential educational institution that
11 provides elementary or secondary education for grades 12 or
12 under, any private or nonpublic college or university, or any
13 hospital, health care or long term care institution.

14 "Private institution security" means any bond, note, loan
15 agreement, or other evidence of indebtedness which a private
16 institution is legally authorized to issue or enter into for
17 the purpose of financing or refinancing the costs of an
18 asbestos abatement project.

19 "Public corporation" means any body corporate organized
20 by or under the laws of this State to carry out a public
21 governmental or proprietary function, including the State,
22 any State agency, any school district, park district, city,
23 village, incorporated town, county, township, drainage or any
24 other type of district, board, commission, authority,
25 university, public community college or any combination
26 (including any combination under Section 10 of Article VII of
27 the Illinois Constitution or under the Intergovernmental
28 Cooperation Act of 1973, as now or hereafter amended), acting
29 through their corporate authorities, and any other unit of
30 local government within the meaning of Section 1 of Article
31 VII of the Illinois Constitution.

32 "Public corporation security" means any bond, note, loan
33 agreement, or other evidence of indebtedness which a public
34 corporation is legally authorized to issue or enter into for

1 the purpose of financing or refinancing the costs of an
2 asbestos abatement project.

3 "Secretary" means the Secretary of the Authority.

4 "State" means the State of Illinois.

5 "Treasurer" means the Treasurer of the Authority.

6 (Source: P.A. 86-976.)

7 (20 ILCS 3510/3) (from Ch. 111 1/2, par. 8103)

8 Sec. 3. Powers. In addition to the powers set forth
9 elsewhere in this Act and in The Illinois State Development
10 Finance Authority Act, as now or hereafter amended, the
11 Authority may:

12 (a) Adopt an official seal.

13 (b) Maintain asbestos abatement suboffices at places
14 within the State as it designates.

15 (c) Sue and be sued, plead and be impleaded, all in its
16 own name, and agree to binding arbitration of any dispute to
17 which it is a party under this Act.

18 (d) Adopt bylaws, rules, and regulations to carry out
19 the provisions and purposes of this Act.

20 (e) Employ, either as regular employees or independent
21 contractors, consultants, engineers, architects, accountants,
22 attorneys, financial experts, construction experts,
23 superintendents, managers, other professional personnel, and
24 other persons as may be necessary or appropriate in the
25 judgment of the Authority to achieve the purposes of this
26 Act, and fix their compensation.

27 (f) Determine the locations of, develop, establish,
28 construct, erect, acquire, own, repair, remodel, add to,
29 extend, improve, equip, operate, regulate, and maintain
30 facilities to the extent necessary to accomplish the purposes
31 of this Act.

32 (g) Acquire, hold, lease, use, encumber, transfer, or
33 dispose of real and personal property, including the

1 alteration or demolition of improvements to real estate,
2 necessary to accomplish the purposes of this Act.

3 (h) Enter into contracts of any kind in furtherance of
4 or which are necessary or incidental to the purposes of this
5 Act or actions of the Authority taken under this Act.

6 (i) Regulate the use and operation of asbestos abatement
7 projects developed under the provisions of this Act, except
8 that asbestos abatement projects undertaken by schools shall
9 be governed by the Asbestos Abatement Act, the Asbestos
10 Hazard Emergency Response Act and by the regulations
11 promulgated by the Department of Public Health pursuant to
12 those Acts.

13 (j) Purchase from time to time by negotiated sale, upon
14 such terms as the Authority shall determine, public
15 corporation securities issued by one or more public
16 corporations for the purpose of paying costs of asbestos
17 abatement projects or private institution securities issued
18 by one or more private institutions for the purpose of paying
19 costs of asbestos abatement projects.

20 (k) Make loans from time to time, upon such terms as the
21 Authority shall determine, to public corporations and private
22 institutions for the purpose of paying costs of asbestos
23 abatement projects.

24 (l) Issue bonds in one or more series pursuant to one or
25 more resolutions adopted by the Board for the purpose of
26 purchasing or acquiring public corporation securities or
27 private institution securities issued for the purpose of
28 paying costs of asbestos abatement projects or for the
29 purpose of making loans to public corporations or private
30 institutions for the purpose of paying costs of asbestos
31 abatement projects, providing for the payment of any interest
32 deemed necessary on such bonds, paying for the costs of
33 issuance of such bonds, providing for the payment of any
34 premium on any insurance or the cost of any guarantees,

1 letters of credit or other credit enhancement facilities, or
2 providing for the funding of any reserves deemed necessary in
3 connection with such bonds, and refunding or advance
4 refunding (one or more times) any such bonds. Such bonds may
5 bear interest at any rate or rates (whether fixed or
6 variable, and whether current or deferred), notwithstanding
7 any other provision of law to the contrary, which rate or
8 rates may be established by an index or formula which may be
9 implemented or established by persons appointed or retained
10 therefor by the Authority, may bear such date or dates, may
11 be payable at such time or times and at such place or places,
12 may mature at any time or times not later than 40 years from
13 the date of issuance, may be sold at competitive or
14 negotiated sale at such time or times and at such price or
15 prices, may be secured by such pledges, covenants, reserves,
16 guarantees, letters of credit or other credit enhancement
17 facilities, may be issued and secured by such form of trust
18 agreement between the Authority and a bank or trust company
19 having the powers of a trust company within or without the
20 State, may be executed in such manner, may be subject to
21 redemption prior to maturity, and may be subject to such
22 other terms and conditions, as are provided by the Authority
23 in the resolution authorizing the issuance of any such bonds.

24 (m) Provide for the establishment and funding of any
25 reserves or other funds or accounts deemed necessary by the
26 Authority in connection with any bonds issued by the
27 Authority under this Act, any public corporation securities
28 or private institution securities purchased or acquired by
29 the Authority, or any loan made by the Authority to a public
30 corporation or a private institution, and deposit into such
31 reserves, funds or accounts the proceeds of any bonds issued
32 by the Authority or any other funds of the Authority or any
33 funds of a public corporation or a private institution which
34 may be applied for such purpose. Such reserves, funds or

1 accounts may be held by a corporate trustee, which may be any
2 trust company or bank having the powers of a trust company
3 located within or outside the State.

4 (n) Pledge any public corporation security or private
5 institution security, including any payment thereon, and any
6 other funds of the Authority which may be applied to such
7 purpose, as security for any bonds issued by the Authority or
8 to secure any letter of credit, guarantee or other credit
9 enhancement facility.

10 (o) Enter into agreements or other transactions with any
11 federal, State or local governmental agency in connection
12 with this Act.

13 (p) Receive and accept from any federal agency, subject
14 to the approval of the Governor, grants for or in aid of the
15 construction of asbestos abatement projects or for research
16 and development with respect to asbestos abatement projects,
17 such grants to be held, used and applied only for the
18 purposes for which such grants were made.

19 (q) Charge fees to defray the cost of letters of credit,
20 guarantees or other credit enhancement facilities, trustees,
21 depositaries, paying agents, bond registrars, escrow agents,
22 tender agents and other administrative and program expenses;
23 and otherwise charge such program fees consistent with the
24 purposes of this Act as the Authority shall from time to time
25 determine. Any such fees shall be payable in such amounts and
26 at such times as the Authority shall determine, and the
27 amount of the fees need not be uniform among the various
28 series of bonds issued by the Authority or among the issuers
29 of public corporation securities or private institution
30 securities purchased or acquired or proposed to be purchased
31 or acquired by the Authority.

32 (r) Prescribe application forms, notification forms,
33 forms of contracts, loan agreements, financing agreements and
34 security agreements, and such other forms as the Authority

1 deems necessary or appropriate in connection with this Act.

2 (s) Purchase or acquire any bonds of the Authority
3 issued under this Act for cancellation, resale, or
4 reissuance.

5 (t) Subject to the provisions of any resolution,
6 indenture, or other contract with the owners of bonds, sell,
7 or otherwise transfer or dispose of public corporation
8 securities or private institution securities acquired under
9 this Act.

10 (u) Do any and all things necessary or convenient to
11 carry out the purposes of, and exercise the powers expressly
12 given and granted in, this Act, including the adoption of
13 rules under The Illinois Administrative Procedure Act, as now
14 or hereafter amended, as are necessary to carry out the
15 powers and duties conferred by this Act.

16 (Source: P.A. 86-976.)

17 Section 901.8. The Illinois Environmental Facilities
18 Financing Act is amended by changing Sections 3, 4, and 7 as
19 follows:

20 (20 ILCS 3515/3) (from Ch. 127, par. 723)

21 Sec. 3. Definitions. In this Act, unless the context
22 otherwise clearly requires, the terms used herein shall have
23 the meanings ascribed to them as follows:

24 (a) "Bonds" means any bonds, notes, debentures,
25 temporary, interim or permanent certificates of indebtedness
26 or other obligations evidencing indebtedness.

27 (b) "Directing body" means the members of the State
28 authority.

29 (c) "Environmental facility" or "facilities" means any
30 land, interest in land, building, structure, facility,
31 system, fixture, improvement, appurtenance, machinery,
32 equipment or any combination thereof, and all real and

1 personal property deemed necessary therewith, having to do
2 with or the primary purpose of which is, reducing,
3 controlling or preventing pollution, or reclaiming surface
4 mined land. Environmental facilities may be located anywhere
5 in this State and may include those facilities or processes
6 used to (i) remove potential pollutants from coal prior to
7 combustion, (ii) reduce the volume or composition of
8 hazardous waste by changing or replacing manufacturing
9 equipment or processes, (iii) recycle hazardous waste, or
10 (iv) recover resources from hazardous waste. Environmental
11 facilities may also include (i) solar collectors, solar
12 storage mechanisms and solar energy systems, as defined in
13 Section 10-5 of the Property Tax Code; (ii) facilities
14 designed to collect, store, transfer, or distribute, for
15 residential, commercial or industrial use, heat energy which
16 is a by-product of industrial or energy generation processes
17 and which would otherwise be wasted; (iii) facilities
18 designed to remove pollutants from emissions that result from
19 the combustion of coal; and (iv) facilities for the
20 combustion of coal in a fluidized bed boiler. Environmental
21 facilities include landfill gas recovery facilities, as
22 defined in the Illinois Environmental Protection Act.

23 Environmental facilities do not include any land,
24 interest in land, buildings, structure, facility, system,
25 fixture, improvement, appurtenance, machinery, equipment or
26 any combination thereof, and all real and personal property
27 deemed necessary therewith, having to do with a hazardous
28 waste disposal site, except where such land, interest in
29 land, buildings, structure, facility, system, fixture,
30 improvement, appurtenance, machinery, equipment, real or
31 personal property are used for the management or recovery of
32 gas generated by a hazardous waste disposal site or are used
33 for recycling, reclamation, tank storage or treatment in
34 tanks which occurs on the same site as a hazardous waste

1 disposal site.

2 (d) "Finance" or "financing" means the issuing of
3 revenue bonds pursuant to Section 9 of this Act by the State
4 authority for the purpose of using the proceeds to pay
5 project costs for an environmental or hazardous waste
6 treatment facility including one in or to which title at all
7 times remains in a person other than the State authority, in
8 which case the bonds of the Authority are secured by a pledge
9 of one or more notes, debentures, bonds or other obligations,
10 secured or unsecured, of any person.

11 (e) "Person" means any individual, partnership,
12 copartnership, firm, company, corporation (including public
13 utilities), association, joint stock company, trust, estate,
14 political subdivision, state agency, or any other legal
15 entity, or their legal representative, agent or assigns.

16 (f) "Pollution" means any form of environmental
17 pollution including, but not limited to, water pollution, air
18 pollution, land pollution, solid waste pollution, thermal
19 pollution, radiation contamination, or noise pollution as
20 determined by the various standards prescribed by this state
21 or the federal government and including but not limited to,
22 anything which is considered as pollution or environmental
23 damage in the Environmental Protection Act, approved June 29,
24 1970, as now or hereafter amended.

25 (g) "Project costs" as applied to environmental or
26 hazardous waste treatment facilities financed under this Act
27 means and includes the sum total of all reasonable or
28 necessary costs incidental to the acquisition, construction,
29 reconstruction, repair, alteration, improvement and extension
30 of such environmental or hazardous waste treatment facilities
31 including without limitation the cost of studies and surveys;
32 plans, specifications, architectural and engineering
33 services; legal, organization, marketing or other special
34 services; financing, acquisition, demolition, construction,

1 equipment and site development of new and rehabilitated
2 buildings; rehabilitation, reconstruction, repair or
3 remodeling of existing buildings and all other necessary and
4 incidental expenses including an initial bond and interest
5 reserve together with interest on bonds issued to finance
6 such environmental or hazardous waste treatment facilities to
7 a date 6 months subsequent to the estimated date of
8 completion.

9 (h) "State authority" or "authority" means the Illinois
10 State Development Finance Authority created by the Illinois
11 State Development Finance Authority Act.

12 (i) "Small business" or "small businesses" means those
13 commercial and manufacturing entities which at the time of
14 their application to the authority meet those criteria, as
15 interpreted and applied by the State authority, for
16 definition as a "small business" established for the Small
17 Business Administration and set forth as Section 121.3-10 of
18 Part 121 of Title 13 of the Code of Federal Regulations as
19 such Section is in effect on the effective date of this
20 amendatory Act of 1975.

21 (j) "New coal-fired electric utility steam generating
22 plants" and "new coal-fired industrial boilers" means those
23 plants and boilers on which construction begins after the
24 effective date of this amendatory Act of 1981.

25 (k) "Hazardous waste treatment facility" means any land,
26 interest in land, building, structure, facility, system,
27 fixture, improvement, appurtenance, machinery, equipment, or
28 any combination thereof, and all real and personal property
29 deemed necessary therewith, the primary purpose of which is
30 to recycle, incinerate, or physically, chemically,
31 biologically or otherwise treat hazardous wastes, or to
32 reduce the production of hazardous wastes by changing or
33 replacing manufacturing equipment or processes, and which
34 meets the requirements of the Environmental Protection Act

1 and all regulations adopted thereunder.

2 (Source: P.A. 88-670, eff. 12-2-94.)

3 (20 ILCS 3515/4) (from Ch. 127, par. 724)

4 Sec. 4. Transfer of functions from the Illinois
5 Development Finance Environmental---Facilities--Financing
6 Authority to the Illinois State Development Finance
7 Authority. The Illinois State Development Finance Authority
8 created by the Illinois State Development Finance Authority
9 Act shall succeed to, assume and exercise all rights, powers,
10 duties and responsibilities formerly exercised by the
11 Illinois Development Finance Environmental---Facilities
12 Financing Authority prior to the abolition of that Authority
13 by this amendatory Act of the 92nd General Assembly 1983.
14 All books, records, papers, documents and pending business in
15 any way pertaining to the former Illinois Development Finance
16 Environmental-Facilities-Financing Authority are transferred
17 to the Illinois State Development Finance Authority, but any
18 rights or obligations of any person under any contract made
19 by, or under any rules, regulations, uniform standards,
20 criteria and guidelines established or approved by such
21 former Illinois Environmental Facilities Financing Authority
22 shall be unaffected thereby. All bonds, notes or other
23 evidences of indebtedness outstanding on the effective date
24 of this amendatory Act of the 92nd General Assembly 1983
25 shall be unaffected by the transfer of functions to the
26 Illinois State Development Finance Authority. No rule,
27 regulation, standard, criteria or guideline promulgated,
28 established or approved by the former Illinois Development
29 Finance Environmental-Facilities-Financing Authority pursuant
30 to an exercise of any right, power, duty or responsibility
31 assumed by and transferred to the Illinois State Development
32 Finance Authority shall be affected by this amendatory Act of
33 the 92nd General Assembly 1983, and all such rules,

1 regulations, standards, criteria and guidelines shall become
 2 those of the Illinois State Development Finance Authority
 3 until such time as they are amended or repealed by the
 4 Authority. Any action, including without limitation,
 5 approvals of applications for bonds and resolutions
 6 constituting official action under the Internal Revenue Code,
 7 by the Illinois Environmental Facilities Financing Authority
 8 prior to the September 23, 1983 effective date of Public Act
 9 83-669 shall remain effective to the same extent as if such
 10 action had been taken by the Authority and shall be deemed to
 11 be action taken by the Authority. The State authority is
 12 constituted a public instrumentality and the exercise by the
 13 State authority of the powers conferred by this Act shall be
 14 deemed and held to be the performance of an essential public
 15 function. ~~Sections-7.42-through-7.48-of~~ The Illinois State
 16 ~~Development~~ Finance Authority Act shall not apply to the
 17 provision of financing for environmental facilities by the
 18 Authority, unless such financing is provided pursuant to such
 19 ~~Sections-of~~ such Act.

20 (Source: P.A. 83-1362.)

21 (20 ILCS 3515/7) (from Ch. 127, par. 727)

22 Sec. 7. Powers. In addition to the powers otherwise
 23 authorized by law, for the purposes of this Act, the State
 24 authority shall have the following powers together with all
 25 powers incidental thereto or necessary for the performance
 26 thereof:

27 (1) to have perpetual succession as a body politic and
 28 corporate;

29 (2) to adopt bylaws for the regulation of its affairs
 30 and the conduct of its business;

31 (3) to sue and be sued and to prosecute and defend
 32 actions in the courts;

33 (4) to have and to use a corporate seal and to alter the

1 same at pleasure;

2 (5) to maintain an office at such place or places as it
3 may designate;

4 (6) to determine the location, pursuant to the
5 Environmental Protection Act, and the manner of construction
6 of any environmental or hazardous waste treatment facility to
7 be financed under this Act and to acquire, construct,
8 reconstruct, repair, alter, improve, extend, own, finance,
9 lease, sell and otherwise dispose of the facility, to enter
10 into contracts for any and all of such purposes, to designate
11 a person as its agent to determine the location and manner of
12 construction of an environmental or hazardous waste treatment
13 facility undertaken by such person under the provisions of
14 this Act and as agent of the authority to acquire, construct,
15 reconstruct, repair, alter, improve, extend, own, lease, sell
16 and otherwise dispose of the facility, and to enter into
17 contracts for any and all of such purposes;

18 (7) to finance and to lease or sell to a person any or
19 all of the environmental or hazardous waste treatment
20 facilities upon such terms and conditions as the directing
21 body considers proper, and to charge and collect rent or
22 other payments therefor and to terminate any such lease or
23 sales agreement or financing agreement upon the failure of
24 the lessee, purchaser or debtor to comply with any of the
25 obligations thereof; and to include in any such lease or
26 other agreement, if desired, provisions that the lessee,
27 purchaser or debtor thereunder shall have options to renew
28 the term of the lease, sales or other agreement for such
29 period or periods and at such rent or other consideration as
30 shall be determined by the directing body or to purchase any
31 or all of the environmental or hazardous waste treatment
32 facilities for a nominal amount or otherwise or that at or
33 prior to the payment of all of the indebtedness incurred by
34 the authority for the financing of such environmental or

1 hazardous waste treatment facilities the authority may convey
2 any or all of the environmental or hazardous waste treatment
3 facilities to the lessee or purchaser thereof with or without
4 consideration;

5 (8) to issue bonds for any of its corporate purposes,
6 including a bond issuance for the purpose of financing a
7 group of projects involving environmental facilities, and to
8 refund those bonds, all as provided for in this Act and
9 subject to Section 13 of this Act;

10 (9) generally to fix and revise from time to time and
11 charge and collect rates, rents, fees and charges for the use
12 of and services furnished or to be furnished by any
13 environmental or hazardous waste treatment facility or any
14 portion thereof and to contract with any person, firm or
15 corporation or other body public or private in respect
16 thereof;

17 (10) to employ consulting engineers, architects,
18 attorneys, accountants, construction and financial experts,
19 superintendents, managers and such other employees and agents
20 as may be necessary in its judgment and to fix their
21 compensation;

22 (11) to receive and accept from any public agency loans
23 or grants for or in aid of the construction of any
24 environmental facility and any portion thereof, or for
25 equipping the facility, and to receive and accept grants,
26 gifts or other contributions from any source;

27 (12) to refund outstanding obligations incurred by any
28 person to finance the cost of an environmental or hazardous
29 waste treatment facility including obligations incurred for
30 environmental or hazardous waste treatment facilities
31 undertaken and completed prior to or after the enactment of
32 this Act when the authority finds that such financing is in
33 the public interest;

34 (13) to prohibit the financing of environmental

1 facilities for new coal-fired electric steam generating
2 plants and new coal-fired industrial boilers which do not use
3 Illinois coal as the primary source of fuel;

4 (14) to set and impose appropriate financial penalties
5 on any person who receives financing from the State authority
6 based on a commitment to use Illinois coal as the primary
7 source of fuel at a new coal-fired electric utility steam
8 generating plant or new coal-fired industrial boiler and
9 later uses non-Illinois coal as the primary source of fuel;

10 (15) to fix, determine, charge and collect any premiums,
11 fees, charges, costs and expenses, including, without
12 limitation, any application fees, program fees, commitment
13 fees, financing charges or publication fees in connection
14 with its activities under this Act; all expenses of the State
15 authority incurred in carrying out this Act are payable
16 solely from funds provided under the authority of this Act
17 and no liability shall be incurred by any authority beyond
18 the extent to which moneys are provided under this Act. All
19 fees and moneys accumulated by the Authority as provided in
20 this Act or the Illinois State Development Finance Authority
21 Act shall be held outside of the State treasury and in the
22 custody of the Treasurer of the Authority; and

23 (16) to do all things necessary and convenient to carry
24 out the purposes of this Act.

25 The State authority may not operate any environmental or
26 hazardous waste treatment facility as a business except for
27 the purpose of protecting or maintaining such facility as
28 security for bonds of the State authority. No environmental
29 or hazardous waste treatment facilities completed prior to
30 January 1, 1970 may be financed by the State authority under
31 this Act, but additions and improvements to such
32 environmental or hazardous waste treatment facilities which
33 are commenced subsequent to January 1, 1970 may be financed
34 by the State authority. Any lease, sales agreement or other

1 financing agreement in connection with an environmental or
2 hazardous waste treatment facility entered into pursuant to
3 this Act must be for a term not shorter than the longest
4 maturity of any bonds issued to finance such environmental or
5 hazardous waste treatment facility or a portion thereof and
6 must provide for rentals or other payments adequate to pay
7 the principal of and interest and premiums, if any, on such
8 bonds as the same fall due and to create and maintain such
9 reserves and accounts for depreciation, if any, as the
10 directing body determines to be necessary.

11 The Authority shall give priority to providing financing
12 for the establishment of hazardous waste treatment facilities
13 necessary to achieve the goals of Section 22.6 of the
14 Environmental Protection Act.

15 The Authority shall give special consideration to small
16 businesses in authorizing the issuance of bonds for the
17 financing of environmental facilities pursuant to subsection
18 (c) of Section 2.

19 The Authority shall make a financial report on all
20 projects financed under this Section to the General Assembly,
21 to the Governor, and to the Illinois Economic and Fiscal
22 Commission by April 1 of each year. Such report shall be a
23 public record and open for inspection at the offices of the
24 Authority during normal business hours. The report shall
25 include: (a) all applications for loans and other financial
26 assistance presented to the members of the Authority during
27 such fiscal year, (b) all projects and owners thereof which
28 have received any form of financial assistance from the
29 Authority during such year, (c) the nature and amount of all
30 such assistance, and (d) projected activities of the
31 Authority for the next fiscal year, including projection of
32 the total amount of loans and other financial assistance
33 anticipated and the amount of revenue bonds or other
34 evidences of indebtedness that will be necessary to provide

1 the projected level of assistance during the next fiscal
2 year.

3 The requirement for reporting to the General Assembly
4 shall be satisfied by filing copies of the report with the
5 Speaker, the Minority Leader and the Clerk of the House of
6 Representatives and the President, the Minority Leader and
7 the Secretary of the Senate and the Legislative Research
8 Unit, as required by Section 3.1 of "An Act to revise the law
9 in relation to the General Assembly", approved February 25,
10 1874, as amended, and filing such additional copies with the
11 State Government Report Distribution Center for the General
12 Assembly as is required under paragraph (t) of Section 7 of
13 the State Library Act.

14 (Source: P.A. 88-519.)

15 Section 901.9. The Bond Authorization Act is amended by
16 changing Section 2 as follows:

17 (30 ILCS 305/2) (from Ch. 17, par. 6602)

18 Sec. 2. Notwithstanding the provisions of any other law
19 to the contrary, any public corporation may agree or contract
20 to pay interest on bonds or other evidences of indebtedness
21 and tax anticipation warrants issued pursuant to law at an
22 interest rate or rates not exceeding the greater of 9% per
23 annum or 125% of the rate for the most recent date shown in
24 the 20 G.O. Bonds Index of average municipal bond yields as
25 published in the most recent edition of The Bond Buyer,
26 published in New York, New York (or any successor publication
27 or index, or if such publication or index is no longer
28 published, then any index of long term municipal tax-exempt
29 bond yields then selected by a governing body), at the time
30 the contract is made for the sale of the bonds or other
31 evidences of indebtedness or tax anticipation warrants. A
32 contract is made with respect to notes or bonds when the

1 public corporation is contractually obligated to issue notes,
2 bonds, or other evidences of indebtedness or tax anticipation
3 warrants to a purchaser who is contractually obligated to
4 purchase them; and, with respect to bonds or notes bearing
5 interest at a variable rate or subject to payment upon
6 periodic demand or put or otherwise subject to remarketing by
7 or for the public corporation, a contract is made on each
8 date of change in the variable rate or such demand, put or
9 remarketing. When bonds or other evidences of indebtedness
10 or tax anticipation warrants are to be issued by a public
11 corporation on a basis which is not tax-exempt under Section
12 103 of the Internal Revenue Code of 1986, as now or hereafter
13 amended, or successor code or provision, then the interest
14 rate or rates payable thereon shall be determined by
15 substituting 13 1/2% for 9% and 200% for 125% in the first
16 sentence of this Section.

17 These amendatory Acts of 1971, 1972, 1973, 1975, 1979,
18 1982, 1983, 1987 and 1988 are not limits upon any home rule
19 unit.

20 This Act is not a limit with respect to any bonds, notes
21 and other evidences of obligation for borrowed money issued
22 by any public corporation and purchased or otherwise acquired
23 by the Illinois State Development Finance Authority, pursuant
24 to ~~Sections---7.50--through--7.61--of~~ the Illinois State
25 ~~Development~~ Finance Authority Act, and such bonds, notes and
26 other evidences of obligation for borrowed money may bear
27 interest at any rate or rates, and such rate or rates may be
28 established by an index or formula which may be implemented
29 or established by persons appointed or retained therefor,
30 notwithstanding any other provision of law to the contrary.

31 (Source: P.A. 85-1440.)

32 Section 901.10. The Human Services Provider Bond Reserve
33 Payment Act is amended by changing Section 10 as follows:

1 (30 ILCS 435/10)

2 Sec. 10. Definitions. For the purposes of this Act:

3 (a) "Service provider" means any nongovernmental entity,
4 either for-profit or not-for-profit, that enters into a
5 contract with a State agency under which the entity is paid
6 or reimbursed by the State for providing human services to
7 persons in Illinois.

8 (b) "State agency" means the Department of Public Aid,
9 the Department of Public Health, the Department of Children
10 and Family Services, the Department of Human Services, and
11 any other department or agency of State government that
12 enters into contracts with service providers under which the
13 provider is paid or reimbursed by the State for providing
14 human services to persons in Illinois.

15 (c) "Covered bond issue" means revenue bonds (i) that
16 are issued by any agency of State or local government within
17 this State, including without limitation bonds issued by the
18 Illinois State Development Finance Authority, (ii) that are
19 to be directly or indirectly paid, in whole or in part, from
20 payments due to a service provider under a human services
21 contract with a State agency, and (iii) for which a debt
22 service reserve or other reserve fund has been established,
23 under the control of a named trustee, that the service
24 provider is required to replenish in the event that moneys
25 from the reserve fund are used to make payments of principal
26 or interest on the bonds.

27 (Source: P.A. 88-117; 89-507, eff. 7-1-97.)

28 Section 901.11. The Build Illinois Act is amended by
29 changing Sections 1-3 and 8-3 as follows:

30 (30 ILCS 750/1-3) (from Ch. 127, par. 2701-3)

31 Sec. 1-3. The following agencies, boards and entities of
32 State government may expend appropriations for the purposes

1 contained in this Act: Department of Natural Resources;
2 Department of Agriculture; Illinois State Development Finance
3 Authority; Capital Development Board; Department of
4 Transportation; Department of Central Management Services;
5 Illinois Arts Council; Environmental Protection Agency;
6 Historic Preservation Agency; State Board of Higher
7 Education; the Metropolitan Pier and Exposition Authority;
8 State Board of Education; Illinois Community College Board;
9 Board of Trustees of the University of Illinois; Board of
10 Trustees of Chicago State University; Board of Trustees of
11 Eastern Illinois University; Board of Trustees of Governors
12 State University; Board of Trustees of Illinois State
13 University; Board of Trustees of Northeastern Illinois
14 University; Board of Trustees of Northern Illinois
15 University; Board of Trustees of Western Illinois University;
16 and Board of Trustees of Southern Illinois University.

17 (Source: P.A. 89-4, eff. 1-1-96; 89-445, eff. 2-7-96.)

18 (30 ILCS 750/8-3) (from Ch. 127, par. 2708-3)

19 Sec. 8-3. Powers of the Department. The Department has
20 the power to:

21 (a) provide business development public infrastructure
22 loans or grants from appropriations from the Build Illinois
23 Bond Fund, the Build Illinois Purposes Fund, the Fund for
24 Illinois' Future, and the Public Infrastructure Construction
25 Loan Fund to local governments to provide or improve a
26 community's public infrastructure so as to create or retain
27 private sector jobs pursuant to the provisions of this
28 Article;

29 (b) provide affordable financing of public
30 infrastructure loans and grants to, or on behalf of, local
31 governments, local public entities, medical facilities, and
32 public health clinics from appropriations from the Public
33 Infrastructure Construction Loan Fund for the purpose of

1 assisting with the financing, or application and access to
2 financing, of a community's public infrastructure necessary
3 to health, safety, and economic development;

4 (c) enter into agreements, accept funds or grants, and
5 engage in cooperation with agencies of the federal
6 government, or state or local governments to carry out the
7 purposes of this Article, and to use funds appropriated
8 pursuant to this Article to participate in federal
9 infrastructure loan and grant programs upon such terms and
10 conditions as may be established by the federal government;

11 (d) establish application, notification, contract, and
12 other procedures, rules, or regulations deemed necessary and
13 appropriate to carry out the provisions of this Article;

14 (e) coordinate assistance under this program with
15 activities of the Illinois State Development Finance
16 Authority in order to maximize the effectiveness and
17 efficiency of State development programs;

18 (f) coordinate assistance under the Affordable Financing
19 of Public Infrastructure Loan and Grant Program with the
20 activities of the Illinois State Development Finance
21 Authority, Illinois Rural Bond Bank, Illinois Farm
22 Development Authority, Illinois Housing Development
23 Authority, Illinois Environmental Protection Agency, and
24 other federal and State programs and entities providing
25 financing assistance to communities for public health,
26 safety, and economic development infrastructure;

27 (f-5) provide staff, administration, and related support
28 required to manage the programs authorized under this Article
29 and pay for the staffing, administration, and related support
30 from the Public Infrastructure Construction Loan Revolving
31 Fund;

32 (g) exercise such other powers as are necessary or
33 incidental to the foregoing.

34 (Source: P.A. 90-454, eff. 8-16-97; 91-34, eff. 7-1-99.)

1 Section 901.12. The Illinois Pension Code is amended by
2 changing Sections 14-103.04 and 14-104.11 as follows:

3 (40 ILCS 5/14-103.04) (from Ch. 108 1/2, par. 14-103.04)

4 Sec. 14-103.04. Department. "Department": Any
5 department, institution, board, commission, officer, court,
6 or any agency of the State having power to certify payrolls
7 to the State Comptroller authorizing payments of salary or
8 wages against State appropriations, or against trust funds
9 held by the State Treasurer, except those departments
10 included under the term "employer" in the State Universities
11 Retirement System. "Department" includes the Illinois State
12 Development Finance Authority. "Department" also includes
13 the Illinois Comprehensive Health Insurance Board and the
14 Illinois Rural Bond Bank.

15 (Source: P.A. 90-511, eff. 8-22-97.)

16 (40 ILCS 5/14-104.11)

17 Sec. 14-104.11. Illinois State Development Finance
18 Authority. An employee may establish creditable service for
19 periods prior to the date upon which the Illinois State
20 Development Finance Authority first becomes a department (as
21 defined in Section 14-103.04) during which he or she was
22 employed by the Illinois State Development Finance Authority
23 or the Illinois Industrial Development Authority, by applying
24 in writing and paying to the System an amount equal to (i)
25 employee contributions for the period for which credit is
26 being established, based upon the employee's compensation and
27 the applicable contribution rate in effect on the date he or
28 she last became a member of the System, plus (ii) the
29 employer's normal cost of the credit established, plus (iii)
30 interest on the amounts in items (i) and (ii) at the rate of
31 2.5% per year, compounded annually, from the date the
32 applicant last became a member of the System to the date of

1 payment. This payment must be paid in full before
2 retirement, either in a lump sum or in installment payments
3 in accordance with the rules of the Board.

4 (Source: P.A. 90-511, eff. 8-22-97; 90-655, eff. 7-30-98.)

5 Section 901.13. The Local Government Financial Planning
6 and Supervision Act is amended by changing Sections 4 and 5
7 as follows:

8 (50 ILCS 320/4) (from Ch. 85, par. 7204)

9 Sec. 4. Petition.

10 (a) This subsection (a) applies through December 31,
11 1992. Any unit of local government upon a 2/3 vote of the
12 members of its governing body may petition the Governor for
13 the establishment of a financial planning and supervision
14 commission if the governing body of the unit of local
15 government determines that a fiscal emergency, as defined in
16 Section 3, exists or will exist within 60 days. A copy of the
17 petition shall be filed with the Illinois State Development
18 Finance Authority requesting the assistance of the Authority
19 in conducting an analysis of the financial condition of the
20 unit of local government. A petition shall include the
21 conditions of fiscal emergency, a list of all amounts and
22 types of indebtedness or claims known to the unit of local
23 government, and which creditors are subject to the stay
24 provisions of Section 7 of this Act.

25 (b) This subsection (b) applies on and after January 1,
26 1993. Any unit of local government upon a 2/3 vote of the
27 members of its governing body may petition the Governor for
28 the establishment of a financial planning and supervision
29 commission if the governing body of the unit of local
30 government determines that a fiscal emergency, as defined in
31 Section 3, exists or will exist within 60 days. A petition
32 shall include the conditions of fiscal emergency and a list

1 of all creditors of the unit of local government, which list
2 shall indicate the names, addresses, amounts and types of
3 indebtedness or claims of such creditors, and which of such
4 creditors are subject to the stay provisions of Section 7 of
5 this Act.

6 (Source: P.A. 86-1211; 87-853.)

7 (50 ILCS 320/5) (from Ch. 85, par. 7205)

8 Sec. 5. Establishment of commission.

9 (a) This subsection (a) applies through December 31,
10 1992.

11 (1) Upon receipt of a petition for establishment of a
12 financial planning and supervision commission, the Governor
13 may direct the establishment of such a commission if the
14 Governor determines that a fiscal emergency exists.

15 (2) Prior to making such determination, the Governor
16 shall give reasonable notice and opportunity for a hearing to
17 all creditors of the petitioning unit of local government
18 who are subject to the stay provisions of Section 7 of this
19 Act. The determination shall be entered not less than 60 days
20 after the filing of the petition. A determination of fiscal
21 emergency by the Governor shall be a final administrative
22 decision subject to the provisions of the Administrative
23 Review Law. The court on such review may grant exceptions to
24 the stay provisions of Section 7 of this Act as adequate
25 protection of creditors' interests or equity may require.
26 The commission shall convene within 30 days of the entry by
27 the Governor of his or her determination of the fiscal
28 emergency.

29 (3)(A) The Commission shall consist of 7 Directors.

30 (B) One Director shall be appointed by the chief
31 executive officer of the unit of local government.

32 (C) One Director shall be appointed by the majority
33 vote of the governing body of the unit of local

1 government.

2 (D) Five Directors shall be appointed by the
3 Governor, with the advice and consent of the Senate. The
4 Governor shall select one of the Directors to serve as
5 Chairperson during the term of his or her appointment.
6 Of the initial Directors so appointed, 3 shall be
7 appointed to serve for terms expiring 3 years from the
8 date of their appointment, and 2 shall be appointed to
9 serve for terms expiring 2 years from the date of their
10 appointment. Thereafter, each Director appointed by the
11 Governor shall be appointed to hold office for a term of
12 3 years and until his or her successor has been appointed
13 as provided in Section 8-12-7 of the Illinois Municipal
14 Code. Directors shall be eligible for reappointment.
15 Any vacancy which shall arise shall be filled by
16 appointment by the Governor, with the advice and consent
17 of the Senate, for the unexpired term and until a
18 successor Director has been appointed as provided in
19 Section 8-12-7 of the Illinois Municipal Code. A vacancy
20 shall occur upon resignation, death, conviction of a
21 felony, or removal from office of a Director. A Director
22 may be removed for incompetency, malfeasance, or neglect
23 of duty at the instance of the Governor. If the Senate
24 is not in session or is in recess when appointments
25 subject to its confirmation are made, the Governor shall
26 make temporary appointments which shall be subject to
27 subsequent Senate approval.

28 (b) This subsection (b) applies on and after January 1,
29 1993.

30 (1) Upon receipt of a petition for establishment of a
31 financial planning and supervision commission, the Governor
32 may direct the establishment of such a commission if the
33 Governor determines that a fiscal emergency exists.

34 (2) Prior to making such determination, the Governor

1 shall give reasonable notice and opportunity for a hearing to
2 all creditors of the petitioning unit of local government.
3 The determination shall be entered not less than 60 days
4 after the filing of the petition. A determination of fiscal
5 emergency by the Governor shall be a final administrative
6 decision subject to the provisions of the Administrative
7 Review Law. The court on such review may grant exceptions to
8 the stay provisions of Section 7 of this Act as adequate
9 protection of creditors' interests or equity may require.
10 The commission shall convene within 30 days of the entry by
11 the Governor of his or her determination of the fiscal
12 emergency.

13 (3) A commission shall consist of 11 members:

14 (A) Eight members as follows: the Governor, the
15 State Comptroller, the Director of Revenue, the Director
16 of the Bureau of the Budget, the State Treasurer, the
17 Executive Director of the Illinois State Development
18 Finance Authority, the Director of the Department of
19 Commerce and Community Affairs and the presiding officer
20 of the governing body of the unit of local government, or
21 their respective designees. A designee, when present,
22 shall be counted in determining whether a quorum is
23 present at any meeting of the commission and may vote and
24 participate in all proceedings and actions of the
25 commission. The designations shall be in writing,
26 executed by the member making the designation, and filed
27 with the secretary of the commission. The designations
28 may be changed from time to time in like manner, but due
29 regard shall be given to the need for continuity. The
30 Governor shall appoint a chairman of the commission from
31 among the 8 members described in this subparagraph (A).

32 (B) Three members nominated and appointed as
33 follows: the governing body and chief governing officer
34 of the unit of local government shall submit in writing

1 to the chairman of the commission the nomination of 5
2 persons agreed to by them and meeting the qualifications
3 set forth in this Act. Nominations shall accompany the
4 petition for establishment of the financial planning and
5 supervision commission. If the chairman is not satisfied
6 that at least 3 of the nominees are well qualified, he
7 shall notify the governing body of the unit of local
8 government to submit in writing, within 5 days,
9 additional nominees, not exceeding 3. The chairman shall
10 appoint 3 members from all the nominees so submitted or a
11 lesser number that he considers well qualified. Each of
12 the 3 appointed members shall serve for a term of one
13 year, subject to removal by the chairman for misfeasance,
14 nonfeasance or malfeasance in office. Upon the
15 expiration of the term of an appointed member, or in the
16 event of the death, resignation, incapacity or removal,
17 or other ineligibility to serve of an appointed member,
18 the chairman shall appoint a successor pursuant to the
19 process of original appointment.

20 Each of the 3 appointed members shall be an
21 individual:

22 (i) Who has knowledge and experience in
23 financial matters, financial management, or business
24 organization or operations, including experience in
25 the private sector in management of business or
26 financial enterprise, or in management consulting,
27 public accounting, or other professional activity;
28 and

29 (ii) Who has not at any time during the 2 years
30 preceding the date of appointment held any elected
31 public office.

32 The governing body and chief governing officer of
33 the unit of local government, to the extent possible,
34 shall nominate members whose residency, office, or

1 principal place of professional or business activity is
2 situated within the unit of local government.

3 An appointed member of the commission shall not
4 become a candidate for elected public office while
5 serving as a member of the commission.

6 (4) Immediately after his appointment of the initial 3
7 appointed members of the commission, the chairman shall call
8 the first meeting of the commission and shall cause written
9 notice of the time, date and place of the first meeting to be
10 given to each member of the commission at least 48 hours in
11 advance of the meeting.

12 (5) The commission members shall select one of their
13 number to serve as treasurer of the commission.

14 (Source: P.A. 86-1211; 87-853.)

15 Section 901.14. The Counties Code is amended by changing
16 Section 5-1050 as follows:

17 (55 ILCS 5/5-1050) (from Ch. 34, par. 5-1050)

18 Sec. 5-1050. Acquisition and improvement of land for
19 industrial or commercial purposes. For the public purposes
20 set forth in the Illinois State Development Finance Authority
21 Act, a county board may (1) acquire, singly or jointly with
22 other counties or municipalities, by gift, purchase or
23 otherwise, but not by condemnation, land, or any interest in
24 land, whether located within or without its county limits,
25 and, singly or jointly, to improve or to arrange for the
26 improvement of such land for industrial or commercial
27 purposes and to donate and convey such land, or interest in
28 land, so acquired and so improved to the Illinois State
29 Development Finance Authority; and (2) donate county funds to
30 such Authority.

31 (Source: P.A. 86-962.)

1 Section 901.15. The Township Code is amended by changing
2 Section 85-10 as follows:

3 (60 ILCS 1/85-10)

4 Sec. 85-10. Township corporate powers.

5 (a) Every township has the corporate capacity to
6 exercise the powers granted to it, or necessarily implied,
7 and no others. Every township has the powers specified in
8 this Section.

9 (b) A township may sue and be sued.

10 (c) A township may acquire (by purchase, gift, or
11 legacy) and hold property, both real and personal, for the
12 use of its inhabitants and may sell and convey that property.
13 A township may purchase any real estate or personal property
14 for public purposes under contracts providing for payment in
15 installments over a period of time of not more than 20 years
16 in the case of real estate and not more than 10 years in the
17 case of personal property. A township may finance the
18 purchase of any real estate or personal property for public
19 purpose under finance contracts providing for payment in
20 installments over a period of time of not more than 20 years
21 in the case of real estate and not more than 10 years in the
22 case of personal property. A township may construct a
23 township hall under contracts providing for payment over a
24 period of time of not more than 5 years. The interest on the
25 unpaid balance shall not exceed that permitted in the Bond
26 Authorization Act.

27 (d) A township may make all contracts necessary in the
28 exercise of the township's powers.

29 (e) A township may expend or contract for the
30 expenditure of any federal funds made available to the
31 township by law for any purpose for which taxes imposed upon
32 township property or property within the township may be
33 expended.

1 (f) A township may acquire (singly or jointly with a
2 municipality or municipalities) land or any interest in land
3 located within its township limits. The township may acquire
4 the land or interest by gift, purchase, or otherwise, but not
5 by condemnation. A township may (singly or jointly) improve
6 or arrange for the improvement of the land for industrial or
7 commercial purposes and may donate and convey the land or
8 interest in land so acquired and so improved to the Illinois
9 State Development Finance Authority.

10 (g) (Blank)

11 (h) It is the policy of this State that all powers
12 granted either expressly or by necessary implication by this
13 Code, any other Illinois statute, or the Illinois
14 Constitution to townships may be exercised by those townships
15 notwithstanding effects on competition. It is the intention
16 of the General Assembly that the "State action exemption" to
17 the application of federal antitrust statutes be fully
18 available to townships to the extent their activities are
19 authorized by law as stated in this Code.

20 (i) A township may receive funds under the federal
21 Housing and Community Development Act of 1974 and may expend
22 or contract for the expenditure of those funds and other
23 township funds for the activities specified in Section 105 of
24 that Act. The powers granted under this subsection (i) are
25 in addition to powers otherwise possessed by a township and
26 shall not be construed as a limitation of those other powers.

27 (j) A township may establish reasonable fees for
28 recreation and instructional programs sponsored by the
29 township.

30 (Source: P.A. 88-62; incorporates 88-356 and 88-360; 88-670,
31 eff. 12-2-94; 89-331, eff. 8-17-95.)

32 Section 901.16. The Illinois Municipal Code is amended
33 by changing Sections 8-12-2, 8-12-3, 8-12-6, 8-12-19,

1 8-12-21, 8-12-22, 11-74.1-1, 11-113.1-1, 11-119-2, 11-129-3,
2 11-139-7, and 11-141-5 as follows:

3 (65 ILCS 5/8-12-2) (from Ch. 24, par. 8-12-2)

4 Sec. 8-12-2. (a) Pursuant to the authority of the General
5 Assembly to provide for the public health, safety and
6 welfare, the General Assembly hereby finds and declares that
7 it is the public policy and a public purpose of the State to
8 offer assistance to a financially distressed city so that it
9 may provide for the health, safety and welfare of its
10 citizens, pay when due principal and interest on its debt
11 obligations, meet financial obligations to its employees,
12 vendors and suppliers, and provide for proper financial
13 accounting procedures, budgeting and taxing practices, as
14 well as strengthen the human and economic development of the
15 city.

16 (b) It is the purpose of this Division to provide a
17 secure financial basis for the continued operation of a
18 financially distressed city. The intention of the General
19 Assembly, in enacting this legislation is to establish sound,
20 efficient and generally accepted accounting, budgeting and
21 taxing procedures and practices within a financially
22 distressed city, to provide powers to a financial advisory
23 authority established for a financially distressed city, and
24 to impose restrictions upon a financially distressed city in
25 order to assist that city in assuring its financial integrity
26 while leaving municipal services policies to the city,
27 consistent with the requirements for satisfying the public
28 policy and purposes herein set forth.

29 (c) It also is the purpose of this Division to authorize
30 a city which has been certified and designated as a
31 financially distressed city under the procedure set forth in
32 Section 8-12-4, and which has by ordinance requested that a
33 financial advisory authority be appointed for the city and

1 that the city receive assistance as provided in this
2 Division, and which has filed certified copies of that
3 ordinance in the manner provided by Section 8-12-4, to enter
4 into such agreements as are necessary to receive assistance
5 as provided in this Division and in applicable provisions of
6 the Illinois State Development Finance Authority Act.

7 (Source: P.A. 86-1211.)

8 (65 ILCS 5/8-12-3) (from Ch. 24, par. 8-12-3)

9 Sec. 8-12-3. As used in this Division:

10 (1) "Authority" means the "(Name of Financially
11 Distressed City) Financial Advisory Authority".

12 (2) "Financially distressed city" means any municipality
13 which is a home rule unit and which (i) is certified by the
14 Department of Revenue as being in the highest 5% of all home
15 rule municipalities in terms of the aggregate of the rate per
16 cent of all taxes levied pursuant to statute or ordinance
17 upon all taxable property of the municipality and as being in
18 the lowest 5% of all home rule municipalities in terms of per
19 capita tax yield, and (ii) is designated by joint resolution
20 of the General Assembly as a financially distressed city.

21 (3) "Home rule municipality" means a municipality which
22 is a home rule unit as provided in Section 6 of Article VII
23 of the Illinois Constitution.

24 (4) "Budget" means an annual appropriation ordinance or
25 annual budget as described in Division 2 of Article 8, as
26 from time to time in effect in the financially distressed
27 city.

28 (5) "Chairperson" means the chairperson of the Authority
29 appointed pursuant to Section 8-12-7.

30 (6) "Financial Plan" means the financially distressed
31 city's financial plan as developed pursuant to Section
32 8-12-15, as from time to time in effect.

33 (7) "Fiscal year" means the fiscal year of the

1 financially distressed city.

2 (8) "Obligations" means bonds, notes or other evidence
3 of indebtedness issued by the Illinois State Development
4 Finance Authority in connection with the provision of
5 financial aid to a financially distressed city pursuant to
6 this Division and applicable provisions of the Illinois State
7 Development Finance Authority Act.

8 (Source: P.A. 86-1211.)

9 (65 ILCS 5/8-12-6) (from Ch. 24, par. 8-12-6)
10 Sec. 8-12-6. Purposes and powers.

11 (a) The purposes of the Authority shall be to provide a
12 secure financial basis for and to furnish assistance to a
13 financially distressed city to which this Division is
14 applicable as provided in Section 8-12-4, and to request the
15 Illinois State Development Finance Authority to issue its
16 Obligations on behalf of and thereby provide financial aid to
17 the city in accordance with applicable provisions of the
18 Illinois State Development Finance Authority Act, so that the
19 city can provide basic municipal services within its
20 jurisdictional limits, while permitting the distressed city
21 to meet its obligations to its creditors and the holders of
22 its notes and bonds.

23 (b) Except as expressly limited by this Division, the
24 Authority shall have all powers necessary to meet its
25 responsibilities and to carry out its purposes and the
26 purposes of this Division, including, but not limited to, the
27 following powers:

28 (1) To provide for its organization and internal
29 management, and to make rules and regulations governing
30 the use of its property and facilities.

31 (2) To make and execute contracts, leases,
32 subleases and all other instruments or agreements
33 necessary or convenient for the exercise of the powers

1 and functions granted by this Division.

2 (3) To approve all loans, grants, or other
3 financial aid from any State agency.

4 (4) To appoint officers, agents, and employees of
5 the Authority, define their duties and qualifications and
6 fix their compensation and employee benefits.

7 (5) To engage the services of consultants for
8 rendering professional and technical assistance and
9 advice on matters within the Authority's power.

10 (6) To pay the expenses of its operations.

11 (7) To determine, in its discretion but consistent
12 with the requirements of this Division, the terms and
13 conditions of any loans it may make to the financially
14 distressed city.

15 (c) Any loan repayments received by the Authority from
16 the distressed city may be deposited by the Authority into a
17 revolving fund under the control of the Authority. Money in
18 the revolving fund may be used by the Authority to support
19 activities leading to a restructuring of the distressed
20 city's debt and may be pledged by the Authority as security
21 for any new debt incurred by the distressed city with the
22 approval of the Authority.

23 (d) From any funds appropriated to the Authority for the
24 purpose of making a loan to a distressed city, the Authority
25 may expend not more than \$250,000 for the expenses of its
26 operations in the fiscal year in which the appropriation is
27 made.

28 (Source: P.A. 88-664, eff. 9-16-94.)

29 (65 ILCS 5/8-12-19) (from Ch. 24, par. 8-12-19)

30 Sec. 8-12-19. The Authority shall appoint and shall have
31 the authority to remove a financial management officer. The
32 financial management officer shall have the responsibility
33 for advising on the preparation of the Budget and Financial

1 Plan of the financially distressed city and for monitoring
2 expenditures of the city. The financial management officer
3 shall be the authorized signatory for all expenditures made
4 from the proceeds of any State loans provided for the benefit
5 of the city pursuant to this Division or any other law of
6 this State, and for all expenditures made from financial aid
7 provided for the benefit of the city from Obligations issued
8 by the Illinois State Development Finance Authority for such
9 purposes in accordance with applicable provisions of the
10 Illinois State Development Finance Authority Act. The
11 financial management officer shall be an employee of and
12 shall report to the Authority, may be granted authority by
13 the Authority to hire a specific number of employees to
14 assist in meeting responsibilities, and shall have access to
15 all financial data and records of the city which he or she
16 deems necessary for the proper and efficient exercise of such
17 responsibilities. Neither the Authority or the financial
18 management officer shall have any authority to hire, fire or
19 appoint city employees or to manage the day-to-day operations
20 of the city.

21 (Source: P.A. 86-1211.)

22 (65 ILCS 5/8-12-21) (from Ch. 24, par. 8-12-21)

23 Sec. 8-12-21. The Authority in its sole discretion may
24 intercept any payments that the city from time to time is
25 entitled to receive from any funds then or thereafter held by
26 the State Treasurer to the credit of the city or otherwise in
27 the custody of the State Treasurer to the credit of the city,
28 whether in or outside of the State Treasury, upon the
29 occurrence of any of the following:

30 (1) The financially distressed city's initial
31 Financial Plan and revised Budget required to be
32 submitted to the Authority with respect to the remaining
33 portion of what is the city's current fiscal year at the

1 time this Division first becomes applicable to the city
2 as provided in Section 8-12-4 are not approved by the
3 Authority within 60 days of their submission, and the
4 Authority has theretofore given written warning notice to
5 the corporate authorities of the city, on the 45th day
6 after such initial Financial Plan and revised Budget were
7 submitted, that the same have not yet been approved by
8 the Authority; or

9 (2) Any Financial Plan or Budget for any subsequent
10 fiscal year is not approved by the Authority by the
11 commencement of the fiscal year to which such Financial
12 Plan or Budget relates, and the Authority has theretofore
13 given written warning notice to the corporate authorities
14 of the city, on the 15th day prior to the commencement of
15 that fiscal year, that the Financial Plan or Budget for
16 such fiscal year has not yet been approved by the
17 Authority; or

18 (3) The financially distressed city materially
19 violates the provisions of this Division, and the
20 Authority -- at least 15 days prior to initiating any
21 action to intercept any payments pursuant to this Section
22 -- has given the corporate authorities of the city
23 written notice of the material violation and of the
24 Authority's intention to intercept payments pursuant to
25 this Section upon the expiration of that 15 day notice
26 period unless the city satisfies the Authority within
27 that 15 day period that the material violation cited by
28 the Authority has been corrected; provided that the
29 Authority shall not be required to give any notice to the
30 city or its corporate authorities prior to initiating
31 action to intercept payments pursuant to this Section if
32 such payments are to be intercepted because of the city's
33 failure to pay when due all amounts then due and owing
34 and required to be paid by the city on Obligations issued

1 by the Illinois State Development Finance Authority in
2 connection with the provision of financial aid to the
3 city pursuant to this Division and applicable provisions
4 of the Illinois State Development Finance Authority Act.

5 The intercept shall be made pursuant to written notice
6 given by the Authority to the State Comptroller and State
7 Treasurer, setting forth the amount of the intercept, which
8 may be an aggregate amount not exceeding the sum of the full
9 amount of any outstanding State loans provided for the
10 benefit of the city pursuant to this Division or any other
11 law of this State, plus the full amount of all outstanding
12 Obligations issued by the Illinois State Development Finance
13 Authority on the financially distressed city's behalf in
14 accordance with applicable provisions of the Illinois State
15 Development Finance Authority Act. The State Comptroller and
16 State Treasurer shall pay to the Authority, from such funds
17 as from time to time are legally available therefor, the
18 aggregate amount of the intercept, unless the Authority
19 sooner notifies the State Comptroller and State Treasurer in
20 writing that no further payments that the city is entitled to
21 receive shall be intercepted under the provisions of this
22 Section.

23 (Source: P.A. 86-1211.)

24 (65 ILCS 5/8-12-22) (from Ch. 24, par. 8-12-22)

25 Sec. 8-12-22. (a) After the Authority has certified to
26 the Governor that the financially distressed city has
27 completed 10 successive years of balanced budgets:

28 (1) The powers and responsibilities granted or
29 imposed upon the Authority and the financially distressed
30 city under Section 8-12-13 and Sections 8-12-15 through
31 8-12-21 shall not be exercised, except as otherwise
32 provided under subsection (b) of this Section.

33 (2) The provisions of Section 8-12-14 shall

1 continue in full force and effect. The financially
2 distressed city shall file with the Authority and with
3 the Illinois State Development Finance Authority, not
4 later than 15 days prior to the commencement of the first
5 fiscal year with respect to which the powers and
6 responsibilities granted or imposed under Section 8-12-13
7 and Sections 8-12-15 through 8-12-21 are not to be
8 exercised, and not later than 15 days prior to the
9 commencement of each fiscal year thereafter, a balanced
10 Budget as adopted by the financially distressed city for
11 such fiscal year. In addition, for each fiscal year with
12 respect to which the powers and responsibilities granted
13 or imposed under Section 8-12-13 and Sections 8-12-15
14 through 8-12-21 are not to be exercised, the financially
15 distressed city shall file with the Authority and with
16 the Illinois State Development Finance Authority a
17 certified copy of the same audit report and supplemental
18 report which are required to be made and filed for such
19 fiscal year by the city under the Illinois Municipal
20 Auditing Law, the filing with the Authority and the
21 Illinois State Development Finance Authority to be made
22 within the time provided for the filing of such audit
23 report and supplemental report with the State Comptroller
24 under Section 8-8-4.

25 (b) The Authority and the Illinois State Development
26 Finance Authority shall review each Budget, audit report and
27 supplemental report filed with them as provided in paragraph
28 (2) of subsection (a). In the event the financially
29 distressed city fails to file any Budget or certified copy of
30 an audit report or supplemental report as provided in
31 paragraph (2) of subsection (a), or in the event the Illinois
32 State Development Finance Authority, after consultation with
33 the Authority, determines that the Budget adopted by the
34 financially distressed city and filed as provided in

1 paragraph (2) of subsection (a) is not balanced as required
2 under Section 8-12-14, the Illinois State Development Finance
3 Authority shall certify such failure to file, or failure to
4 adopt a Budget which is balanced as required, to the
5 Governor; and concurrent with that certification, the
6 Authority established under Section 8-12-5 and the
7 financially distressed city shall resume the exercise and
8 performance of their respective powers and responsibilities
9 pursuant to each Section of this Division.

10 (c) When the Illinois State Development Finance
11 Authority determines that all of its Obligations have been
12 fully paid and discharged or otherwise provided for, it shall
13 certify that fact to the Governor; and the Authority
14 established under Section 8-12-5 shall be abolished 30 days
15 after the date of that certification. Upon abolition of the
16 Authority as provided in this subsection, this Division shall
17 have no further force or effect upon the financially
18 distressed city.

19 (Source: P.A. 86-1211.)

20 (65 ILCS 5/11-74.1-1) (from Ch. 24, par. 11-74.1-1)

21 Sec. 11-74.1-1. For the public purposes set forth in the
22 Illinois State Development Finance Authority Act, the
23 corporate authorities of each municipality may (1) acquire,
24 singly or jointly with other municipalities or counties, by
25 gift, purchase or otherwise, but not by condemnation, except
26 in furtherance of ~~Sections 7-40 through 7-48 of~~ the Illinois
27 State Development Finance Authority Act, land, or any
28 interest in land, whether located within or without its
29 corporate limits, and, singly or jointly, may improve or
30 arrange for the improvement of such land for industrial or
31 commercial purposes and may donate and convey such land, or
32 interest in land, so acquired and so improved, to the
33 Illinois State Development Finance Authority; and (2) donate

1 corporate funds to such Authority.

2 (Source: P.A. 83-669.)

3 (65 ILCS 5/11-113.1-1) (from Ch. 24, par. 11-113.1-1)

4 Sec. 11-113.1-1. A non-home rule municipality located at
5 least partly in a county which is preparing a stormwater
6 management plan in accordance with Section 5-1062 of the
7 Counties Code may levy a tax upon all taxable property
8 within its corporate limits, at a rate not to exceed 0.06% if
9 the municipality owns and operates a wastewater treatment
10 plant, and at a rate not to exceed 0.03% if it does not, of
11 the value, as equalized or assessed by the Department of
12 Revenue, of all taxable property within the municipality, for
13 the purposes of implementing the stormwater management plan,
14 improving storm sewer and combined sewer facilities,
15 protecting sanitary sewage treatment works from the 100-year
16 frequency flood, and acquiring lands, buildings and
17 properties in the 100-year floodplain, paying the principal
18 of and interest on any bonds issued pursuant to this Section
19 for any of the foregoing purposes, and paying the principal
20 of, premium, if any, and interest on, and any fees relating
21 to, any loan made to such municipality by the Illinois State
22 ~~Development~~ Finance Authority, pursuant to ~~subsection-(t)-of~~
23 ~~Section-7-of~~ the Illinois State Development Finance Authority
24 Act for any of the foregoing purposes, or any bond, note or
25 other evidence of indebtedness of such municipality issued in
26 connection with any such loan. Such tax shall be in addition
27 to all other taxes authorized by law to be levied and
28 collected in such municipality and shall be in addition to
29 the maximum tax rate authorized by law for general municipal
30 purposes. The limitations on tax rate provided in this
31 Section may be increased or decreased by referendum in
32 accordance with the provisions of Sections 18-120, 18-125,
33 and 18-130 of the Property Tax Code.

1 sewer and combined sewer facilities, protecting sanitary
2 sewage treatment works from the 100-year frequency flood, and
3 acquiring lands, buildings and properties in the 100-year
4 floodplain.

5 Any municipality in a county which has established a
6 stormwater management planning committee in accordance with
7 Section 5-1062 of the Counties Code is hereby further
8 authorized to borrow money from the Illinois State
9 ~~Development~~ Finance Authority for the purpose of financing
10 the protection of storm sewer outfalls, the construction of
11 adequate storm sewer outfalls and the provision for flood
12 protection of sanitary sewage treatment plants, pursuant to
13 ~~subsection-(t)-of-Section-7-of~~ the Illinois State ~~Development~~
14 Finance Authority Act, and is hereby authorized to enter into
15 loan agreements and other documents with the Illinois State
16 ~~Development~~ Finance Authority and to issue its bonds, notes
17 or other evidences of indebtedness to evidence its
18 obligation to repay such loan to the Illinois State
19 ~~Development~~ Finance Authority. Without the submission of the
20 question to the electors, notwithstanding any other provision
21 of law to the contrary, such municipality is hereby
22 authorized to execute such loan agreements and other
23 documents and to issue such bonds, notes or other evidences
24 of indebtedness, which loan agreements, documents, bonds,
25 notes or other evidences of indebtedness may bear such date
26 or dates, may bear interest at such rate or rates, payable at
27 such time or times, may mature at any time or times not later
28 than 40 years from the date of issuance, may be payable at
29 such place or places, may be payable from any funds of such
30 municipality on hand and lawfully available therefor,
31 including without limitation the taxes levied pursuant to
32 this Section or from any other taxes or revenues of such
33 municipality pledged to their payment, may be negotiated at
34 such price or prices, may be executed in such manner, may be

1 subject to redemption prior to maturity, may be in such form,
2 may be secured, and may be subject to such other terms and
3 conditions, all as may be provided in a resolution or
4 ordinance authorizing the execution of any such loan
5 agreement or other document or the issuance of such bonds,
6 notes or other evidences of indebtedness.

7 (Source: P.A. 88-670, eff. 12-2-94.)

8 (65 ILCS 5/11-119-2) (from Ch. 24, par. 11-119-2)

9 Sec. 11-119-2. The corporate authorities of any city or
10 village availing itself of the provisions of this Division
11 119 shall adopt an ordinance describing in a general way the
12 improvements or extensions to be made. It shall not be
13 necessary that the ordinance refer to plans and
14 specifications nor that there be on file for public
15 inspection prior to the adoption of such ordinance detailed
16 plans and specifications of the project. The ordinance shall
17 set out the estimated cost of the improvements or extensions
18 and shall fix the amount of bonds proposed to be issued, the
19 maturity, interest rate, and all details in respect thereof.
20 Such ordinance, at the option of the municipality, may
21 contain provisions which shall be part of the contract with
22 the holders of the bonds as to: (1) The registration of the
23 bonds as to principal only, or as to both principal and
24 interest, and the interchangeability and exchangeability of
25 the bonds. (2) The redemption of the bonds prior to maturity
26 and the price, either at par or at a premium, at which they
27 are redeemable. (3) The setting aside of reserves or sinking
28 funds, and the regulation or disposition thereof. (4)
29 Limitations upon the issuance of additional bonds payable
30 from the revenues of the system, or upon the rights of the
31 holders of these additional bonds. (5) Other agreements with
32 the holders of the bonds, or covenants or restrictions
33 necessary or desirable to safeguard the interests of these

1 holders. After the ordinance has been adopted and approved it
2 shall be published once in a newspaper published and having a
3 general circulation in the municipality, or if there is no
4 such newspaper, copies of the ordinance shall be posted in at
5 least 4 public places within the municipality. The ordinance
6 shall be in effect after the expiration of 10 days from the
7 date of this publication.

8 Bonds issued under this Division 119 shall be payable
9 solely from the revenue derived from the electric light plant
10 and system, or the gas plant and system, as the case may be,
11 and these bonds shall not in any event constitute an
12 indebtedness of the municipality within the meaning of any
13 constitutional or statutory limitation; provided, that bonds
14 issued under this Division 119 may also be payable from funds
15 pledged by the municipality issuing such bonds pursuant to
16 ~~Section--7.59--of~~ the Illinois State Development Finance
17 Authority Act, and, notwithstanding such pledge of such
18 funds, shall not in any event constitute an indebtedness of
19 the municipality within the meaning of any constitutional or
20 statutory limitation. It shall be plainly stated on the face
21 of each bond that it has been issued under the provisions of
22 this Division 119 and that it does not constitute an
23 indebtedness of the municipality within any constitutional or
24 statutory limitation.

25 (Source: P.A. 85-659.)

26 (65 ILCS 5/11-129-3) (from Ch. 24, par. 11-129-3)

27 Sec. 11-129-3. The corporate authorities of any
28 municipality availing itself of the provisions of this
29 Division 129 shall adopt an ordinance describing in a general
30 way the contemplated project. If it is intended to purchase
31 an existing waterworks or water supply system, the ordinance
32 shall describe in a general way the system to be purchased.
33 If it is intended to build a waterworks or water supply

1 system or to improve or extend a waterworks or water supply
2 system owned and operated by the municipality, the ordinance
3 shall describe in a general way the waterworks or water
4 supply system to be constructed or the improvements or
5 extensions to be made. It shall not be necessary that the
6 ordinance refer to plans and specifications nor that there be
7 on file for public inspection prior to the adoption of such
8 ordinance detailed plans and specifications of the project.
9 The ordinance shall set out the estimated cost of the
10 project, determine its period of usefulness, and fix the
11 amount and maturities of water revenue bonds proposed to be
12 issued, the interest rate, and all details in respect
13 thereof. The ordinance may contain such covenants and
14 restrictions upon the issuance of additional revenue bonds
15 thereafter as may be deemed necessary or advisable for the
16 assurance of payment of the bonds thereby authorized and as
17 may be thereafter issued.

18 Revenue bonds issued under this Division 129 shall be
19 payable solely from the revenue derived from the operation of
20 the waterworks or water supply system on account of which the
21 bonds are issued; provided, that bonds issued under this
22 Division 129 may also be payable from funds pledged by the
23 municipality issuing such bonds pursuant to ~~Section 7-59 of~~
24 the Illinois State Development Finance Authority Act.
25 Notwithstanding any such pledge or any other matter, these
26 bonds shall not in any event constitute an indebtedness of
27 the municipality within the meaning of any constitutional or
28 statutory limitation and it shall be so stated on the face of
29 each bond.

30 (Source: P.A. 85-659.)

31 (65 ILCS 5/11-139-7) (from Ch. 24, par. 11-139-7)
32 Sec. 11-139-7. Revenue bonds issued under this Division
33 139 shall be payable solely from the revenue derived from the

1 operation of the combined waterworks and sewerage system on
 2 account of which the bonds are issued; provided, that bonds
 3 issued under this Division 139 may also be payable from funds
 4 pledged by the municipality issuing such bonds pursuant to
 5 Section--7.59--of the Illinois State Development Finance
 6 Authority Act. Notwithstanding any such pledge or any other
 7 matter, these bonds shall not in any event constitute an
 8 indebtedness of the municipality within the meaning of any
 9 constitutional or statutory limitation and it shall be so
 10 stated on the face of each bond.

11 (Source: P.A. 85-659.)

12 (65 ILCS 5/11-141-5) (from Ch. 24, par. 11-141-5)

13 Sec. 11-141-5. All bonds issued under this Division 141
 14 are payable solely from the revenue derived from the
 15 operation of the sewerage system; provided, that bonds issued
 16 under this Division 141 may also be payable from funds
 17 pledged by the municipality issuing such bonds pursuant to
 18 Section--7.59--of the Illinois State Development Finance
 19 Authority Act. Notwithstanding any such pledge or any other
 20 matter, these bonds shall not, in any event, constitute an
 21 indebtedness of the municipality within the meaning of any
 22 constitutional or statutory limitation. It shall be plainly
 23 stated on the face of each bond that the bond has been issued
 24 under this Division 141 and that it does not constitute an
 25 indebtedness of the municipality within any constitutional or
 26 statutory limitation.

27 (Source: P.A. 85-659.)

28 Section 901.17. The Sanitary District Act of 1907 is
 29 amended by changing Section 17.1 as follows:

30 (70 ILCS 2205/17.1) (from Ch. 42, par. 263.1)

31 Sec. 17.1. The board of trustees of a sanitary district

1 that owns and operates a wastewater treatment plant in a
2 county which has established a stormwater management planning
3 committee in accordance with Section 5-1062 of the Counties
4 Code may levy a tax upon all taxable property within its
5 district at a rate not to exceed 0.03% of the value of such
6 property, as equalized or assessed by the Department of
7 Revenue, for the purposes of protecting pumping stations,
8 wastewater treatment plants and combined sewer outfalls from
9 the 100-year flood, paying the principal of and interest on
10 any bonds issued pursuant to this Section for any of the
11 foregoing purposes, and paying the principal of, premium, if
12 any, and interest on, and any fees relating to, any loan made
13 to such sanitary district by the Illinois State Development
14 Finance Authority, pursuant to ~~subsection-(t)-of-Section-7-of~~
15 the Illinois State Development Finance Authority Act, for any
16 of the foregoing purposes, or any bond, note or other
17 evidence of indebtedness of such municipality issued in
18 connection with any such loan. The 0.03% limitation provided
19 in this Section may be increased or decreased by referendum
20 in accordance with the provisions of Sections 18-120, 18-125,
21 and 18-130 of the Property Tax Code.

22 The tax authorized by this Section may be levied without
23 referendum by any sanitary district that is located at least
24 partly in a township declared after July 1, 1986 by
25 presidential declaration to be a disaster area as a result of
26 flooding. However, the tax authorized by this Section shall
27 not be levied by any sanitary district not so located unless
28 the question of its adoption, either for a specified period
29 or indefinitely, is submitted to the electors thereof and
30 approved by a majority of those voting on the question. This
31 question may be submitted at any election held in the
32 sanitary district after the adoption of a resolution by the
33 board of trustees of the sanitary district providing for the
34 submission of the question to the electors of the sanitary

1 district. The board of trustees shall certify the resolution
 2 and proposition to the proper election officials, who shall
 3 submit the proposition at an election in accordance with the
 4 general election law. If a majority of the votes cast on the
 5 question is in favor of the levy of such tax, it may
 6 thereafter be levied in such sanitary district for the
 7 specified period or indefinitely, as provided in the
 8 proposition. The question shall be put in substantially the
 9 following form:

10 -----

11 Shall an annual tax be levied
 12 for stormwater management purposes YES
 13 (for a period of not more than
 14 years) at a rate not exceeding -----
 15 0.03% of the equalized assessed
 16 value of the taxable property of NO
 17 the Sanitary District?

18 -----

19 Any sanitary district in a county that has established a
 20 stormwater management planning committee in accordance with
 21 Section 5-1062 of the Counties Code is hereby authorized to
 22 borrow money and to issue its bonds for the purposes of
 23 protecting pumping stations, wastewater treatment plants and
 24 combined sewer outfalls from the 100-year flood.

25 Any sanitary district in a county that has established a
 26 stormwater management planning committee in accordance with
 27 Section 5-1062 of the Counties Code is hereby further
 28 authorized to borrow money from the Illinois State
 29 ~~Development~~ Finance Authority for the purpose of financing
 30 the provision of flood protection for sanitary sewage
 31 treatment plants, pursuant to ~~subsection (t) of Section 7~~ of
 32 the Illinois State ~~Development~~ Finance Authority Act, and is
 33 hereby authorized to enter into loan agreements and other
 34 documents with the Illinois State ~~Development~~ Finance

1 Authority and to issue its bonds, notes or other evidences of
2 indebtedness to evidence its obligation to repay such loan to
3 the Illinois State Development Finance Authority. Without
4 the submission of the question to the electors,
5 notwithstanding any other provision of law to the contrary,
6 such sanitary district is hereby authorized to execute such
7 loan agreements and other documents and to issue such bonds,
8 notes or other evidences of indebtedness, which loan
9 agreements, documents, bonds, notes or other evidences of
10 indebtedness may bear such date or dates, may bear interest
11 at such rate or rates, payable at such time or times, may
12 mature at any time or times not later than 40 years from the
13 date of issuance, may be payable at such place or places, may
14 be payable from any funds of such sanitary district on hand
15 and lawfully available therefor, including without limitation
16 the taxes levied pursuant to this Section or from any other
17 taxes or revenues of such sanitary district pledged to their
18 payment, may be negotiated at such price or prices, may be
19 executed in such manner, may be subject to redemption prior
20 to maturity, may be in such form, may be secured, and may be
21 subject to such other terms and conditions, all as may be
22 provided in a resolution or ordinance authorizing the
23 execution of any such loan agreement or other document or the
24 issuance of such bonds, notes or other evidences of
25 indebtedness.

26 (Source: P.A. 88-670, eff. 12-2-94.)

27 Section 901.18. The Family Practice Residency Act is
28 amended by changing Section 10 as follows:

29 (110 ILCS 935/10) (from Ch. 144, par. 1460)

30 Sec. 10. Scholarship recipients who fail to fulfill the
31 obligation described in subsection (d) of Section 3.07 of
32 this Act shall pay to the Department a sum equal to 3 times

1 the amount of the annual scholarship grant for each year the
2 recipient fails to fulfill such obligation. A scholarship
3 recipient who fails to fulfill the obligation described in
4 subsection (d) of Section 3.07 shall have 30 days from the
5 date on which that failure begins in which to enter into a
6 contract with the Department that sets forth the manner in
7 which that sum is required to be paid. If the contract is
8 not entered into within that 30 day period or if the contract
9 is entered into but the required payments are not made in the
10 amounts and at the times provided in the contract, the
11 scholarship recipient also shall be required to pay to the
12 Department interest at the rate of 9% per annum on the amount
13 of that sum remaining due and unpaid. The amounts paid to the
14 Department under this Section shall be deposited into the
15 Community Health Center Care Fund and shall be used by the
16 Department to improve access to primary health care services
17 as authorized by subsection (a) of Section 2310-200 of the
18 Department of Public Health Powers and Duties Law (20 ILCS
19 2310/2310-200).

20 The Department may transfer to the Illinois State
21 ~~Development~~ Finance Authority, into an account outside the
22 State treasury, moneys in the Community Health Center Care
23 Fund as needed, but not to exceed an amount established, by
24 rule, by the Department to establish a reserve or credit
25 enhancement escrow account to support a financing program or
26 a loan or equipment leasing program to provide moneys to
27 support the purposes of subsection (a) of Section 2310-200 of
28 the Department of Public Health Powers and Duties Law (20
29 ILCS 2310/2310-200). The disposition of moneys at the
30 conclusion of any financing program under this Section shall
31 be determined by an interagency agreement.

32 (Source: P.A. 90-405, eff. 1-1-98; 91-239, eff. 1-1-00.)

33 Section 901.19. The Illinois Public Aid Code is amended

1 by changing Sections 11-3 and 11-3.3 as follows:

2 (305 ILCS 5/11-3) (from Ch. 23, par. 11-3)

3 Sec. 11-3. Assignment and attachment of aid prohibited.
4 Except as provided below in this Section and in Section
5 11-3.3, all financial aid given under Articles III, IV, V, VI
6 and VII and money payments for child care services provided
7 by a child care provider under Articles IX and IXA shall not
8 be subject to assignment, sale, attachment, garnishment, or
9 otherwise. Provided, however, that a medical vendor may use
10 his right to receive vendor payments as collateral for loans
11 from financial institutions so long as such arrangements do
12 not constitute any activity prohibited under Section
13 1902(a)(32) of the Social Security Act and regulations
14 promulgated thereunder, or any other applicable laws or
15 regulations. Provided further, however, that a medical or
16 other vendor or a service provider may assign, reassign,
17 sell, pledge or grant a security interest in any such
18 financial aid, vendor payments or money payments or grants
19 which he has a right to receive to the Illinois Health
20 Facilities Authority, in connection with any financing
21 program undertaken by the Illinois Health Facilities
22 Authority, or to the Illinois State Development Finance
23 Authority, in connection with any financing program
24 undertaken by the Illinois State Development Finance
25 Authority. Each Authority may utilize a trustee or agent to
26 accept, accomplish, effectuate or realize upon any such
27 assignment, reassignment, sale, pledge or grant on that
28 Authority's behalf. Provided further, however, that nothing
29 herein shall prevent the Illinois Department from collecting
30 any assessment, fee, interest or penalty due under Article
31 V-A, V-B, V-C, or V-E by withholding financial aid as payment
32 of such assessment, fee, interest, or penalty. Any alienation
33 in contravention of this statute does not diminish and does

1 not affect the validity, legality or enforceability of any
2 underlying obligations for which such alienation may have
3 been made as collateral between the parties to the
4 alienation. This amendatory Act shall be retroactive in
5 application and shall pertain to obligations existing prior
6 to its enactment.

7 (Source: P.A. 87-13; 87-842; 87-861; 88-88; 88-554, eff.
8 7-26-94.)

9 (305 ILCS 5/11-3.3) (from Ch. 23, par. 11-3.3)

10 Sec. 11-3.3. Payment to provider or governmental agency
11 or entity. Payments under this Code shall be made to the
12 provider, except that the Department may issue or may agree
13 to issue the payment directly to the Illinois Health
14 Facilities Authority, the Illinois State Development Finance
15 Authority, or any other governmental agency or entity,
16 including any bond trustee for that agency or entity, to whom
17 the provider has assigned, reassigned, sold, pledged or
18 granted a security interest in the payments that the provider
19 has a right to receive, provided that the issuance or
20 agreement to issue is not prohibited under Section
21 1902(a)(32) of the Social Security Act.

22 (Source: P.A. 87-842.)

23 Section 901.20. The Illinois Affordable Housing Act is
24 amended by changing Section 6 as follows:

25 (310 ILCS 65/6) (from Ch. 67 1/2, par. 1256)

26 Sec. 6. Advisory Commission.

27 (a) There is hereby created the Illinois Affordable
28 Housing Advisory Commission. The Commission shall consist of
29 15 members. Three of the Commissioners shall be the Directors
30 of the Illinois Housing Development Authority, the Illinois
31 State Development Finance Authority and the Department of

1 Commerce and Community Affairs or their representatives. One
2 of the Commissioners shall be the Commissioner of the Chicago
3 Department of Housing or its representative. The remaining 11
4 members shall be appointed by the Governor, with the advice
5 and consent of the Senate, and not more than 4 of these
6 Commission members shall reside in any one county in the
7 State. At least one Commission member shall be an
8 administrator of a public housing authority from other than a
9 municipality having a population in excess of 2,000,000; at
10 least 2 Commission members shall be representatives of
11 special needs populations as described in subsection (e) of
12 Section 8; at least 4 Commission members shall be
13 representatives of community-based organizations engaged in
14 the development or operation of housing for low-income and
15 very low-income households; and at least 4 Commission members
16 shall be representatives of advocacy organizations, one of
17 which shall represent a tenants' advocacy organization. The
18 Governor shall consider nominations made by advocacy
19 organizations and community-based organizations.

20 (b) Members appointed to the Commission shall serve a
21 term of 3 years; however, 3 members first appointed under
22 this Act shall serve an initial term of one year, and 4
23 members first appointed under this Act shall serve a term of
24 2 years. Individual terms of office shall be chosen by lot
25 at the initial meeting of the Commission. The Governor shall
26 appoint the Chairman of the Commission, and the Commission
27 members shall elect a Vice Chairman.

28 (c) Members of the Commission shall not be entitled to
29 compensation, but shall receive reimbursement for actual and
30 reasonable expenses incurred in the performance of their
31 duties.

32 (d) Eight members of the Commission shall constitute a
33 quorum for the transaction of business.

34 (e) The Commission shall meet at least quarterly and its

1 duties and responsibilities are:

2 (1) the study and review of the availability of
3 affordable housing for low-income and very low-income
4 households in the State of Illinois and the development
5 of a plan which addresses the need for additional
6 affordable housing;

7 (2) encouraging collaboration between federal and
8 State agencies, local government and the private sector
9 in the planning, development and operation of affordable
10 housing for low-income and very low-income households;

11 (3) studying, evaluating and soliciting new and
12 expanded sources of funding for affordable housing;

13 (4) developing, proposing, reviewing, and
14 commenting on priorities, policies and procedures for
15 uses and expenditures of Trust Fund monies, including
16 policies which assure equitable distribution of funds
17 statewide;

18 (5) making recommendations to the Program
19 Administrator concerning proposed expenditures from the
20 Trust Fund;

21 (6) making recommendations to the Program
22 Administrator concerning the developments proposed to be
23 financed with the proceeds of Affordable Housing Program
24 Trust Fund Bonds or Notes;

25 (7) reviewing and commenting on the development of
26 priorities, policies and procedures for the
27 administration of the Program;

28 (8) monitoring and evaluating all allocations of
29 funds under this Program; and

30 (9) making recommendations to the General Assembly
31 for further legislation that may be necessary in the area
32 of affordable housing.

33 (Source: P.A. 88-93; 89-286, eff. 8-10-95.)

1 Section 901.21. The Illinois Rural/Downstate Health Act
2 is amended by changing Section 4 as follows:

3 (410 ILCS 65/4) (from Ch. 111 1/2, par. 8054)

4 Sec. 4. The Center shall have the authority:

5 (a) To assist rural communities and communities in
6 designated shortage areas by providing technical assistance
7 to community leaders in defining their specific health care
8 needs and identifying strategies to address those needs.

9 (b) To link rural communities and communities in
10 designated shortage areas with other units in the Department
11 or other State agencies which can assist in the solution of a
12 health care access problem.

13 (c) To maintain and disseminate information on
14 innovative health care strategies, either directly or
15 indirectly.

16 (d) To administer State or federal grant programs
17 relating to rural health or medically underserved areas
18 established by State or federal law for which funding has
19 been made available.

20 (e) To promote the development of primary care services
21 in rural areas and designated shortage areas. Subject to
22 available appropriations, the Department may annually award
23 grants of up to \$300,000 each to enable the health services
24 in those areas to offer multi-service comprehensive
25 ambulatory care, thereby improving access to primary care
26 services. Grants may cover operational and facility
27 construction and renovation expenses, including but not
28 limited to the cost of personnel, medical supplies and
29 equipment, patient transportation, and health provider
30 recruitment. The Department shall prescribe by rule standards
31 and procedures for the provision of local matching funds in
32 relation to each grant application. Grants provided under
33 this paragraph (e) shall be in addition to support and

1 assistance provided under subsection (a) of Section 2310-200
2 of the Department of Public Health Powers and Duties Law (20
3 ILCS 2310/2310-200). Eligible applicants shall include, but
4 not be limited to, community-based organizations, hospitals,
5 local health departments, and Community Health Centers as
6 defined in Section 4.1 of this Act.

7 (f) To annually provide grants from available
8 appropriations to hospitals located in medically underserved
9 areas or health manpower shortage areas as defined by the
10 United States Department of Health and Human Services, whose
11 governing boards include significant representation of
12 consumers of hospital services residing in the area served by
13 the hospital, and which agree not to discriminate in any way
14 against any consumer of hospital services based upon the
15 consumer's source of payment for those services. Grants that
16 may be awarded under this paragraph (f) shall be limited to
17 \$500,000 and shall not exceed 50% of the total project need
18 indicated in each application. Expenses covered by the grants
19 may include but are not limited to facility renovation,
20 equipment acquisition and maintenance, recruitment of health
21 personnel, diversification of services, and joint venture
22 arrangements.

23 (g) To establish a recruitment center which shall
24 actively recruit physicians and other health care
25 practitioners to participate in the program, maintain
26 contacts with participating practitioners, actively promote
27 health care professional practice in designated shortage
28 areas, assist in matching the skills of participating medical
29 students with the needs of community health centers in
30 designated shortage areas, and assist participating medical
31 students in locating in designated shortage areas.

32 (h) To assist communities in designated shortage areas
33 find alternative services or temporary health care providers
34 when existing health care providers are called into active

1 duty with the armed forces of the United States.

2 (i) To develop, in cooperation with the Illinois State
3 Development Finance Authority, financing programs whose goals
4 and purposes shall be to provide moneys to carry out the
5 purpose of this Act, including, but not limited to, revenue
6 bond programs, revolving loan programs, equipment leasing
7 programs, and working cash programs. The Department may
8 transfer to the Illinois State Development Finance Authority,
9 into an account outside of the State treasury, moneys in
10 special funds of the Department for the purposes of
11 establishing those programs. The disposition of any moneys
12 so transferred shall be determined by an interagency
13 agreement.

14 (Source: P.A. 91-239, eff. 1-1-00; 91-357, eff. 7-29-99;
15 revised 8-5-99.)

16 Section 901.22. The Prevailing Wage Act is amended by
17 changing Section 2 as follows:

18 (820 ILCS 130/2) (from Ch. 48, par. 39s-2)

19 (Text of Section before amendment by P.A. 91-935)

20 Sec. 2. This Act applies to the wages of laborers,
21 mechanics and other workers employed in any public works, as
22 hereinafter defined, by any public body and to anyone under
23 contracts for public works.

24 As used in this Act, unless the context indicates
25 otherwise:

26 "Public works" means all fixed works constructed for
27 public use by any public body, other than work done directly
28 by any public utility company, whether or not done under
29 public supervision or direction, or paid for wholly or in
30 part out of public funds. "Public works" as defined herein
31 includes all projects financed in whole or in part with bonds
32 issued under the Industrial Project Revenue Bond Act (Article

1 11, Division 74 of the Illinois Municipal Code), the
2 Industrial Building Revenue Bond Act, the Illinois State
3 Development Finance Authority Act, or the Build Illinois Bond
4 Act, and all projects financed in whole or in part with loans
5 or other funds made available pursuant to the Build Illinois
6 Act.

7 "Construction" means all work on public works involving
8 laborers, workers or mechanics.

9 "Locality" means the county where the physical work upon
10 public works is performed, except (1) that if there is not
11 available in the county a sufficient number of competent
12 skilled laborers, workers and mechanics to construct the
13 public works efficiently and properly, "locality" includes
14 any other county nearest the one in which the work or
15 construction is to be performed and from which such persons
16 may be obtained in sufficient numbers to perform the work and
17 (2) that, with respect to contracts for highway work with the
18 Department of Transportation of this State, "locality" may at
19 the discretion of the Secretary of the Department of
20 Transportation be construed to include two or more adjacent
21 counties from which workers may be accessible for work on
22 such construction.

23 "Public body" means the State or any officer, board or
24 commission of the State or any political subdivision or
25 department thereof, or any institution supported in whole or
26 in part by public funds, authorized by law to construct
27 public works or to enter into any contract for the
28 construction of public works, and includes every county,
29 city, town, village, township, school district, irrigation,
30 utility, reclamation improvement or other district and every
31 other political subdivision, district or municipality of the
32 state whether such political subdivision, municipality or
33 district operates under a special charter or not.

34 The terms "general prevailing rate of hourly wages",

1 "general prevailing rate of wages" or "prevailing rate of
2 wages" when used in this Act mean the hourly cash wages plus
3 fringe benefits for training and apprenticeship programs
4 approved by the U.S. Department of Labor, Bureau of
5 Apprenticeship and Training, health and welfare, insurance,
6 vacations and pensions paid generally, in the locality in
7 which the work is being performed, to employees engaged in
8 work of a similar ~~similiar~~ character on public works.

9 (Source: P.A. 91-105, eff. 1-1-00; revised 10-7-99.)

10 (Text of Section after amendment by P.A. 91-935)

11 Sec. 2. This Act applies to the wages of laborers,
12 mechanics and other workers employed in any public works, as
13 hereinafter defined, by any public body and to anyone under
14 contracts for public works.

15 As used in this Act, unless the context indicates
16 otherwise:

17 "Public works" means all fixed works constructed for
18 public use by any public body, other than work done directly
19 by any public utility company, whether or not done under
20 public supervision or direction, or paid for wholly or in
21 part out of public funds. "Public works" as defined herein
22 includes all projects financed in whole or in part with bonds
23 issued under the Industrial Project Revenue Bond Act (Article
24 11, Division 74 of the Illinois Municipal Code), the
25 Industrial Building Revenue Bond Act, the Illinois State
26 ~~Development~~ Finance Authority Act, the Illinois Sports
27 Facilities Authority Act, or the Build Illinois Bond Act, and
28 all projects financed in whole or in part with loans or other
29 funds made available pursuant to the Build Illinois Act.

30 "Construction" means all work on public works involving
31 laborers, workers or mechanics.

32 "Locality" means the county where the physical work upon
33 public works is performed, except (1) that if there is not
34 available in the county a sufficient number of competent

1 skilled laborers, workers and mechanics to construct the
2 public works efficiently and properly, "locality" includes
3 any other county nearest the one in which the work or
4 construction is to be performed and from which such persons
5 may be obtained in sufficient numbers to perform the work and
6 (2) that, with respect to contracts for highway work with the
7 Department of Transportation of this State, "locality" may at
8 the discretion of the Secretary of the Department of
9 Transportation be construed to include two or more adjacent
10 counties from which workers may be accessible for work on
11 such construction.

12 "Public body" means the State or any officer, board or
13 commission of the State or any political subdivision or
14 department thereof, or any institution supported in whole or
15 in part by public funds, authorized by law to construct
16 public works or to enter into any contract for the
17 construction of public works, and includes every county,
18 city, town, village, township, school district, irrigation,
19 utility, reclamation improvement or other district and every
20 other political subdivision, district or municipality of the
21 state whether such political subdivision, municipality or
22 district operates under a special charter or not.

23 The terms "general prevailing rate of hourly wages",
24 "general prevailing rate of wages" or "prevailing rate of
25 wages" when used in this Act mean the hourly cash wages plus
26 fringe benefits for training and apprenticeship programs
27 approved by the U.S. Department of Labor, Bureau of
28 Apprenticeship and Training, health and welfare, insurance,
29 vacations and pensions paid generally, in the locality in
30 which the work is being performed, to employees engaged in
31 work of a similar character on public works.

32 (Source: P.A. 91-105, eff. 1-1-00; 91-935, eff. 6-1-01.)

33 Section 903.1. The Transportation Cooperation Act of

1 1971 is amended by changing Section 2 as follows:

2 (5 ILCS 225/2) (from Ch. 111 2/3, par. 602)

3 Sec. 2. For the purposes of this Act:

4 (a) "Railroad passenger service" means any railroad
5 passenger service within the State of Illinois, including the
6 equipment and facilities used in connection therewith, with
7 the exception of the basic system operated by the National
8 Railroad Passenger Corporation pursuant to Title II and
9 Section 403(a) of the Federal Rail Passenger Service Act of
10 1970.

11 (b) "Federal Railroad Corporation" means the National
12 Railroad Passenger Corporation established pursuant to an Act
13 of Congress known as the "Rail Passenger Service Act of
14 1970."

15 (c) "Transportation system" means any and all modes of
16 public transportation within the State, including, but not
17 limited to, transportation of persons or property by rapid
18 transit, rail, bus, and aircraft, and all equipment,
19 facilities and property, real and personal, used in
20 connection therewith.

21 (d) "Carrier" means any corporation, authority,
22 partnership, association, person or district authorized to
23 maintain a transportation system within the State with the
24 exception of the Federal Railroad Corporation.

25 (e) "Units of local government" means cities, villages,
26 incorporated towns, counties, municipalities, townships, and
27 special districts, including any district created pursuant to
28 the "Local Mass Transit District Act", approved July 21,
29 1959, as amended; any Authority created pursuant to the
30 "Metropolitan Transit Authority Act", approved April 12,
31 1945, as amended; and, any authority, commission or other
32 entity which by virtue of an interstate compact approved by
33 Congress is authorized to provide mass transportation.

1 (f) "Universities" means all public institutions of
2 higher education as defined in an "Act creating a Board of
3 Higher Education, defining its powers and duties, making an
4 appropriation therefor, and repealing an Act herein named",
5 approved August 22, 1961, as amended, and all private
6 institutions of higher education as defined in the Illinois
7 State Finance Educational-Facilities Authority Act.

8 (g) "Department" means the Illinois Department of
9 Transportation, or such other department designated by law to
10 perform the duties and functions of the Illinois Department
11 of Transportation prior to January 1, 1972.

12 (h) "Association" means any Transportation Service
13 Association created pursuant to Section 4 of this Act.

14 (i) "Contracting Parties" means any units of local
15 government or universities which have associated and joined
16 together pursuant to Section 3 of this Act.

17 (j) "Governing authorities" means (1) the city council
18 or similar legislative body of a city; (2) the board of
19 trustees or similar body of a village or incorporated town;
20 (3) the council of a municipality under the commission form
21 of municipal government; (4) the board of trustees in a
22 township; (5) the Board of Trustees of the University of
23 Illinois, the Board of Trustees of Southern Illinois
24 University, the Board of Trustees of Chicago State
25 University, the Board of Trustees of Eastern Illinois
26 University, the Board of Trustees of Governors State
27 University, the Board of Trustees of Illinois State
28 University, the Board of Trustees of Northeastern Illinois
29 University, the Board of Trustees of Northern Illinois
30 University, the Board of Trustees of Western Illinois
31 University, and the Illinois Community College Board; (6) the
32 county board of a county; and (7) the trustees,
33 commissioners, board members, or directors of a university,
34 special district, authority or similar agency.

1 (Source: P.A. 89-4, eff. 1-1-96.)

2 Section 903.2. The Higher Education Loan Act is amended
3 by changing the title and Sections 3, 3.01, and 5 as follows:

4 (110 ILCS 945/Act title)

5 An Act relating to the Illinois State Finance Educational
6 Facilities Authority and certain of its powers and duties.

7 (Source: P.A. 85-1326.)

8 (110 ILCS 945/3) (from Ch. 144, par. 1603)

9 Sec. 3. Definitions. In this Act, unless the context
10 otherwise requires, the terms specified in Sections 3.01
11 through 3.13 of this Act and ~~Sections 3.01 through 3.09 of~~
12 the Illinois State Finance Educational Facilities Authority
13 Act have the meanings ascribed to them in those Acts
14 Sections.

15 (Source: P.A. 88-555, eff. 7-27-94.)

16 (110 ILCS 945/3.01) (from Ch. 144, par. 1603.01)

17 Sec. 3.01. Authority. "Authority" means the Illinois
18 State Finance Educational-Facilities Authority created by the
19 Illinois State Finance Educational-Facilities Authority Act.

20 (Source: P.A. 85-1326.)

21 (110 ILCS 945/5) (from Ch. 144, par. 1605)

22 Sec. 5. Transfer of functions from the Illinois
23 Educational Facilities Independent--Higher--Education--Loan
24 Authority to the Illinois State Finance Educational
25 Facilities Authority. The Illinois State Finance Educational
26 Facilities Authority created by the Illinois State Finance
27 Educational-Facilities Authority Act shall succeed to, assume
28 and exercise all rights, powers, duties and responsibilities
29 formerly exercised by the Illinois Educational Facilities

1 Independent--Higher--Education--Loan Authority prior to the
2 abolition of that Authority by this amendatory Act of the
3 92nd General Assembly 1988. All books, records, papers,
4 documents and pending business in any way pertaining to the
5 former Illinois Educational Facilities Independent-Higher
6 Education-Loan Authority are transferred to the Illinois
7 State Finance Educational--Facilities Authority, but any
8 rights or obligations of any person under any contract made
9 by, or under any rules, regulations, uniform standards,
10 criteria and guidelines established or approved by, such
11 former Illinois Educational Facilities Independent--Higher
12 Education--Loan Authority shall be unaffected thereby. All
13 bonds, notes or other evidences of indebtedness outstanding
14 on the effective date of this amendatory Act of the 92nd
15 General Assembly 1988 shall be unaffected by the transfer of
16 functions to the Illinois State Finance Educational
17 Facilities Authority. No rule, regulation, standard,
18 criteria or guideline promulgated, established or approved by
19 the former Illinois Educational Facilities Independent-Higher
20 Education--Loan Authority pursuant to an exercise of any
21 right, power, duty or responsibility assumed by and
22 transferred to the Illinois State Finance Educational
23 Facilities Authority shall be affected by this amendatory Act
24 of the 92nd General Assembly 1988, and all such rules,
25 regulations, standards, criteria and guidelines shall become
26 those of the Illinois State Finance Educational--Facilities
27 Authority until such time as they are amended or repealed by
28 the Authority.

29 (Source: P.A. 85-1326.)

30 Section 906.1. The Rural Diversification Act is amended
31 by changing Sections 2, 3, 4, and 5 as follows:

32 (20 ILCS 690/2) (from Ch. 5, par. 2252)

1 Sec. 2. Findings and declaration of policy. The General
2 Assembly hereby finds, determines and declares:

3 (a) That Illinois is a state of diversified economic
4 strength and that an important economic strength in Illinois
5 is derived from rural business production and the
6 agribusiness industry;

7 (b) That the Illinois rural economy is in a state of
8 transition, which presents a unique opportunity for the State
9 to act on its growth and development;

10 (c) That full and continued growth and development of
11 Illinois' rural economy, especially in the small towns and
12 farm communities, is vital for Illinois;

13 (d) That by encouraging the development of diversified
14 rural business and agricultural production, nonproduction and
15 processing activities in Illinois, the State creates a
16 beneficial climate for new and improved job opportunities for
17 its citizens and expands jobs and job training opportunities;

18 (e) That in order to cultivate strong rural economic
19 growth and development in Illinois, it is necessary to
20 proceed with a plan which encourages Illinois rural
21 businesses and agribusinesses to expand business employment
22 opportunities through diversification of business and
23 industries, offers managerial, technical and financial
24 assistance to or on behalf of rural businesses and
25 agribusiness, and works in a cooperative venture and spirit
26 with Illinois' business, labor, local government, educational
27 and scientific communities;

28 (f) That dedication of State resources over a multi-year
29 period targeted to promoting the growth and development of
30 one or more classes of diversified rural products,
31 particularly new agricultural products, is an effective use
32 of State funds;

33 (g) That the United States Congress, having identified
34 similar needs and purposes has enacted legislation creating

1 the United States Department of Agriculture/Farmers Home
2 Administration Non-profit National Finance Corporations Loan
3 and Grant Program and made funding available to the states
4 consistent with the purposes of this Act.

5 (h) That the Illinois General Assembly has enacted
6 "Rural Revival" and a series of "Harvest the Heartland"
7 initiatives which create within the Illinois State Finance
8 ~~Farm-Development~~ Authority a "Seed Capital Fund" to provide
9 venture capital for emerging new agribusinesses, and to help
10 coordinate cooperative research and development on new
11 agriculture technologies in conjunction with the Agricultural
12 Research and Development Consortium in Peoria, the United
13 State Department of Agriculture Northern Regional Research
14 Laboratory in Peoria, the institutions of higher learning in
15 Illinois, and the agribusiness community of this State,
16 identify the need for enhanced efforts by the State to
17 promote the use of fuels utilizing ethanol made from Illinois
18 grain, and promote forestry development in this State; and

19 (i) That there is a need to coordinate the many programs
20 offered by the State of Illinois Departments of Agriculture,
21 Commerce and Community Affairs, and Natural Resources, and
22 the Illinois State Finance ~~Farm--Development~~ Authority that
23 are targeted to agriculture and the rural community with
24 those offered by the federal government. Therefore it is
25 desirable that the fullest measure of coordination and
26 integration of the programs offered by the various state
27 agencies and the federal government be achieved.

28 (Source: P.A. 89-445, eff. 2-7-96.)

29 (20 ILCS 690/3) (from Ch. 5, par. 2253)

30 Sec. 3. Definitions. The following words and phrases
31 shall have the meaning ascribed to each of them in this
32 Section unless the context clearly indicates otherwise:

33 (a) "Office" means the Office of Rural Community

1 Development within the Illinois Department of Commerce and
2 Community Affairs.

3 (b) "Rural business" means a business, including a
4 cooperative, proprietorship, partnership, corporation or
5 other entity, that is located in a municipality of 20,000
6 population or less, or in an unincorporated area of a county
7 with a population of less than 350,000, but not in a
8 municipality which is contiguous to a municipality or
9 municipalities with a population greater than 20,000. The
10 business must also be engaged in manufacturing, mining,
11 agriculture, wholesale, transportation, tourism, or utilities
12 or in research and development or services to these basic
13 industrial sectors.

14 (c) "Agribusiness", for purpose of this Act, means a
15 rural business that is defined as an agribusiness pursuant to
16 ~~subsection--(i)--of--Section--2--of~~ the Illinois State Finance
17 Authority Farm-Development Act.

18 (d) "Rural diversification project" means financing to a
19 rural business for a specific activity undertaken to promote:
20 (i) the improvement and expansion of business and industry in
21 rural areas; (ii) creation of entrepreneurial and
22 self-employment businesses; (iii) industry or region wide
23 research directed to profit oriented uses of rural resources,
24 and (iv) value added agricultural supply, production
25 processing or reprocessing facilities or operations and shall
26 include but not be limited to agricultural diversification
27 projects.

28 (e) "Financing" means direct loans at market or below
29 market rate interest, grants, technical assistance contracts,
30 or other means whereby monetary assistance is provided to or
31 on behalf of rural business or agribusinesses for purposes of
32 rural diversification.

33 (f) "Agricultural diversification project" means
34 financing awarded to a rural business for a specific activity

1 undertaken to promote diversification of the farm economy of
2 this State through (i) profit oriented nonproduction uses of
3 Illinois land resources, (ii) growth and development of new
4 crops or livestock not customarily grown or produced in this
5 State, or (iii) developments which emphasize a vertical
6 integration of grain or livestock produced or raised in this
7 State into a finished product for consumption or use. "New
8 crops or livestock not customarily grown or produced in this
9 State" does not include corn, soybeans, wheat, swine, or beef
10 or dairy cattle. "Vertical integration of grain or livestock
11 produced or raised in this State" includes any new or
12 existing grain or livestock grown or produced in this State.
13 (Source: P.A. 85-180.)

14 (20 ILCS 690/4) (from Ch. 5, par. 2254)

15 Sec. 4. Powers of the Office. The Office has the
16 following powers, in addition to those granted to it by other
17 law:

18 (a) To provide financing pursuant to the provisions of
19 this Act, from appropriations made by the General Assembly
20 from the General Revenue Fund, Federal trust funds, and the
21 Rural Diversification Revolving Fund created herein, to or on
22 behalf of rural business and agribusiness to promote rural
23 diversification.

24 (b) To provide financing in the form of direct loans and
25 grants from State funds for qualifying agricultural and rural
26 diversification projects independent of federal financial
27 participation, except that no grants from State funds shall
28 be made directly with a rural business.

29 (c) To provide financing in the form of direct loans,
30 grants, and technical assistance contracts from State funds
31 for qualifying agricultural and rural diversification
32 projects in coordination with federal financial participation
33 in the form of loan guarantees, direct loans, and grant and

1 technical assistance contract reimbursements.

2 (d) To consider in the award of State funded financing
3 the satisfaction of matching requirements associated with
4 federal financing participation and the maximization of
5 federal financing participation to the benefit of the rural
6 Illinois economy.

7 (e) To enter into agreements or contracts, accept funds
8 or grants, and cooperate with agencies of the Federal
9 Government, State or Local Governments, the private sector or
10 non-profit organizations to carry out the purposes of this
11 Act;

12 (f) To enter into agreements or contracts for the
13 promotion, application origination, analysis or servicing of
14 the financings made by the Office pursuant to this Act;

15 (g) To receive and accept, from any source, aid or
16 contributions of money, property or labor for the furtherance
17 of this Act and collect fees, charges or advances as the
18 Department may determine in connection with its financing;

19 (h) To establish application, notification, contract and
20 other procedures and other procedures and rules deemed
21 necessary and appropriate by the Office to carry out the
22 provisions of this Act;

23 (i) To foreclose any mortgage, deed of trust, note,
24 debenture, bond or other security interest held by the Office
25 and to take all such actions as may be necessary to enforce
26 any obligation held by the Office;

27 (j) To analyze opportunities and needs of rural
28 communities, primarily those communities experiencing farm
29 worker distress including consultation with regional
30 commissions, governments, or diversification organizations,
31 and work to strengthen the coordination of existing programs
32 offered through the Office, the Department of Agriculture,
33 the Department of Natural Resources, the Illinois State
34 Finance Farm-Development Authority, the Cooperative Extension

1 Service and others for rural and agribusiness development and
2 assistance; and

3 (k) To cooperate with an existing committee comprised of
4 representatives from the Office, the Rural Affairs Council or
5 its successor, the Department of Agriculture, the Illinois
6 State Finance Farm--Development Authority and others to
7 coordinate departmental policies with other State agencies
8 and to promote agricultural and rural diversification in the
9 State.

10 (l) To exercise such other right, powers and duties as
11 are necessary to fulfill the purposes of this Act.

12 (Source: P.A. 89-445, eff. 2-7-96.)

13 (20 ILCS 690/5) (from Ch. 5, par. 2255)

14 Sec. 5. Agricultural and rural diversification
15 financing. (a) The Office's financing to or on behalf of
16 rural businesses or agribusinesses in the State shall be for
17 the purpose of assisting in the cost of agricultural and
18 rural diversification projects including (i) acquisition,
19 construction, reconstruction, replacement, repair,
20 rehabilitation, alteration, expansion or extension of real
21 property, buildings or machinery and equipment but not the
22 acquisition of unimproved land for the production of crops or
23 livestock; (ii) working capital items including but not
24 limited to, inventory, accounts receivable and prepaid
25 expenses; (iii) organizational expenses including, but not
26 limited to, architectural and engineering costs, legal
27 services, marketing analyses, production analyses, or other
28 professional services; (iv) needed leasehold improvements,
29 easements, and other amenities required to prepare a site;
30 (v) information, technical support and technical assistance
31 contracts to local officials or not-for-profit agencies
32 regarding private, state and federal resources, programs or
33 grant assistances and the needs and opportunities for

1 diversification; and (vi) when conducted in cooperation with
2 federal reimbursement programs, financing costs including
3 guarantee fees, packaging fees and origination fees but not
4 debt refinancing.

5 (b) Agricultural or rural diversification financing to a
6 rural business or agribusiness under this Act shall be used
7 only where it can be shown that the agricultural or rural
8 diversification project for which financing is being sought
9 has the potential to achieve commercial success and will
10 increase employment, directly or indirectly retain jobs, or
11 promote local diversification.

12 (c) The Office shall establish an internal review
13 committee with the Director of the Rural Affairs Council, or
14 his designee, the Director of the Department of Agriculture,
15 or his designee, and the Director of the Illinois State
16 Finance Farm--Development Authority, or his designee, as
17 members to assist in the review of all project applications.

18 (d) The Office shall not provide financing to a rural
19 business or agribusiness unless the application includes
20 convincing evidence that a specific agricultural or rural
21 diversification project is ready to occur and will only occur
22 if the financing is made. The Office shall also consider the
23 applicability of other state and federal programs prior to
24 financing any project.

25 (Source: P.A. 85-180.)

26 Section 906.2. The Emergency Farm Credit Allocation Act
27 is amended by changing Sections 3 and 4 as follows:

28 (20 ILCS 3610/3) (from Ch. 5, par. 1253)

29 Sec. 3. As used in this Act unless the context otherwise
30 requires:

31 (a) "Applicant" means an Illinois farmer applying for an
32 operating loan.

1 (b) "Operating loan" means a loan to an applicant in
2 connection with cultivating the soil, or in connection with
3 raising or harvesting any agricultural or horticultural
4 commodity, including the raising, feeding and management of
5 livestock or poultry on a farm of which the applicant is the
6 owner, tenant, or operator, for the current year's operating
7 expenses.

8 (c) "Lender" means any federal or State chartered bank,
9 federal land bank, production credit association, bank for
10 cooperatives, federal or State chartered savings and loan
11 association or building and loan association, business
12 investment company or any other institution qualified within
13 this State to originate and service loans, including, but
14 without limitation to, insurance companies, credit unions and
15 mortgage loan companies.

16 (d) "Payment adjustment" means an amount of money equal
17 to one-half of the total interest payable on the principal of
18 the operating loan.

19 (e) "Authority" means the Illinois State Finance Farm
20 Development Authority.

21 (f) "Asset" shall include, but not be limited to the
22 following: cash crops or feed on hand; livestock held for
23 sale; breeding stock; marketable bonds and securities;
24 securities not readily marketable; accounts receivable; notes
25 receivable; cash invested in growing crops; net cash value of
26 life insurance; machinery and equipment; cars and trucks;
27 farm and other real estate including life estates and
28 personal residence; value of beneficial interests in trusts;
29 government payments or grants; and any other assets.

30 (g) "Liability" shall include, but not be limited to the
31 following: accounts payable; notes or other indebtedness owed
32 to any source; taxes; rent; amounts owed on real estate
33 contracts or real estate mortgages; judgments; accrued
34 interest payable; and any other liability.

1 (h) "Debt to asset ratio" means the current outstanding
2 liabilities of the farmer divided by the current outstanding
3 assets of the farmer.

4 (Source: P.A. 84-1; 84-1106.)

5 (20 ILCS 3610/4) (from Ch. 5, par. 1254)

6 Sec. 4. There is hereby created a payment adjustment
7 program to be administered by the Illinois State Finance Farm
8 Development Authority. The Authority shall have the authority
9 to promulgate and adopt rules and regulations which are
10 consistent with this Act. The Authority may impose a minimal
11 fee to cover the costs of administering the program. On or
12 before May 1 of each of the next six years, or until all
13 repayments have been received on payment adjustments, the
14 Authority shall submit a report to the General Assembly and
15 the Governor concerning the status of the payment adjustment
16 program. The Authority shall grant no payment adjustments
17 after June 15, 1986.

18 (Source: P.A. 84-1; 84-1106.)

19 Section 906.3. The Build Illinois Act is amended by
20 changing Section 8-3 as follows:

21 (30 ILCS 750/8-3) (from Ch. 127, par. 2708-3)

22 Sec. 8-3. Powers of the Department. The Department has
23 the power to:

24 (a) provide business development public infrastructure
25 loans or grants from appropriations from the Build Illinois
26 Bond Fund, the Build Illinois Purposes Fund, the Fund for
27 Illinois' Future, and the Public Infrastructure Construction
28 Loan Fund to local governments to provide or improve a
29 community's public infrastructure so as to create or retain
30 private sector jobs pursuant to the provisions of this
31 Article;

1 (b) provide affordable financing of public
2 infrastructure loans and grants to, or on behalf of, local
3 governments, local public entities, medical facilities, and
4 public health clinics from appropriations from the Public
5 Infrastructure Construction Loan Fund for the purpose of
6 assisting with the financing, or application and access to
7 financing, of a community's public infrastructure necessary
8 to health, safety, and economic development;

9 (c) enter into agreements, accept funds or grants, and
10 engage in cooperation with agencies of the federal
11 government, or state or local governments to carry out the
12 purposes of this Article, and to use funds appropriated
13 pursuant to this Article to participate in federal
14 infrastructure loan and grant programs upon such terms and
15 conditions as may be established by the federal government;

16 (d) establish application, notification, contract, and
17 other procedures, rules, or regulations deemed necessary and
18 appropriate to carry out the provisions of this Article;

19 (e) coordinate assistance under this program with
20 activities of the Illinois Development Finance Authority in
21 order to maximize the effectiveness and efficiency of State
22 development programs;

23 (f) coordinate assistance under the Affordable Financing
24 of Public Infrastructure Loan and Grant Program with the
25 activities of the Illinois Development Finance Authority,
26 Illinois Rural Bond Bank, Illinois State Finance Farm
27 Development Authority, Illinois Housing Development
28 Authority, Illinois Environmental Protection Agency, and
29 other federal and State programs and entities providing
30 financing assistance to communities for public health,
31 safety, and economic development infrastructure;

32 (f-5) provide staff, administration, and related support
33 required to manage the programs authorized under this Article
34 and pay for the staffing, administration, and related support

1 from the Public Infrastructure Construction Loan Revolving
2 Fund;

3 (g) exercise such other powers as are necessary or
4 incidental to the foregoing.

5 (Source: P.A. 90-454, eff. 8-16-97; 91-34, eff. 7-1-99.)

6 Section 906.4. The Livestock Management Facilities Act
7 is amended by changing Section 17 as follows:

8 (510 ILCS 77/17)

9 Sec. 17. Financial responsibility. Owners of new or
10 modified lagoons registered under the provisions of this Act
11 shall establish and maintain evidence of financial
12 responsibility to provide for the closure of the lagoons and
13 the proper disposal of their contents within the time
14 provisions outlined in this Act. Financial responsibility
15 may be evidenced by any combination of the following:

- 16 (1) Commercial or private insurance;
- 17 (2) Guarantee;
- 18 (3) Surety bond;
- 19 (4) Letter of credit;
- 20 (5) Certificate of Deposit or designated savings
21 account;
- 22 (6) Participation in a livestock waste lagoon closure
23 fund managed by the Illinois State Finance Farm--Development
24 Authority.

25 The level of surety required shall be determined by rule
26 and be based upon the volumetric capacity of the lagoon.
27 Surety instruments required under this Section shall be
28 required after the effective date of rules adopted for the
29 implementation of this Act.

30 (Source: P.A. 89-456, eff. 5-21-96; 90-565, eff. 6-1-98.)

31 Section 906.5. The Illinois Forestry Development Act is

1 amended by changing Sections 4 and 6a as follows:

2 (525 ILCS 15/4) (from Ch. 96 1/2, par. 9104)

3 Sec. 4. The Department shall: (a) Implement the forestry
4 development cost share program created by Section 5 of this
5 Act and coordinate with the United States Department of
6 Agriculture - Soil Conservation Service and the Agricultural
7 Stabilization and Conservation Service in the administration
8 of such program.

9 (b) Approve acceptable forestry management plans as
10 required by Section 5 of this Act.

11 (c) Provide assistance to the Illinois Council on
12 Forestry Development.

13 (d) Promote the development of an active forestry
14 industry in this State by providing information to timber
15 growers relating to acceptable management practices,
16 suitability of various kinds of timber to various land types,
17 marketability of various types of timber, market strategies
18 including marketing cooperatives, availability of State and
19 federal government assistance, soil and water conservation
20 benefits, and wildlife habitat enhancement opportunities.

21 (e) Provide any aid or information requested by the
22 Illinois State Finance Farm-Development Authority in relation
23 to forestry industry assistance programs implemented under
24 the "Illinois State Finance Authority Farm-Development Act".

25 (Source: P.A. 86-779.)

26 (525 ILCS 15/6a) (from Ch. 96 1/2, par. 9106a)

27 (Section scheduled to be repealed on December 31, 2008)

28 Sec. 6a. Illinois Forestry Development Council.

29 (a) The Illinois Forestry Development Council is hereby
30 re-created by this amendatory Act of the 91st General
31 Assembly.

32 (b) The Council shall consist of 24 members appointed as

1 follows:

2 (1) four members of the General Assembly, one
3 appointed by the President of the Senate, one appointed
4 by the Senate Minority Leader, one appointed by the
5 Speaker of the House of Representatives, and one
6 appointed by the House Minority Leader;

7 (2) one member appointed by the Governor to
8 represent the Governor;

9 (3) the Directors of the Departments of Natural
10 Resources, Agriculture, and Commerce and Community
11 Affairs, the Executive Director of the Illinois State
12 Finance Farm-Development Authority, and the Director of
13 the Office of Rural Affairs, or their designees;

14 (4) the chairman of the Department of Forestry or a
15 forestry academician, appointed by the Dean of
16 Agriculture at Southern Illinois University at
17 Carbondale;

18 (5) the head of the Department of Natural Resources
19 and Environmental Sciences or a forestry academician,
20 appointed by the Dean of Agriculture at the University of
21 Illinois;

22 (6) two members, appointed by the Governor, who
23 shall be private timber growers;

24 (7) one member, appointed by the president of the
25 Illinois Wood Products Association, who shall be involved
26 in primary forestry industry;

27 (8) one member, appointed by the president of the
28 Illinois Wood Products Association, who shall be involved
29 in secondary forestry industry;

30 (9) one member who is actively involved in
31 environmental issues, appointed by the Governor;

32 (10) the president of the Association of Illinois
33 Soil and Water Conservation Districts;

34 (11) two persons who are actively engaged in

1 farming, appointed by the Governor;

2 (12) one member, appointed by the Governor, whose
3 primary area of expertise is urban forestry;

4 (13) one member appointed by the President of the
5 Illinois Arborists Association;

6 (14) the Supervisor of the Shawnee National Forest
7 and the United States Department of Agriculture Natural
8 Resource Conservation Service's State Conservationist, ex
9 officio, or their designees.

10 (c) Members of the Council shall serve without
11 compensation but shall be reimbursed for actual expenses
12 incurred in the performance of their duties which are not
13 otherwise reimbursed.

14 (d) The Council shall select from its membership a
15 chairperson and such other officers as it considers
16 necessary.

17 (e) Other individuals, agencies and organizations may be
18 invited to participate as deemed advisable by the Council.

19 (f) The Council shall study and evaluate the forestry
20 resources and forestry industry of Illinois. The Council
21 shall:

22 (1) determine the magnitude, nature and extent of
23 the State's forestry resources;

24 (2) determine current uses and project future
25 demand for forest products, services and benefits in
26 Illinois;

27 (3) determine and evaluate the ownership
28 characteristics of the State's forests, the motives for
29 forest ownership and the success of incentives necessary
30 to stimulate development of forest resources;

31 (4) determine the economic development and
32 management opportunities that could result from
33 improvements in local and regional forest product
34 marketing and from the establishment of new or additional

1 wood-related businesses in Illinois;

2 (5) confer with and offer assistance to the
3 Illinois State Finance Farm-Development Authority
4 relating to its implementation of forest industry
5 assistance programs authorized by the Illinois State
6 Finance Authority Farm-Development Act;

7 (6) determine the opportunities for increasing
8 employment and economic growth through development of
9 forest resources;

10 (7) determine the effect of current governmental
11 policies and regulations on the management of woodlands
12 and the location of wood products markets;

13 (8) determine the staffing and funding needs for
14 forestry and other conservation programs to support and
15 enhance forest resources development;

16 (9) determine the needs of forestry education
17 programs in this State;

18 (10) confer with and offer assistance to the
19 Department of Natural Resources relating to the
20 implementation of urban forestry assistance grants
21 pursuant to the Urban and Community Forestry Assistance
22 Act; and

23 (11) determine soil and water conservation benefits
24 and wildlife habitat enhancement opportunities that can
25 be promoted through approved forestry management plans.

26 (g) The Council shall report (i) its findings and
27 recommendations for future State action and (ii) its
28 evaluation of Urban/Community Forestry Assistance Grants to
29 the General Assembly no later than July 1 of each year.

30 (h) This Section 6a is repealed December 31, 2008.

31 (Source: P.A. 90-809, eff. 12-31-98; 91-157, eff. 7-16-99.)

32 Section 906.6. The Public Funds Investment Act is
33 amended by changing Section 6 as follows:

1 (30 ILCS 235/6) (from Ch. 85, par. 906)

2 Sec. 6. Report of financial institutions.

3 (a) No bank shall receive any public funds unless it has
4 furnished the corporate authorities of a public agency
5 submitting a deposit with copies of the last two sworn
6 statements of resources and liabilities which the bank is
7 required to furnish to the Commissioner of Banks and Real
8 Estate or to the Comptroller of the Currency. Each bank
9 designated as a depository for public funds shall, while
10 acting as such depository, furnish the corporate authorities
11 of a public agency with a copy of all statements of resources
12 and liabilities which it is required to furnish to the
13 Commissioner of Banks and Real Estate or to the Comptroller
14 of the Currency; provided, that if such funds or moneys are
15 deposited in a bank, the amount of all such deposits not
16 collateralized or insured by an agency of the federal
17 government shall not exceed 75% of the capital stock and
18 surplus of such bank, and the corporate authorities of a
19 public agency submitting a deposit shall not be discharged
20 from responsibility for any funds or moneys deposited in any
21 bank in excess of such limitation.

22 (b) No savings bank or savings and loan association
23 shall receive public funds unless it has furnished the
24 corporate authorities of a public agency submitting a deposit
25 with copies of the last 2 sworn statements of resources and
26 liabilities which the savings bank or savings and loan
27 association is required to furnish to the Commissioner of
28 Banks and Real Estate or the Federal Deposit Insurance
29 Corporation. Each savings bank or savings and loan
30 association designated as a depository for public funds
31 shall, while acting as such depository, furnish the corporate
32 authorities of a public agency with a copy of all statements
33 of resources and liabilities which it is required to furnish
34 to the Commissioner of Banks and Real Estate or the Federal

1 Deposit Insurance Corporation; provided, that if such funds
2 or moneys are deposited in a savings bank or savings and loan
3 association, the amount of all such deposits not
4 collateralized or insured by an agency of the federal
5 government shall not exceed 75% of the net worth of such
6 savings bank or savings and loan association as defined by
7 the Federal Deposit Insurance Corporation, and the corporate
8 authorities of a public agency submitting a deposit shall not
9 be discharged from responsibility for any funds or moneys
10 deposited in any savings bank or savings and loan association
11 in excess of such limitation.

12 (c) No credit union shall receive public funds unless it
13 has furnished the corporate authorities of a public agency
14 submitting a share deposit with copies of the last two
15 reports of examination prepared by or submitted to the
16 Illinois Department of Financial Institutions or the National
17 Credit Union Administration. Each credit union designated as
18 a depository for public funds shall, while acting as such
19 depository, furnish the corporate authorities of a public
20 agency with a copy of all reports of examination prepared by
21 or furnished to the Illinois Department of Financial
22 Institutions or the National Credit Union Administration;
23 provided that if such funds or moneys are invested in a
24 credit union account, the amount of all such investments not
25 collateralized or insured by an agency of the federal
26 government or other approved share insurer shall not exceed
27 50% of the unimpaired capital and surplus of such credit
28 union, which shall include shares, reserves and undivided
29 earnings and the corporate authorities of a public agency
30 making an investment shall not be discharged from
31 responsibility for any funds or moneys invested in a credit
32 union in excess of such limitation.

33 (d) Whenever a public agency deposits any public funds
34 in a financial institution, the public agency may enter into

1 an agreement with the financial institution requiring any
 2 funds not insured by the Federal Deposit Insurance
 3 Corporation or the National Credit Union Administration or
 4 other approved share insurer to be collateralized by
 5 securities, mortgages, letters of credit issued by a Federal
 6 Home Loan Bank, or loans covered by a State Guaranty under
 7 the Illinois State Finance Authority Farm-Development Act in
 8 an amount equal to at least market value of that amount of
 9 funds deposited exceeding the insurance limitation provided
 10 by the Federal Deposit Insurance Corporation or the National
 11 Credit Union Administration or other approved share insurer.

12 (e) Paragraphs (a), (b), (c), and (d) of this Section do
 13 not apply to the University of Illinois, Southern Illinois
 14 University, Chicago State University, Eastern Illinois
 15 University, Governors State University, Illinois State
 16 University, Northeastern Illinois University, Northern
 17 Illinois University, Western Illinois University, the
 18 Cooperative Computer Center and public community colleges.

19 (Source: P.A. 91-324, eff. 1-1-00; 91-773, eff. 6-9-00.)

20 Section 909.1. The Illinois Governmental Ethics Act is
 21 amended by changing Section 4A-101 as follows:

22 (5 ILCS 420/4A-101) (from Ch. 127, par. 604A-101)

23 Sec. 4A-101. Persons required to file. The following
 24 persons shall file verified written statements of economic
 25 interests, as provided in this Article:

26 (a) Members of the General Assembly and candidates
 27 for nomination or election to the General Assembly.

28 (b) Persons holding an elected office in the
 29 Executive Branch of this State, and candidates for
 30 nomination or election to these offices.

31 (c) Members of a Commission or Board created by the
 32 Illinois Constitution, and candidates for nomination or

1 election to such Commission or Board.

2 (d) Persons whose appointment to office is subject
3 to confirmation by the Senate.

4 (e) Holders of, and candidates for nomination or
5 election to, the office of judge or associate judge of
6 the Circuit Court and the office of judge of the
7 Appellate or Supreme Court.

8 (f) Persons who are employed by any branch, agency,
9 authority or board of the government of this State,
10 including but not limited to, the Illinois State Toll
11 Highway Authority, the Illinois State Finance Housing
12 Development Authority, the Illinois Community College
13 Board, and institutions under the jurisdiction of the
14 Board of Trustees of the University of Illinois, Board of
15 Trustees of Southern Illinois University, Board of
16 Trustees of Chicago State University, Board of Trustees
17 of Eastern Illinois University, Board of Trustees of
18 Governor's State University, Board of Trustees of
19 Illinois State University, Board of Trustees of
20 Northeastern Illinois University, Board of Trustees of
21 Northern Illinois University, Board of Trustees of
22 Western Illinois University, or Board of Trustees of the
23 Illinois Mathematics and Science Academy, and are
24 compensated for services as employees and not as
25 independent contractors and who:

26 (1) are, or function as, the head of a
27 department, commission, board, division, bureau,
28 authority or other administrative unit within the
29 government of this State, or who exercise similar
30 authority within the government of this State;

31 (2) have direct supervisory authority over, or
32 direct responsibility for the formulation,
33 negotiation, issuance or execution of contracts
34 entered into by the State in the amount of \$5,000 or

1 more;

2 (3) have authority for the issuance or
3 promulgation of rules and regulations within areas
4 under the authority of the State;

5 (4) have authority for the approval of
6 professional licenses;

7 (5) have responsibility with respect to the
8 financial inspection of regulated nongovernmental
9 entities;

10 (6) adjudicate, arbitrate, or decide any
11 judicial or administrative proceeding, or review the
12 adjudication, arbitration or decision of any
13 judicial or administrative proceeding within the
14 authority of the State; or

15 (7) have supervisory responsibility for 20 or
16 more employees of the State.

17 (g) Persons who are elected to office in a unit of
18 local government, and candidates for nomination or
19 election to that office, including regional
20 superintendents of school districts.

21 (h) Persons appointed to the governing board of a
22 unit of local government, or of a special district, and
23 persons appointed to a zoning board, or zoning board of
24 appeals, or to a regional, county, or municipal plan
25 commission, or to a board of review of any county, and
26 persons appointed to the Board of the Metropolitan Pier
27 and Exposition Authority and any Trustee appointed under
28 Section 22 of the Metropolitan Pier and Exposition
29 Authority Act, and persons appointed to a board or
30 commission of a unit of local government who have
31 authority to authorize the expenditure of public funds.
32 This subsection does not apply to members of boards or
33 commissions who function in an advisory capacity.

34 (i) Persons who are employed by a unit of local

1 government and are compensated for services as employees
2 and not as independent contractors and who:

3 (1) are, or function as, the head of a
4 department, division, bureau, authority or other
5 administrative unit within the unit of local
6 government, or who exercise similar authority within
7 the unit of local government;

8 (2) have direct supervisory authority over, or
9 direct responsibility for the formulation,
10 negotiation, issuance or execution of contracts
11 entered into by the unit of local government in the
12 amount of \$1,000 or greater;

13 (3) have authority to approve licenses and
14 permits by the unit of local government; this item
15 does not include employees who function in a
16 ministerial capacity;

17 (4) adjudicate, arbitrate, or decide any
18 judicial or administrative proceeding, or review the
19 adjudication, arbitration or decision of any
20 judicial or administrative proceeding within the
21 authority of the unit of local government;

22 (5) have authority to issue or promulgate
23 rules and regulations within areas under the
24 authority of the unit of local government; or

25 (6) have supervisory responsibility for 20 or
26 more employees of the unit of local government.

27 (j) Persons on the Board of Trustees of the
28 Illinois Mathematics and Science Academy.

29 (k) Persons employed by a school district in
30 positions that require that person to hold an
31 administrative or a chief school business official
32 endorsement.

33 (l) (Blank).

34 This Section shall not be construed to prevent any unit

1 of local government from enacting financial disclosure
2 requirements that mandate more information than required by
3 this Act.

4 (Source: P.A. 91-622, eff. 8-19-99.)

5 Section 909.2. The Deposit of State Moneys Act is
6 amended by changing Sections 1.2, 11, and 22.5 as follows:

7 (15 ILCS 520/1.2)

8 Sec. 1.2. (a) The General Assembly finds that it is in
9 the best interests of the people of the State of Illinois to
10 use monies in the custody of the State Treasurer available
11 for deposit to promote and facilitate the issuance and sale
12 of Affordable Housing Program Trust Fund Bonds or Notes as
13 defined in and issued pursuant to the Illinois State Finance
14 Authority Housing--Development Act for housing for persons
15 with low and very low income in this State. The State
16 Treasurer may, in consultation with the Director of the
17 Illinois State Finance Housing--Development Authority, set
18 aside any portion of State funds or monies at his disposal
19 for deposit, and deposit such funds or monies to further the
20 issuance and sale of Affordable Housing Program Trust Fund
21 Bonds or Notes issued pursuant to the Illinois State Finance
22 Authority Housing--Development Act.

23 (b) Illinois Affordable Housing Program Trust Fund Bonds
24 and Notes shall be eligible collateral for all deposits of
25 State moneys, and any bank or savings and loan association
26 otherwise eligible to receive deposits of State moneys, is
27 entitled to participate in bidding for deposits of State
28 moneys on the basis of collateralizing such deposits with
29 such bonds and notes. In administering deposits of State
30 monies secured by Affordable Housing Program Trust Fund Bonds
31 or Notes, the State Treasurer may use a collateral pool as
32 authorized in this Act to secure those deposits.

1 (c) Any institution to be eligible for the benefits of
2 this Section must still meet requirements of capital and
3 financial condition established by this Act and the
4 requirements of the Public Funds Investment Act. This
5 Section shall not apply to any deposit of State moneys if the
6 deposit secures obligations of the State to third parties and
7 the terms of such obligations are inconsistent with the
8 provisions of this Section.

9 (Source: P.A. 88-93.)

10 (15 ILCS 520/11) (from Ch. 130, par. 30)

11 Sec. 11. Protection of public deposits; eligible
12 collateral.

13 (a) For deposits not insured by an agency of the federal
14 government, the State Treasurer, in his discretion, may
15 accept as collateral any of the following classes of
16 securities, provided there has been no default in the payment
17 of principal or interest thereon:

18 (1) Bonds, notes, or other securities constituting
19 direct and general obligations of the United States, the
20 bonds, notes, or other securities constituting the direct
21 and general obligation of any agency or instrumentality
22 of the United States, the interest and principal of which
23 is unconditionally guaranteed by the United States, and
24 bonds, notes, or other securities or evidence of
25 indebtedness constituting the obligation of a U.S. agency
26 or instrumentality.

27 (2) Direct and general obligation bonds of the
28 State of Illinois or of any other state of the United
29 States.

30 (3) Revenue bonds of this State or any authority,
31 board, commission, or similar agency thereof.

32 (4) Direct and general obligation bonds of any
33 city, town, county, school district, or other taxing body

1 of any state, the debt service of which is payable from
2 general ad valorem taxes.

3 (5) Revenue bonds of any city, town, county, or
4 school district of the State of Illinois.

5 (6) Obligations issued, assumed, or guaranteed by
6 the International Finance Corporation, the principal of
7 which is not amortized during the life of the obligation,
8 but no such obligation shall be accepted at more than 90%
9 of its market value.

10 (7) Illinois Affordable Housing Program Trust Fund
11 Bonds or Notes as defined in and issued pursuant to the
12 Illinois State Finance Authority Housing-Development Act.

13 (b) The State Treasurer may establish a system to
14 aggregate permissible securities received as collateral from
15 financial institutions in a collateral pool to secure State
16 deposits of the institutions that have pledged securities to
17 the pool.

18 (c) The Treasurer may at any time declare any particular
19 security ineligible to qualify as collateral when, in the
20 Treasurer's judgment, it is deemed desirable to do so.

21 (d) Notwithstanding any other provision of this Section,
22 as security the State Treasurer may, in his discretion,
23 accept a bond, executed by a company authorized to transact
24 the kinds of business described in clause (g) of Section 4 of
25 the Illinois Insurance Code, in an amount not less than the
26 amount of the deposits required by this Section to be
27 secured, payable to the State Treasurer for the benefit of
28 the People of the State of Illinois, in a form that is
29 acceptable to the State Treasurer.

30 (Source: P.A. 87-510; 87-575; 87-895; 88-93.)

31 (15 ILCS 520/22.5) (from Ch. 130, par. 41a)

32 Sec. 22.5. The State Treasurer may, with the approval of
33 the Governor, invest and reinvest any State money in the

1 treasury which is not needed for current expenditures due or
2 about to become due, in obligations of the United States
3 government or its agencies or of National Mortgage
4 Associations established by or under the National Housing
5 Act, 1201 U.S.C. 1701 et seq., or in mortgage participation
6 certificates representing undivided interests in specified,
7 first-lien conventional residential Illinois mortgages that
8 are underwritten, insured, guaranteed, or purchased by the
9 Federal Home Loan Mortgage Corporation or in Affordable
10 Housing Program Trust Fund Bonds or Notes as defined in and
11 issued pursuant to the Illinois State Finance Authority
12 Housing--Development Act. All such obligations shall be
13 considered as cash and may be delivered over as cash by a
14 State Treasurer to his successor.

15 The State Treasurer may, with the approval of the
16 Governor, purchase any state bonds with any money in the
17 State Treasury that has been set aside and held for the
18 payment of the principal of and interest on the bonds. The
19 bonds shall be considered as cash and may be delivered over
20 as cash by the State Treasurer to his successor.

21 The State Treasurer may, with the approval of the
22 Governor, invest or reinvest any State money in the treasury
23 that is not needed for current expenditure due or about to
24 become due, or any money in the State Treasury that has been
25 set aside and held for the payment of the principal of and
26 the interest on any State bonds, in shares, withdrawable
27 accounts, and investment certificates of savings and building
28 and loan associations, incorporated under the laws of this
29 State or any other state or under the laws of the United
30 States; provided, however, that investments may be made only
31 in those savings and loan or building and loan associations
32 the shares and withdrawable accounts or other forms of
33 investment securities of which are insured by the Federal
34 Deposit Insurance Corporation.

1 The State Treasurer may not invest State money in any
2 savings and loan or building and loan association unless a
3 commitment by the savings and loan (or building and loan)
4 association, executed by the president or chief executive
5 officer of that association, is submitted in the following
6 form:

7 The Savings and Loan (or Building
8 and Loan) Association pledges not to reject arbitrarily
9 mortgage loans for residential properties within any
10 specific part of the community served by the savings and
11 loan (or building and loan) association because of the
12 location of the property. The savings and loan (or
13 building and loan) association also pledges to make loans
14 available on low and moderate income residential property
15 throughout the community within the limits of its legal
16 restrictions and prudent financial practices.

17 The State Treasurer may, with the approval of the
18 Governor, invest or reinvest, at a price not to exceed par,
19 any State money in the treasury that is not needed for
20 current expenditures due or about to become due, or any money
21 in the State Treasury that has been set aside and held for
22 the payment of the principal of and interest on any State
23 bonds, in bonds issued by counties or municipal corporations
24 of the State of Illinois.

25 The State Treasurer may, with the approval of the
26 Governor, invest or reinvest any State money in the Treasury
27 which is not needed for current expenditure, due or about to
28 become due, or any money in the State Treasury which has been
29 set aside and held for the payment of the principal of and
30 the interest on any State bonds, in participations in loans,
31 the principal of which participation is fully guaranteed by
32 an agency or instrumentality of the United States government;
33 provided, however, that such loan participations are
34 represented by certificates issued only by banks which are

1 incorporated under the laws of this State or any other state
2 or under the laws of the United States, and such banks, but
3 not the loan participation certificates, are insured by the
4 Federal Deposit Insurance Corporation.

5 The State Treasurer may, with the approval of the
6 Governor, invest or reinvest any State money in the Treasury
7 that is not needed for current expenditure, due or about to
8 become due, or any money in the State Treasury that has been
9 set aside and held for the payment of the principal of and
10 the interest on any State bonds, in any of the following:

11 (1) Bonds, notes, certificates of indebtedness,
12 Treasury bills, or other securities now or hereafter
13 issued that are guaranteed by the full faith and credit
14 of the United States of America as to principal and
15 interest.

16 (2) Bonds, notes, debentures, or other similar
17 obligations of the United States of America, its
18 agencies, and instrumentalities.

19 (3) Interest-bearing savings accounts,
20 interest-bearing certificates of deposit,
21 interest-bearing time deposits, or any other investments
22 constituting direct obligations of any bank as defined by
23 the Illinois Banking Act.

24 (4) Interest-bearing accounts, certificates of
25 deposit, or any other investments constituting direct
26 obligations of any savings and loan associations
27 incorporated under the laws of this State or any other
28 state or under the laws of the United States.

29 (5) Dividend-bearing share accounts, share
30 certificate accounts, or class of share accounts of a
31 credit union chartered under the laws of this State or
32 the laws of the United States; provided, however, the
33 principal office of the credit union must be located
34 within the State of Illinois.

1 (6) Bankers' acceptances of banks whose senior
2 obligations are rated in the top 2 rating categories by 2
3 national rating agencies and maintain that rating during
4 the term of the investment.

5 (7) Short-term obligations of corporations
6 organized in the United States with assets exceeding
7 \$500,000,000 if (i) the obligations are rated at the time
8 of purchase at one of the 3 highest classifications
9 established by at least 2 standard rating services and
10 mature not later than 180 days from the date of purchase,
11 (ii) the purchases do not exceed 10% of the corporation's
12 outstanding obligations, and (iii) no more than one-third
13 of the public agency's funds are invested in short-term
14 obligations of corporations.

15 (8) Money market mutual funds registered under the
16 Investment Company Act of 1940, provided that the
17 portfolio of the money market mutual fund is limited to
18 obligations described in this Section and to agreements
19 to repurchase such obligations.

20 (9) The Public Treasurers' Investment Pool created
21 under Section 17 of the State Treasurer Act or in a fund
22 managed, operated, and administered by a bank.

23 (10) Repurchase agreements of government securities
24 having the meaning set out in the Government Securities
25 Act of 1986 subject to the provisions of that Act and the
26 regulations issued thereunder.

27 For purposes of this Section, "agencies" of the United
28 States Government includes:

29 (i) the federal land banks, federal intermediate
30 credit banks, banks for cooperatives, federal farm credit
31 banks, or any other entity authorized to issue debt
32 obligations under the Farm Credit Act of 1971 (12 U.S.C.
33 2001 et seq.) and Acts amendatory thereto;

34 (ii) the federal home loan banks and the federal

- 1 home loan mortgage corporation;
- 2 (iii) the Commodity Credit Corporation; and
- 3 (iv) any other agency created by Act of Congress.

4 The Treasurer may, with the approval of the Governor,
 5 lend any securities acquired under this Act. However,
 6 securities may be lent under this Section only in accordance
 7 with Federal Financial Institution Examination Council
 8 guidelines and only if the securities are collateralized at a
 9 level sufficient to assure the safety of the securities,
 10 taking into account market value fluctuation. The securities
 11 may be collateralized by cash or collateral acceptable under
 12 Sections 11 and 11.1.

13 (Source: P.A. 90-655, eff. 7-30-98.)

14 Section 909.3. The Illinois Act on the Aging is amended
 15 by changing Section 8.01 as follows:

16 (20 ILCS 105/8.01) (from Ch. 23, par. 6108.01)

17 Sec. 8.01. Coordinating Committee; members. The
 18 Coordinating Committee of State Agencies Serving Older
 19 Persons shall consist of the Director of the Department on
 20 Aging or his or her designee as Chairman, the State
 21 Superintendent of Education or his or her designee, the
 22 Secretary of Human Services or his or her designee, the
 23 Secretary of Transportation or his or her designee, and the
 24 Directors, or the designee or designees of any or all of the
 25 Directors, of the following Departments or agencies: Labor;
 26 Veterans' Affairs; Public Health; Public Aid; Children and
 27 Family Services; Commerce and Community Affairs; Insurance;
 28 Revenue; Illinois State Finance Housing---Development
 29 Authority; and Comprehensive State Health Planning.

30 (Source: P.A. 90-609, eff. 6-30-98; 91-61, eff. 6-30-99.)

31 Section 909.4. The Department of Commerce and Community

1 Affairs Law of the Civil Administrative Code of Illinois is
2 amended by changing Section 605-450 as follows:

3 (20 ILCS 605/605-450) (was 20 ILCS 605/46.19g)

4 Sec. 605-450. Community economic emergencies.

5 (a) Upon the recommendation of the Director, the
6 Governor may find that an economic emergency exists in a
7 designated Illinois community. The finding shall be based on
8 one or more of the following conditions:

9 (1) There has been a relocation or closing of
10 operations of a major private employer in the community.

11 (2) There has been a closing or relocation of a
12 major public employer in the community.

13 (3) A natural disaster has resulted in substantial
14 damage to the local economy.

15 (4) The community or a portion of it has been
16 declared a disaster area by the federal government.

17 (5) A decision by the federal or State government
18 or by a foreign government has done substantial damage to
19 the local economy.

20 (b) Upon a finding by the Governor that an economic
21 emergency exists in a designated Illinois community, the
22 Governor shall convene an Economic Emergency Council. The
23 Council shall consist of 11 members as follows: the Director
24 of Commerce and Community Affairs, ex officio, the Director
25 of the Illinois Development Finance Authority, ex officio,
26 the Director of the Illinois State Finance Housing
27 ~~Development~~ Authority, ex officio, and 8 members representing
28 the designated community appointed by the Governor with the
29 advice and consent of the Senate. Of the 8 members appointed
30 by the Governor, 4 shall be representatives of business and
31 finance, 2 shall be representatives of labor, and 2 shall be
32 representatives of education. Each member of the General
33 Assembly whose legislative district or representative

1 district lies in whole or in part within the designated
2 community shall also be a member of the Council, ex officio.
3 Members of a Council shall serve without compensation but may
4 be reimbursed for their reasonable and necessary expenses
5 incurred in the performance of their duties.

6 (c) An Economic Emergency Council shall develop a plan
7 to address the designated community's economic needs and
8 shall recommend that plan to the Governor and to the General
9 Assembly for further resolution and appropriation. The plan
10 may include extending enterprise zone tax incentives, making
11 economic development business loans and grants, making
12 infrastructure rehabilitation loans and grants, extending job
13 training and retraining assistance, extending tax increment
14 financing, and other appropriate economic programs or
15 incentives.

16 (d) The Illinois Economic Emergency Assistance Fund is
17 created as a special fund in the State treasury for the
18 purpose of channeling moneys to designated communities upon
19 further resolution and appropriation by the General
20 Assembly. In addition to amounts that may be appropriated to
21 the fund, gifts or grants from any legal source may be
22 deposited into the fund. Any fees or other charges collected
23 by the Department in connection with programs under this
24 Section shall also be deposited into the fund.

25 (Source: P.A. 91-239, eff. 1-1-00.)

26 Section 909.5. The Illinois Coal and Energy Development
27 Bond Act is amended by changing Section 12 as follows:

28 (20 ILCS 1110/12) (from Ch. 96 1/2, par. 4112)

29 Sec. 12. Investment of Proceeds. The Treasurer may, with
30 the approval of the Governor, invest and reinvest any money
31 in the Coal Development Fund in the State Treasury which, in
32 the opinion of the Governor communicated in writing to the

1 Treasurer, is not needed for current expenditures due or
2 about to become due from such funds. Such investments shall
3 be made at the existing market price and in any event not to
4 exceed 102% of par plus accrued interest, in obligations, the
5 principal of and interest on which is guaranteed by the
6 United States Government; any certificates of deposit of any
7 savings and loan association or State or national bank which
8 are fully secured by obligations, the principal of and
9 interest on which is guaranteed by the United States
10 Government or secured by Bonds of this State or any of its
11 units of local government, school districts, or public
12 community college districts or municipal bonds of other
13 states; or bonds, notes or debentures of the Illinois
14 Building Authority, Illinois Toll Highway Authority, or
15 Illinois State Finance Housing--Development Authority.
16 Securities of other states and their political subdivisions
17 shall not be accepted at an amount exceeding 90% of their
18 market value. All securities shall be subject to acceptance
19 only upon the approval of the Treasurer. The cost price of
20 all such obligations shall be considered as cash in the
21 custody of the Treasurer, and such obligations shall be
22 conveyed at cost price as cash by the Treasurer to his
23 successor. The money in the Coal Development Fund in the form
24 of such obligations shall be set up by the Treasurer as
25 separate accounts and shown distinctly in every report issued
26 by him regarding fund balances. All earnings received upon
27 any such investment shall be paid into the General Revenue
28 Fund. All of the monies other than accrued interest received
29 from the sale or redemption of such investments shall be
30 replaced by the Treasurer in the funds from which the money
31 was removed for such investment.

32 No bank or savings and loan association shall receive
33 public funds as permitted by this Section, unless it has
34 complied with the requirements established pursuant to

1 Section 6 of "An Act relating to certain investments of
2 public funds by public agencies", approved July 23, 1943, as
3 now or hereafter amended.

4 (Source: P.A. 83-541.)

5 Section 909.6. The Capital Development Board Act is
6 amended by changing Section 3 as follows:

7 (20 ILCS 3105/3) (from Ch. 127, par. 773)

8 Sec. 3. As used in this Act, unless the context
9 otherwise requires:

10 "Board" means the Capital Development Board.

11 "State agency" means and includes each officer,
12 department, board, commission, institution, body politic and
13 corporate of the State including the Illinois Building
14 Authority, school districts, and any other person expending
15 or encumbering State or federal funds by virtue of an
16 appropriation or other authorization by the General Assembly
17 or federal authorization or grant. Except as otherwise
18 expressly authorized by the General Assembly, the term does
19 not include the Department of Transportation, the Department
20 of Natural Resources, or Environmental Protection Agency,
21 except as respects buildings used by the Department or Agency
22 for its officers, employees, or equipment, or any of them,
23 and for capital improvements related to such buildings. Nor
24 does the term include the Illinois State Finance Housing
25 Development Authority, the Educational Facilities Authority
26 or the St. Louis Metropolitan Area Airport Authority.

27 "School District" means any school district or special
28 charter district as defined in Section 1-3 of "The School
29 Code", approved March 18, 1961, as amended, or any
30 administrative district, or governing board, of a joint
31 agreement organized under Section 10-22.31 of the School
32 Code.

1 (Source: P.A. 89-445, eff. 2-7-96.)

2 Section 909.7. The Housing Affordability Impact Note Act
3 is amended by changing Sections 10 and 30 as follows:

4 (25 ILCS 82/10)

5 Sec. 10. Preparation. The sponsor of each bill, or the
6 agency proposing a rule, to which Sec. 5 applies, shall
7 present a copy of the bill or proposed rule, with the request
8 for a housing affordability impact note, to the Illinois
9 State Finance Housing--Development Authority. The housing
10 affordability impact note shall be prepared by the Illinois
11 State Finance Housing-Development Authority and submitted to
12 the sponsor of the bill or the agency within 5 calendar days,
13 except that whenever, because of the complexity of the
14 measure, additional time is required for the preparation of
15 the housing affordability impact note, the Illinois State
16 Finance Housing-Development Authority may inform the sponsor
17 of the bill or the agency, and the sponsor or agency may
18 approve an extension of the time within which the note is to
19 be submitted, not to extend, however, beyond June 15,
20 following the date of the request. The Illinois State
21 Finance Housing-Development Authority may seek assistance
22 from a Statewide trade organization representing the real
23 estate or home building industry in the preparation of a
24 housing affordability impact note. If, in the opinion of the
25 Illinois State Finance Housing-Development Authority, there
26 is insufficient information to prepare a reliable estimate of
27 the anticipated impact, a statement to that effect can be
28 filed and shall meet the requirements of this Act.

29 (Source: P.A. 87-1149; 88-61.)

30 (25 ILCS 82/30)

31 Sec. 30. Appearance of State officials and employees in

1 support or opposition of measure. The fact that a housing
2 affordability impact note is prepared for any bill or
3 proposed rule shall not preclude or restrict the appearance
4 before any committee of the General Assembly, or before the
5 Joint Committee on Administrative Rules, of any official or
6 authorized employee of the Illinois State Finance Housing
7 Development Authority who desires to be heard in support of
8 or in opposition to the measure.

9 (Source: P.A. 87-1149; 88-61.)

10 Section 909.8. The Fiscal Control and Internal Auditing
11 Act is amended by changing Section 1003 as follows:

12 (30 ILCS 10/1003) (from Ch. 15, par. 1003)

13 Sec. 1003. Definitions.

14 (a) "Designated State agencies" include the offices of
15 the Secretary of State, the State Comptroller, the State
16 Treasurer, and the Attorney General, the State Board of
17 Education, the State colleges and universities, the Illinois
18 Toll Highway Authority, the Illinois State Finance Housing
19 Development Authority, and other State agencies designated by
20 the Governor under Section 2001.

21 (b) "State agency" means that term as defined in the
22 Illinois State Auditing Act, as now or hereafter amended,
23 except the judicial branch which shall be covered by
24 subsection (c) of Section 2001 and Section 3004 of this Act.

25 (c) "Chief executive officer" includes, respectively,
26 the Secretary of State, the State Comptroller, the State
27 Treasurer, the Attorney General, the State Superintendent of
28 Education, such chief executive officers as are designated by
29 the governing board of each State college and university, the
30 executive director of the Illinois Toll Highway Authority,
31 and the executive director of the Illinois State Finance
32 Housing-Development Authority, as well as the chief executive

1 officer of each other State agency.

2 (Source: P.A. 86-936.)

3 Section 909.9. The Public Funds Investment Act is
4 amended by changing Section 2 as follows:

5 (30 ILCS 235/2) (from Ch. 85, par. 902)

6 Sec. 2. Authorized investments.

7 (a) Any public agency may invest any public funds as
8 follows:

9 (1) in bonds, notes, certificates of indebtedness,
10 treasury bills or other securities now or hereafter
11 issued, which are guaranteed by the full faith and credit
12 of the United States of America as to principal and
13 interest;

14 (2) in bonds, notes, debentures, or other similar
15 obligations of the United States of America or its
16 agencies;

17 (3) in interest-bearing savings accounts,
18 interest-bearing certificates of deposit or
19 interest-bearing time deposits or any other investments
20 constituting direct obligations of any bank as defined by
21 the Illinois Banking Act;

22 (4) in short term obligations of corporations
23 organized in the United States with assets exceeding
24 \$500,000,000 if (i) such obligations are rated at the
25 time of purchase at one of the 3 highest classifications
26 established by at least 2 standard rating services and
27 which mature not later than 180 days from the date of
28 purchase, (ii) such purchases do not exceed 10% of the
29 corporation's outstanding obligations and (iii) no more
30 than one-third of the public agency's funds may be
31 invested in short term obligations of corporations; or

32 (5) in money market mutual funds registered under

1 the Investment Company Act of 1940, provided that the
2 portfolio of any such money market mutual fund is limited
3 to obligations described in paragraph (1) or (2) of this
4 subsection and to agreements to repurchase such
5 obligations.

6 (a-1) In addition to any other investments authorized
7 under this Act, a municipality may invest its public funds in
8 interest bearing bonds of any county, township, city,
9 village, incorporated town, municipal corporation, or school
10 district. The bonds shall be registered in the name of the
11 municipality or held under a custodial agreement at a bank.
12 The bonds shall be rated at the time of purchase within the 4
13 highest general classifications established by a rating
14 service of nationally recognized expertise in rating bonds of
15 states and their political subdivisions.

16 (b) Investments may be made only in banks which are
17 insured by the Federal Deposit Insurance Corporation. Any
18 public agency may invest any public funds in short term
19 discount obligations of the Federal National Mortgage
20 Association or in shares or other forms of securities legally
21 issuable by savings banks or savings and loan associations
22 incorporated under the laws of this State or any other state
23 or under the laws of the United States. Investments may be
24 made only in those savings banks or savings and loan
25 associations the shares, or investment certificates of which
26 are insured by the Federal Deposit Insurance Corporation. Any
27 such securities may be purchased at the offering or market
28 price thereof at the time of such purchase. All such
29 securities so purchased shall mature or be redeemable on a
30 date or dates prior to the time when, in the judgment of such
31 governing authority, the public funds so invested will be
32 required for expenditure by such public agency or its
33 governing authority. The expressed judgment of any such
34 governing authority as to the time when any public funds will

1 be required for expenditure or be redeemable is final and
2 conclusive. Any public agency may invest any public funds in
3 dividend-bearing share accounts, share certificate accounts
4 or class of share accounts of a credit union chartered under
5 the laws of this State or the laws of the United States;
6 provided, however, the principal office of any such credit
7 union must be located within the State of Illinois.
8 Investments may be made only in those credit unions the
9 accounts of which are insured by applicable law.

10 (c) For purposes of this Section, the term "agencies of
11 the United States of America" includes: (i) the federal land
12 banks, federal intermediate credit banks, banks for
13 cooperative, federal farm credit banks, or any other entity
14 authorized to issue debt obligations under the Farm Credit
15 Act of 1971 (12 U.S.C. 2001 et seq.) and Acts amendatory
16 thereto; (ii) the federal home loan banks and the federal
17 home loan mortgage corporation; and (iii) any other agency
18 created by Act of Congress.

19 (d) Except for pecuniary interests permitted under
20 subsection (f) of Section 3-14-4 of the Illinois Municipal
21 Code or under Section 3.2 of the Public Officer Prohibited
22 Practices Act, no person acting as treasurer or financial
23 officer or who is employed in any similar capacity by or for
24 a public agency may do any of the following:

25 (1) have any interest, directly or indirectly, in
26 any investments in which the agency is authorized to
27 invest.

28 (2) have any interest, directly or indirectly, in
29 the sellers, sponsors, or managers of those investments.

30 (3) receive, in any manner, compensation of any
31 kind from any investments in which the agency is
32 authorized to invest.

33 (e) Any public agency may also invest any public funds
34 in a Public Treasurers' Investment Pool created under Section

1 17 of the State Treasurer Act. Any public agency may also
2 invest any public funds in a fund managed, operated, and
3 administered by a bank, subsidiary of a bank, or subsidiary
4 of a bank holding company or use the services of such an
5 entity to hold and invest or advise regarding the investment
6 of any public funds.

7 (f) To the extent a public agency has custody of funds
8 not owned by it or another public agency and does not
9 otherwise have authority to invest such funds, the public
10 agency may invest such funds as if they were its own. Such
11 funds must be released to the appropriate person at the
12 earliest reasonable time, but in no case exceeding 31 days,
13 after the private person becomes entitled to the receipt of
14 them. All earnings accruing on any investments or deposits
15 made pursuant to the provisions of this Act shall be credited
16 to the public agency by or for which such investments or
17 deposits were made, except as provided otherwise in Section
18 4.1 of the State Finance Act or the Local Governmental Tax
19 Collection Act, and except where by specific statutory
20 provisions such earnings are directed to be credited to and
21 paid to a particular fund.

22 (g) A public agency may purchase or invest in repurchase
23 agreements of government securities having the meaning set
24 out in the Government Securities Act of 1986 subject to the
25 provisions of said Act and the regulations issued thereunder.
26 The government securities, unless registered or inscribed in
27 the name of the public agency, shall be purchased through
28 banks or trust companies authorized to do business in the
29 State of Illinois.

30 (h) Except for repurchase agreements of government
31 securities which are subject to the Government Securities Act
32 of 1986, no public agency may purchase or invest in
33 instruments which constitute repurchase agreements, and no
34 financial institution may enter into such an agreement with

1 or on behalf of any public agency unless the instrument and
2 the transaction meet the following requirements:

3 (1) The securities, unless registered or inscribed
4 in the name of the public agency, are purchased through
5 banks or trust companies authorized to do business in the
6 State of Illinois.

7 (2) An authorized public officer after ascertaining
8 which firm will give the most favorable rate of interest,
9 directs the custodial bank to "purchase" specified
10 securities from a designated institution. The "custodial
11 bank" is the bank or trust company, or agency of
12 government, which acts for the public agency in
13 connection with repurchase agreements involving the
14 investment of funds by the public agency. The State
15 Treasurer may act as custodial bank for public agencies
16 executing repurchase agreements. To the extent the
17 Treasurer acts in this capacity, he is hereby authorized
18 to pass through to such public agencies any charges
19 assessed by the Federal Reserve Bank.

20 (3) A custodial bank must be a member bank of the
21 Federal Reserve System or maintain accounts with member
22 banks. All transfers of book-entry securities must be
23 accomplished on a Reserve Bank's computer records through
24 a member bank of the Federal Reserve System. These
25 securities must be credited to the public agency on the
26 records of the custodial bank and the transaction must be
27 confirmed in writing to the public agency by the
28 custodial bank.

29 (4) Trading partners shall be limited to banks or
30 trust companies authorized to do business in the State of
31 Illinois or to registered primary reporting dealers.

32 (5) The security interest must be perfected.

33 (6) The public agency enters into a written master
34 repurchase agreement which outlines the basic

1 responsibilities and liabilities of both buyer and
2 seller.

3 (7) Agreements shall be for periods of 330 days or
4 less.

5 (8) The authorized public officer of the public
6 agency informs the custodial bank in writing of the
7 maturity details of the repurchase agreement.

8 (9) The custodial bank must take delivery of and
9 maintain the securities in its custody for the account of
10 the public agency and confirm the transaction in writing
11 to the public agency. The Custodial Undertaking shall
12 provide that the custodian takes possession of the
13 securities exclusively for the public agency; that the
14 securities are free of any claims against the trading
15 partner; and any claims by the custodian are subordinate
16 to the public agency's claims to rights to those
17 securities.

18 (10) The obligations purchased by a public agency
19 may only be sold or presented for redemption or payment
20 by the fiscal agent bank or trust company holding the
21 obligations upon the written instruction of the public
22 agency or officer authorized to make such investments.

23 (11) The custodial bank shall be liable to the
24 public agency for any monetary loss suffered by the
25 public agency due to the failure of the custodial bank to
26 take and maintain possession of such securities.

27 (i) Notwithstanding the foregoing restrictions on
28 investment in instruments constituting repurchase agreements
29 the Illinois State Finance Housing-Development Authority may
30 invest in, and any financial institution with capital of at
31 least \$250,000,000 may act as custodian for, instruments that
32 constitute repurchase agreements, provided that the Illinois
33 State Finance Housing-Development Authority, in making each
34 such investment, complies with the safety and soundness

1 guidelines for engaging in repurchase transactions applicable
2 to federally insured banks, savings banks, savings and loan
3 associations or other depository institutions as set forth in
4 the Federal Financial Institutions Examination Council Policy
5 Statement Regarding Repurchase Agreements and any regulations
6 issued, or which may be issued by the supervisory federal
7 authority pertaining thereto and any amendments thereto;
8 provided further that the securities shall be either (i)
9 direct general obligations of, or obligations the payment of
10 the principal of and/or interest on which are unconditionally
11 guaranteed by, the United States of America or (ii) any
12 obligations of any agency, corporation or subsidiary thereof
13 controlled or supervised by and acting as an instrumentality
14 of the United States Government pursuant to authority granted
15 by the Congress of the United States and provided further
16 that the security interest must be perfected by either the
17 Illinois State Finance Housing--Development Authority, its
18 custodian or its agent receiving possession of the securities
19 either physically or transferred through a nationally
20 recognized book entry system.

21 (j) In addition to all other investments authorized
22 under this Section, a community college district may invest
23 public funds in any mutual funds that invest primarily in
24 corporate investment grade or global government short term
25 bonds. Purchases of mutual funds that invest primarily in
26 global government short term bonds shall be limited to funds
27 with assets of at least \$100 million and that are rated at
28 the time of purchase as one of the 10 highest classifications
29 established by a recognized rating service. The investments
30 shall be subject to approval by the local community college
31 board of trustees. Each community college board of trustees
32 shall develop a policy regarding the percentage of the
33 college's investment portfolio that can be invested in such
34 funds.

1 Nothing in this Section shall be construed to authorize
2 an intergovernmental risk management entity to accept the
3 deposit of public funds except for risk management purposes.

4 (Source: P.A. 90-319, eff. 8-1-97.)

5 Section 909.10. The Bond Authorization Act is amended by
6 changing Section 5 as follows:

7 (30 ILCS 305/5) (from Ch. 17, par. 6605)

8 Sec. 5. Industrial projects financed pursuant to "The
9 Industrial Project Revenue Bond Act" under the "Illinois
10 Municipal Code", approved May 29, 1961, as now or hereafter
11 amended, and the "Industrial Building Revenue Bond Act",
12 approved July 26, 1967, as now or hereafter amended, shall
13 not be subject to the provisions of this Act. Obligations
14 issued by the Illinois State Finance Housing--Development
15 Authority pursuant to any provision of the Illinois State
16 Finance Authority Housing--Development Act,~~---as---now---or~~
17 ~~hereafter-amended~~, shall be subject to the provisions of this
18 Act only to the extent expressly set forth in ~~Section 16 of~~
19 the Illinois State Finance Authority Housing-Development Act.

20 (Source: P.A. 86-1017.)

21 Section 909.11. The School Construction Bond Act is
22 amended by changing Section 8 as follows:

23 (30 ILCS 390/8) (from Ch. 122, par. 1208)

24 Sec. 8. The Treasurer may, with the approval of the
25 Governor, invest and reinvest any money in the School
26 Construction Fund in the State Treasury which, in the opinion
27 of the Governor communicated in writing to the Treasurer, is
28 not needed for current expenditures due or about to become
29 due from such funds. Such investments shall be made at the
30 existing market price and in any event not to exceed 102% or

1 par plus accrued interest, in obligations, the principal of
2 and interest on which is guaranteed by the United States
3 Government, or any certificates of deposit of any savings and
4 loan association or State or national bank which are fully
5 secured by obligations, the principal of and interest on
6 which is guaranteed by the United States Government or
7 secured by bonds of this State or any of its units of local
8 government, school districts, or public community college
9 districts or municipal bonds of other states, or bonds, notes
10 or debentures of the Illinois Building Authority, Illinois
11 Toll Highway Authority, or Illinois State Finance Housing
12 Development Authority. Securities of other states and their
13 political subdivisions shall not be accepted at an amount
14 exceeding 90% of their market value. All securities shall be
15 subject to acceptance only upon the approval of the
16 Treasurer. The cost price of all such obligations shall be
17 considered as cash in the custody of the Treasurer, and such
18 obligations shall be conveyed at cost price as cash by the
19 Treasurer to his successor. The money in the School
20 Construction Fund in the form of such obligations shall be
21 set up by the Treasurer as separate accounts and shown
22 distinctly in every report issued by him regarding fund
23 balances. All earnings received upon any such investment
24 shall be paid into the School Construction Bond Retirement
25 and Interest Fund. All of the monies other than accrued
26 interest received from the sale of redemption of such
27 investments shall be replaced by the Treasurer in the funds
28 from which the money was removed for such investment.

29 No bank or savings and loan association shall receive
30 public funds as permitted by this Section, unless it has
31 complied with the requirements established pursuant to
32 Section 6 of "An Act relating to certain investments of
33 public funds by public agencies", approved July 23, 1943, as
34 now or hereafter amended.

1 (Source: P.A. 83-541.)

2 Section 909.12. The Capital Development Bond Act of 1972
3 is amended by changing Section 8 as follows:

4 (30 ILCS 420/8) (from Ch. 127, par. 758)

5 Sec. 8. The Treasurer may, with the approval of the
6 Governor, invest and reinvest any money in the Capital
7 Development Fund in the State Treasury which, in the opinion
8 of the Governor communicated in writing to the Treasurer, is
9 not needed for current expenditures due or about to become
10 due from such funds. Such investments shall be made at the
11 existing market price and in any event not to exceed 102% of
12 par plus accrued interest, in obligations, the principal of
13 and interest on which is guaranteed by the United States
14 Government, or any certificates of deposit of any savings and
15 loan association or any State or national bank which are
16 fully secured by obligations, the principal of and interest
17 on which is guaranteed by the United States Government or
18 secured by bonds of this State or any of its units of local
19 government, school districts, or public community college
20 districts or municipal bonds of other states, or bonds, notes
21 or debentures of the Illinois Building Authority, Illinois
22 Toll Highway Authority, or Illinois State Finance Housing
23 Development Authority. Securities of other states and their
24 political subdivisions shall not be accepted at an amount
25 exceeding ninety percent (90%) of their market value. All
26 securities shall be subject to acceptance only upon the
27 approval of the Treasurer. The cost price of all such
28 obligations shall be considered as cash in the custody of the
29 Treasurer, and such obligations shall be conveyed at cost
30 price as cash by the Treasurer to his Successor. The money in
31 the Capital Development Fund in the form of such obligations
32 shall be set up by the Treasurer as separate accounts and

1 shown distinctly in every report issued by him regarding fund
2 balances. All earnings received upon any such investment
3 shall be paid into the Capital Development Bond Retirement
4 and Interest Fund. All of the monies other than accrued
5 interest received from the sale of redemption of such
6 investments shall be replaced by the Treasurer in the funds
7 from which the money was removed for such investment.

8 No bank or savings and loan association shall receive
9 public funds as permitted by this Section, unless it has
10 complied with the requirements established pursuant to
11 Section 6 of "An Act relating to certain investments of
12 public funds by public agencies", approved July 23, 1943, as
13 now or hereafter amended.

14 (Source: P.A. 83-541.)

15 Section 909.13. The Build Illinois Act is amended by
16 changing Section 8-3 as follows:

17 (30 ILCS 750/8-3) (from Ch. 127, par. 2708-3)

18 Sec. 8-3. Powers of the Department. The Department has
19 the power to:

20 (a) provide business development public infrastructure
21 loans or grants from appropriations from the Build Illinois
22 Bond Fund, the Build Illinois Purposes Fund, the Fund for
23 Illinois' Future, and the Public Infrastructure Construction
24 Loan Fund to local governments to provide or improve a
25 community's public infrastructure so as to create or retain
26 private sector jobs pursuant to the provisions of this
27 Article;

28 (b) provide affordable financing of public
29 infrastructure loans and grants to, or on behalf of, local
30 governments, local public entities, medical facilities, and
31 public health clinics from appropriations from the Public
32 Infrastructure Construction Loan Fund for the purpose of

1 assisting with the financing, or application and access to
2 financing, of a community's public infrastructure necessary
3 to health, safety, and economic development;

4 (c) enter into agreements, accept funds or grants, and
5 engage in cooperation with agencies of the federal
6 government, or state or local governments to carry out the
7 purposes of this Article, and to use funds appropriated
8 pursuant to this Article to participate in federal
9 infrastructure loan and grant programs upon such terms and
10 conditions as may be established by the federal government;

11 (d) establish application, notification, contract, and
12 other procedures, rules, or regulations deemed necessary and
13 appropriate to carry out the provisions of this Article;

14 (e) coordinate assistance under this program with
15 activities of the Illinois Development Finance Authority in
16 order to maximize the effectiveness and efficiency of State
17 development programs;

18 (f) coordinate assistance under the Affordable Financing
19 of Public Infrastructure Loan and Grant Program with the
20 activities of the Illinois Development Finance Authority,
21 Illinois Rural Bond Bank, Illinois Farm Development
22 Authority, Illinois State Finance Housing---Development
23 Authority, Illinois Environmental Protection Agency, and
24 other federal and State programs and entities providing
25 financing assistance to communities for public health,
26 safety, and economic development infrastructure;

27 (f-5) provide staff, administration, and related support
28 required to manage the programs authorized under this Article
29 and pay for the staffing, administration, and related support
30 from the Public Infrastructure Construction Loan Revolving
31 Fund;

32 (g) exercise such other powers as are necessary or
33 incidental to the foregoing.

34 (Source: P.A. 90-454, eff. 8-16-97; 91-34, eff. 7-1-99.)

1 Section 909.14. The Township Code is amended by changing
2 Section 35-50.2 as follows:

3 (60 ILCS 1/35-50.2)

4 Sec. 35-50.2 Construction of senior citizens' housing;
5 revenue bonds.

6 (a) For the purpose of defraying the cost of the
7 construction, purchase, improvement, extension, or equipping
8 from time to time of senior citizens' housing, including
9 feasibility, engineering, legal, and other expenses, together
10 with interest on its revenue bonds, to the fullest extent
11 permitted by the provisions of Section 9 of the Local
12 Government Debt Reform Act, the township board, when
13 authorized by a majority of the votes cast on the proposition
14 submitted in accordance with the general election law under
15 Section 35-50.3, may issue and sell revenue bonds of the
16 township payable solely from the net income and revenue
17 derived from the operation of the senior citizens' housing,
18 after payment of the costs of operation and maintenance of
19 the senior citizens' housing and provision for an adequate
20 depreciation fund (if a depreciation fund is deemed necessary
21 by the township board). The township board may also from
22 time to time issue revenue bonds to refund any such revenue
23 bonds, at the redemption price authorized, at maturity or at
24 any time before maturity, all as authorized in the ordinance
25 of the township board authorizing the refunded bonds. The
26 bonds shall bear interest at a rate or rates not to exceed
27 the maximum rate authorized by the Bond Authorization Act, as
28 amended at the time of the making of the contract for the
29 sale of the bonds, the interest shall be payable
30 semi-annually, and the bonds shall mature within the period
31 of usefulness of the project involved, as determined in the
32 sole discretion of the township board and in any event not
33 more than 40 years from the dated date of the bonds.

1 (b) The bonds shall be sold in the manner determined by
2 the township board and, whenever the bonds are sold at a
3 price less than par, they shall be sold at a price and bear
4 interest at a rate or rates such that either the true
5 interest cost (yield) or the net interest rate, as selected
6 by the township board, received on the sale of the bonds,
7 does not exceed the maximum rate otherwise authorized by the
8 Bond Authorization Act. If any officer whose signature
9 appears on the bonds or coupons attached to the bonds ceases
10 to be an officer before the delivery of the bonds to the
11 purchaser, his or her signature shall nevertheless be valid
12 and sufficient for all purposes to the same effect as if he
13 or she had remained in office until the delivery of the
14 bonds.

15 (c) Notwithstanding the form or tenor of the bonds, and
16 in the absence of expressed recitals on the face of the bonds
17 that the bonds are non-negotiable, all bonds issued under
18 this Section shall have all the qualities of negotiable
19 instruments under the law of this State.

20 (d) With respect to instruments for the payment of money
21 issued under Sections 35-50.1 through 35-50.6, including,
22 without limitation, revenue bonds of a township, it is the
23 intention of the General Assembly (i) that the Omnibus Bond
24 Acts are supplementary grants of power to issue those
25 instruments in accordance with the Omnibus Bond Acts,
26 regardless of any provision of Sections 35-50.1 through
27 35-50.6 that may appear to be more restrictive than those
28 Acts, (ii) that the provisions of Sections 35-50.1 through
29 35-50.6 are not a limitation on the supplementary authority
30 granted by the Omnibus Bond Acts, and (iii) that instruments
31 issued under Sections 35-50.1 through 35-50.6 within the
32 supplementary authority granted by the Omnibus Bond Acts are
33 not invalid because of any provision of Sections 35-50.1
34 through 35-50.6 that may appear to be more restrictive than

1 those Acts.

2 (e) Revenue bonds issued under Sections 35-50.1 through
3 35-50.6 shall be payable solely from the net revenue derived
4 from the operation of the senior citizens' housing on account
5 of which the revenue bonds are issued. The revenue bonds
6 shall not in any event constitute an indebtedness of the
7 township within the meaning of any constitutional or
8 statutory limitation, and it shall be so stated on the face
9 of each bond.

10 (f) Not less than 30 days before the making of a
11 contract for the sale of bonds to be issued under Sections
12 35-50.1 through 35-50.6, the township board shall give
13 written notice to the Executive Director of the Illinois
14 State Finance Housing-Development Authority. Within 30 days
15 after receiving the notice the Executive Director of the
16 Illinois State Finance Housing--Development Authority shall
17 give written notice to the township board stating whether it
18 will finance the senior citizens' housing. If the Illinois
19 State Finance Housing--Development Authority notifies the
20 township board that it will not finance the senior citizens'
21 housing, the township may finance the senior citizens'
22 housing or seek alternative financing from any other
23 available source.

24 (Source: P.A. 87-922; 88-62.)

25 Section 909.15. The Assisted Living and Shared Housing
26 Act is amended by changing Section 125 as follows:

27 (210 ILCS 9/125)

28 Sec. 125. Assisted Living and Shared Housing Advisory
29 Board.

30 (a) The Governor shall appoint the Assisted Living and
31 Shared Housing Advisory Board which shall be responsible for
32 advising the Director in all aspects of the administration of

1 the Act.

2 (b) The Board shall be comprised of the following
3 persons:

4 (1) the Director who shall serve as chair, ex
5 officio and nonvoting;

6 (2) the Director of Aging who shall serve as
7 vice-chair, ex officio and nonvoting;

8 (3) one representative each of the Departments of
9 Public Health, Public Aid, and Human Services, the
10 Department on Aging, the Office of the State Fire
11 Marshal, and the Illinois State Finance Housing
12 Development Authority, all nonvoting members;

13 (4) the State Ombudsman or his or her designee;

14 (5) one representative of the Association of Area
15 Agencies on Aging;

16 (6) four members selected from the recommendations
17 by provider organizations whose membership consist of
18 nursing care or assisted living establishments;

19 (7) one member selected from the recommendations of
20 provider organizations whose membership consists of home
21 health agencies;

22 (8) two residents of assisted living or shared
23 housing establishments;

24 (9) three members selected from the
25 recommendations of consumer organizations which engage
26 solely in advocacy or legal representation on behalf of
27 the senior population;

28 (10) one member who shall be a physician;

29 (11) one member who shall be a registered
30 professional nurse selected from the recommendations of
31 professional nursing associations; and

32 (12) two citizen members with expertise in the area
33 of gerontology research or legal research regarding
34 implementation of assisted living statutes.

1 (c) Members of the Board created by this Act shall be
2 appointed to serve for terms of 3 years. All members shall be
3 appointed by January 1, 2001. One third of the Board
4 members' initial terms shall expire in one year; one third in
5 2 years, and one third in 3 years. A member's term does not
6 expire until a successor is appointed by the Governor. Any
7 member appointed to fill a vacancy occurring prior to the
8 expiration of the term for which his or her predecessor was
9 appointed shall be appointed for the remainder of that term.
10 The Board shall meet at the call of the Director. The
11 affirmative vote of 9 members of the Board shall be
12 necessary for Board action. Members of this Board shall
13 receive no compensation for their services, however,
14 resident members shall be reimbursed for their actual
15 expenses.

16 (d) The Board shall be provided copies of all
17 administrative rules and changes to administrative rules for
18 review and comment prior to notice being given to the public.
19 If the Board, having been asked for its review, fails to
20 advise the Department within 90 days, the rules shall be
21 considered acted upon.

22 (Source: P.A. 91-656, eff. 1-1-01.)

23 Section 909.16. The Illinois Public Aid Code is amended
24 by changing Section 12-4.5 as follows:

25 (305 ILCS 5/12-4.5) (from Ch. 23, par. 12-4.5)

26 Sec. 12-4.5. Co-operation with Federal Government.
27 Co-operate with the Federal Department of Health and Human
28 Services, or with any successor agency thereof, or with any
29 other agency of the Federal Government providing federal
30 funds, commodities, or aid, for public aid and other
31 purposes, in any reasonable manner not contrary to this Code,
32 as may be necessary to qualify for federal aid for the

1 several public aid and welfare service programs established
2 under this Code, including the costs of administration and
3 personnel training incurred thereunder, and for such other
4 aid, welfare and related programs for which federal aid may
5 be available.

6 The Department of Human Services may supervise the
7 administration of food and shelter assistance under this
8 Section for which the Department of Human Services is
9 authorized to receive funds from federal, State and private
10 sources. Under such terms as the Department of Human
11 Services may establish, such monies may be distributed to
12 units of local government and non-profit agencies for the
13 purpose of provision of temporary shelter and food
14 assistance. Temporary shelter means emergency and
15 transitional living arrangements, including related ancillary
16 services. Allowable costs shall include remodeling costs but
17 shall not include other costs not directly related to direct
18 service provision.

19 The Department of Human Services may provide low income
20 families and individuals appropriate supportive services on
21 site to enhance their ability to maintain independent living
22 arrangements or may contract for the provision of those
23 services on site with entities that develop or operate
24 housing developments, governmental units, community based
25 organizations, or not for profit organizations. Those living
26 arrangements may include transitional housing, single-room
27 occupancy (SRO) housing developments, or family housing
28 developments. Supportive services may include any service
29 authorized under the Public Aid Code including, but not
30 limited to, services relating to substance abuse, mental
31 health, transportation, child care, or case management. When
32 appropriate, the Department of Human Services shall work with
33 other State agencies in order to coordinate services and to
34 maximize funding. The Department of Human Services shall

1 give priority for services to residents of housing
2 developments which have been funded by or have a commitment
3 of funds from the Illinois State Finance Housing-Development
4 Authority.

5 The Department of Human Services shall promulgate
6 specific rules governing the selection of Distribution
7 Network Agencies under the Federal Surplus Commodity Program
8 including, but not limited to, policies relative to the
9 termination of contracts, policies relative to fraud and
10 abuse, appeals processes, and information relative to
11 application and selection processes. The Department of Human
12 Services shall also promulgate specific rules that set forth
13 the information required to be contained in the cost reports
14 to be submitted by each Distribution Network Agency to the
15 Department of Human Services.

16 The Department of Human Services shall cooperate with
17 units of local government and non-profit agencies in the
18 development and implementation of plans to assure the
19 availability of temporary shelter for persons without a home
20 and/or food assistance.

21 The Department of Human Services shall report annually to
22 the House and Senate Appropriations Committees of the General
23 Assembly regarding the provision of monies for such
24 assistance as provided in this Section, including the number
25 of persons served, the level and cost of food provided and
26 the level and cost of each type of shelter provided and any
27 unmet need as to food and shelter.

28 The Illinois Department of Human Services shall make such
29 reports to the Federal Department or other Federal agencies
30 in such form and containing such information as may be
31 required, and shall comply with such provisions as may be
32 necessary to assure the correctness and verification of such
33 reports if funds are contributed by the Federal Government.
34 In cooperating with any federal agency providing federal

1 funds, commodities, or aid for public aid and other purposes,
 2 the Department of Human Services, with the consent of the
 3 Governor, may make necessary expenditures from moneys
 4 appropriated for such purposes for any of the subdivisions of
 5 public aid, for related purposes, or for administration.

6 (Source: P.A. 88-332; 89-507, eff. 7-1-97.)

7 Section 909.17. The State Housing Act is amended by
 8 changing Sections 3, 5, 6, 7, 9, 10, 11, 12, 13, 22, 23, 24,
 9 25, 26, 27, 28, 30, 31, 32, 33, 34, 35, 36, 37, 38, 39, and
 10 40 as follows:

11 (310 ILCS 5/3) (from Ch. 67 1/2, par. 153)

12 Sec. 3. Housing corporations may be organized in the
 13 manner provided by this Act to acquire, construct, alter,
 14 maintain, and operate lands and buildings when authorized by
 15 and subject to the supervision of the Illinois State Finance
 16 ~~Housing--Development~~ Authority, for the purpose of providing
 17 housing accommodations for persons and families of low income
 18 or moderate income as those terms are defined in ~~Section--2~~
 19 ~~(g)--of~~ the Illinois State Finance ~~Housing--Development~~ Act or
 20 for the reconstruction of slum areas subject to the approval
 21 of the Illinois State Finance ~~Housing--Development~~ Authority,
 22 a reasonable part of any property owned by a housing
 23 corporation may be used for stores, offices and community
 24 facilities appurtenant and incidental to housing
 25 accommodations.

26 Every housing corporation shall remain at all times
 27 subject to the supervision and control of the Illinois State
 28 Finance ~~Housing--Development~~ Authority; and all real estate
 29 acquired by it and all structures erected or altered by it
 30 shall be deemed to be acquired for the purpose of promoting
 31 the public health, safety and welfare, and subject to all the
 32 provisions of this act. Housing corporations may be formed

1 under this act on a not-for-profit or a limited-dividend
2 basis. Every stockholder of a housing corporation formed on a
3 limited dividend basis shall be deemed, by the subscription
4 to or receipt of stock thereof, to have agreed that he shall
5 at no time receive or accept from the corporation in
6 repayment of his investment in its stock any sums in excess
7 of the face value thereof, plus cumulative dividends at a
8 rate not to exceed six per cent per annum. Upon the
9 dissolution of such corporation, any surplus in excess of
10 such amounts shall revert to the State of Illinois.

11 (Source: P.A. 76-1176.)

12 (310 ILCS 5/5) (from Ch. 67 1/2, par. 155)

13 Sec. 5. The statement prescribed by Section 4 of this Act
14 shall be filed in duplicate in the office of the Secretary of
15 State, on forms prescribed and furnished by the Secretary of
16 State. No such statement shall be filed unless it shall have
17 endorsed thereon, or be accompanied by a certificate of, the
18 approval of the Illinois State Finance Housing-Development
19 Authority to the filing thereof.

20 If the Secretary of State finds that such statement is in
21 conformity with the provisions of this act, he shall endorse
22 thereon the word "filed," followed by the month, day and year
23 of such filing. Upon such filing the corporation shall be
24 deemed fully organized and may proceed to business.

25 The Secretary of State shall also issue articles of
26 incorporation to the incorporators, making a part of such
27 articles a copy of all papers filed in his office, using for
28 that purpose duplicate copies, if any, filed therein,
29 authenticated under his signature and seal of the State. A
30 copy of such articles of incorporation shall be prepared and
31 filed by the Secretary of State in his office.

32 (Source: P.A. 84-550.)

1 (310 ILCS 5/6) (from Ch. 67 1/2, par. 156)

2 Sec. 6.

3 Every corporation organized under this Act shall, subject
4 to the conditions and limitations prescribed by this Act,
5 have the following rights, powers and privileges:

6 (1) To have succession by its corporate name for the
7 period limited in its articles of incorporation or any
8 amendment thereof.

9 (2) To sue and be sued in its corporate name.

10 (3) To have and use a common seal and alter the same at
11 pleasure.

12 (4) In the case of corporations formed on a
13 limited-dividend basis, to have a capital stock of such an
14 amount and divided into shares as may be provided in the
15 articles of incorporation or any amendment thereof, subject
16 to the conditions prescribed by section 4 of this Act.

17 (5) To acquire, own, use, convey and otherwise dispose
18 of and deal in real property, subject only to the conditions
19 and restrictions of this Act.

20 (6) To own, purchase or otherwise acquire, whether in
21 exchange for the issuance of its own stock, bonds or other
22 obligations or otherwise, and to hold, vote, pledge, or
23 dispose of the stocks, bonds or other evidences of
24 indebtedness of any corporation, domestic or foreign.

25 (7) To borrow money at such rate of interest, as the
26 corporation may determine, subject to the approval of the
27 Illinois State Finance Housing-Development Authority, and to
28 mortgage or pledge its property, both real and personal, to
29 secure the payment thereof.

30 (8) To elect officers, appoint agents, define their
31 duties and fix their compensation.

32 (9) Subject to the provisions of this Act, to acquire
33 real estate or any interest therein by exercise of the power
34 of eminent domain in the manner provided by the general laws

1 of the State relating thereto.

2 (10) To make by-laws not inconsistent with the laws of
3 this State for the administration of the business and
4 interest of such corporation.

5 (11) To conduct business in this State, subject to the
6 provisions of this Act.

7 (12) To cease doing business and to surrender its
8 charter.

9 (13) To have and exercise all the powers necessary and
10 convenient to carry into effect the purpose for which the
11 corporation is formed.

12 (Source: P.A. 76-1176.)

13 (310 ILCS 5/7) (from Ch. 67 1/2, par. 157)

14 Sec. 7. No housing corporation shall:

15 (1) Acquire any real property or interest therein unless
16 it shall first have obtained a certificate from the Illinois
17 State Finance Housing--Development Authority that such
18 acquisition is necessary or convenient for the public purpose
19 defined by this Act.

20 (2) Sell, transfer, or assign any real property except
21 upon the written consent of the Illinois State Finance
22 Housing-Development Authority, except as provided in Section
23 26 of this Act. Except as otherwise provided in Section 26,
24 no real property acquired for housing purposes under this Act
25 shall be sold, transferred or assigned within a period of 10
26 years after its acquisition, except to another housing
27 corporation, a not-for-profit corporation or a federal, State
28 or local governmental agency.

29 (3) In the case of corporations formed on a
30 limited-dividend basis, pay dividends upon its stock, at a
31 higher rate than 6% per annum.

32 (4) Issue its stock, securities or obligations in an
33 amount greater in the aggregate than the total actual final

1 cost, as determined by the Illinois State Finance Housing
2 Development Authority, of the lands and improvements acquired
3 or constructed by it, plus an allowance for working capital
4 approved by the Illinois State Finance Housing-Development
5 Authority.

6 (5) Mortgage any real property without first having
7 obtained the approval of the Illinois State Finance Housing
8 Development Authority.

9 (6) Issue any securities or evidences of indebtedness
10 without first having obtained the approval of the Illinois
11 State Finance Housing-Development Authority.

12 (7) Use any building erected or acquired by it for any
13 purpose other than housing accommodation, except for stores,
14 offices or community facilities appurtenant and incidental to
15 housing accommodations, to the extent approved by the
16 Illinois State Finance Housing-Development Authority.

17 (8) Charge or accept any rental for housing
18 accommodations in any building constructed, acquired,
19 operated or managed by it in excess of the rates prescribed
20 by the Illinois State Finance Housing-Development Authority.

21 (9) Enter into contracts for the construction of
22 buildings or for the payment of salaries to officers or
23 employees, or for the purchase of materials, equipment or
24 supplies, except subject to the inspection and revision of
25 the Illinois State Finance Housing-Development Authority, and
26 under such regulations as the Illinois State Finance Housing
27 Development Authority may from time to time prescribe.

28 No housing corporation or contractor employed thereby
29 shall deny employment to any person on account of race,
30 creed, color, sex or national origin.

31 (10) Make any guaranty without the approval of the
32 Illinois State Finance Housing-Development Authority.

33 (11) Voluntarily dissolve without first having obtained
34 the consent of the Illinois State Finance Housing-Development

1 Authority.

2 (Source: P.A. 91-357, eff. 7-29-99.)

3 (310 ILCS 5/9) (from Ch. 67 1/2, par. 159)

4 Sec. 9. No statement of the issuance of additional stock
5 of a housing corporation shall be filed by the Secretary of
6 State unless it shall have endorsed thereon, or be
7 accompanied by a certificate of, the approval of the Illinois
8 State Finance Housing-Development Authority.

9 (Source: P.A. 76-1176.)

10 (310 ILCS 5/10) (from Ch. 67 1/2, par. 160)

11 Sec. 10. No certificate of increase or decrease of
12 capital stock of a housing corporation shall be filed by the
13 Secretary of State unless it shall have endorsed thereon, or
14 be accompanied by a certificate of, the approval of the
15 Illinois State Finance Housing-Development Authority.

16 (Source: P.A. 76-1176.)

17 (310 ILCS 5/11) (from Ch. 67 1/2, par. 161)

18 Sec. 11. No statement of amendment to the articles of
19 incorporation of a housing corporation shall be filed by the
20 Secretary of State unless it shall have endorsed thereon, or
21 be accompanied by a certificate of the approval of the
22 Illinois State Finance Housing-Development Authority.

23 (Source: P.A. 76-1176.)

24 (310 ILCS 5/12) (from Ch. 67 1/2, par. 162)

25 Sec. 12. Merger, consolidation or reorganization of
26 housing corporations shall be subject to the control and
27 supervision of the Illinois State Finance Housing-Development
28 Authority. The amount of stock, securities and obligations to
29 be issued by the merged, consolidated or reorganized
30 corporation shall be approved by the Illinois State Finance

1 Housing--Development Authority, and shall not exceed the fair
2 value of the assets as determined by the Illinois State
3 Finance Housing--Development Authority.

4 No statement of merger or consolidation of a housing
5 corporation shall be filed by the Secretary of State unless
6 it shall have endorsed thereon, or be accompanied by a
7 certificate of, the approval of the Illinois State Finance
8 Housing--Development Authority.

9 (Source: P.A. 80-1495.)

10 (310 ILCS 5/13) (from Ch. 67 1/2, par. 163)

11 Sec. 13. No housing corporation shall proceed to
12 dissolution except upon the approval of the Illinois State
13 Finance Housing--Development Authority, and the distribution
14 of assets in dissolution shall be subject to the control and
15 supervision of the Illinois State Finance Housing--Development
16 Authority. No certificate of dissolution shall be filed by
17 the Secretary of State unless it shall have endorsed thereon
18 or be accompanied by a certificate of the approval of the
19 Illinois State Finance Housing--Development Authority.

20 (Source: P.A. 76-1176.)

21 (310 ILCS 5/22) (from Ch. 67 1/2, par. 172)

22 Sec. 22. The Illinois State Finance Housing--Development
23 Authority shall have general supervision of all housing
24 corporations and shall have power to investigate into the
25 affairs of such corporations, and into the dealings,
26 transactions and relationships of such corporations with
27 third persons. Any investigation provided for by this act may
28 be conducted by the Illinois State Finance Housing
29 Development Authority, or, on the direction of the Illinois
30 State Finance Housing--Development Authority, by any member,
31 officer or employee thereof. The Illinois State Finance
32 Housing--Development Authority, and any member, officer or

1 employee thereof so designated, shall have power to
2 administer oaths, to take affidavits, to subpoena and require
3 the attendance of witnesses and the production of books and
4 papers of such corporations or third persons pertaining to
5 the investigations authorized by this act, and to examine
6 such witnesses, books and papers in relation to any matter
7 which the Illinois State Finance Housing--Development
8 Authority has the power to investigate; to issue commissions
9 for the examination of witnesses who are without the state,
10 or are unable to attend before the Illinois State Finance
11 Housing--Development Authority or are excused from attendance.

12 All hearings conducted by the Illinois State Finance
13 Housing--Development Authority shall be open to the public,
14 and all evidence presented at hearings held by the Illinois
15 State Finance Housing--Development Authority or under its
16 authority shall become a part of the records of the Illinois
17 State Finance Housing--Development Authority. In cases in
18 which the Illinois State Finance Housing--Development
19 Authority bases any actions on reports of investigations or
20 inquiries not conducted at hearings, such reports shall be
21 made a part of the records of the Illinois State Finance
22 Housing--Development Authority.

23 Each member, and each officer and employee of the
24 Illinois State Finance Housing---Development Authority
25 authorized thereby, shall have the power to examine all
26 books, contracts, records, documents and papers of a housing
27 corporation and by subpoena duces tecum compel the production
28 thereof.

29 The Illinois State Finance Housing--Development Authority
30 shall have power to adopt reasonable and proper rules and
31 regulations relating to the exercise of its powers and proper
32 rules to govern its proceedings and to regulate the mode and
33 manner of all investigations, and hearings and to alter and
34 amend the same.

1 (Source: P.A. 76-1176.)

2 (310 ILCS 5/23) (from Ch. 67 1/2, par. 173)

3 Sec. 23. No person shall be excused from testifying or
4 from producing any papers, books, accounts or documents in
5 any investigation or inquiry or upon any hearing ordered by
6 the Illinois State Finance Housing-Development Authority when
7 ordered to do so by the Illinois State Finance Housing
8 Development Authority or by any member, officer, or employee
9 of the Illinois State Finance Housing-Development Authority,
10 upon the ground that the testimony or evidence, documentary
11 or otherwise, may tend to incriminate him or subject him to a
12 penalty or forfeiture. But no person shall be prosecuted or
13 subjected to any penalty or forfeiture, for or on account of
14 any transaction, matter or thing concerning which he may
15 testify or produce evidence, documentary or otherwise, before
16 the Illinois State Finance Housing-Development Authority or a
17 member, officer or employee thereof; provided that such
18 immunity shall extend only to a natural person who in
19 obedience to a subpoena gives testimony under oath or
20 produces evidence, documentary or otherwise, under oath. No
21 person so testifying shall be exempt from prosecution and
22 punishment for perjury committed in so testifying.

23 (Source: P.A. 76-1176.)

24 (310 ILCS 5/24) (from Ch. 67 1/2, par. 174)

25 Sec. 24. All subpoenas issued under the terms of this
26 Act may be served by any person of full age. The fees of
27 witnesses for attendance and travel shall be the same as fees
28 of witnesses before the circuit courts of this State, such
29 fees to be paid when the witness is excused from further
30 attendance, when the witness is subpoenaed at the instance of
31 the Illinois State Finance Housing-Development Authority or a
32 member, officer or employee thereof, and the disbursements

1 made in the payment of such fees shall be audited and paid in
2 the same manner as are other expenses of the Illinois State
3 Finance Housing-Development Authority. Whenever a subpoena is
4 issued at the instance of a party to any proceeding before
5 the Illinois State Finance Housing-Development Authority, the
6 Illinois State Finance Housing--Development Authority may
7 require that the cost of service thereof and the fee of
8 witnesses shall be borne by the party at whose instance the
9 witness is summoned and the Illinois State Finance Housing
10 Development Authority shall have power at its discretion to
11 require a deposit to cover the cost of such service and
12 witness fee and the payment of the legal witness fee and
13 mileage to the witness when served with subpoena. A subpoena
14 issued so shall be served in the same manner as a subpoena
15 issued out of a court.

16 Any person who shall be served with a subpoena to appear
17 and testify or to produce books, papers, accounts or
18 documents issued by the Illinois State Finance Housing
19 Development Authority or any member or officer thereof in the
20 course of an inquiry, investigation or hearing conducted
21 under any of the provisions of this Act and who shall refuse
22 or neglect to appear or to testify or to produce books,
23 papers, accounts and documents relevant to the inquiry,
24 investigation or hearing as commanded in such subpoena, shall
25 be guilty of a Class A misdemeanor.

26 Any Circuit Court of this State, upon application of the
27 Illinois State Finance Housing--Development Authority or a
28 member, officer or employee thereof, may, in his discretion,
29 compel the attendance of witnesses, the production of books,
30 papers, accounts and documents and the giving of testimony
31 before the Illinois State Finance Housing--Development
32 Authority, or a member, officer or employee thereof, by an
33 attachment for contempt or otherwise, in the same manner as
34 production of evidence may be compelled before such court.

1 (Source: P.A. 83-334.)

2 (310 ILCS 5/25) (from Ch. 67 1/2, par. 175)

3 Sec. 25. Consolidation; 2 or more projects. The
4 Illinois State Finance Housing--Development Authority may
5 permit the consolidation of 2 or more approved projects or
6 the extension or amendment of any approved project or the
7 consolidation of any approved project with a proposed
8 project. In any of these events, the consolidated project
9 shall be treated as an original project and an application
10 shall be submitted as in the case of an original project and
11 rents may be averaged throughout the consolidated or extended
12 project. The Illinois State Finance Housing--Development
13 Authority may likewise permit any housing corporation to
14 organize and operate more than one project or to take over
15 any project heretofore approved by the Illinois State Finance
16 Housing--Development Authority and to operate it independently
17 of other projects of the corporation. The Illinois State
18 Finance Housing--Development Authority may decline to permit
19 more than one project to be operated by the same housing
20 corporation.

21 (Source: P.A. 91-357, eff. 7-29-99.)

22 (310 ILCS 5/26) (from Ch. 67 1/2, par. 176)

23 Sec. 26. No housing corporation shall acquire title to
24 any real property nor undertake any building construction
25 without the approval of the Illinois State Finance Housing
26 Development Authority. The Illinois State Finance Housing
27 Development Authority shall approve the proposed acquisition
28 or construction only upon the following conditions:

29 (a) That the project is within an area within which,
30 under the conditions existing at the time, housing
31 accommodations are not being provided through the ordinary
32 operation of private enterprise to conform with reasonable

1 standards of health, sanitation and safety, to rent at or
2 below the average rentals for housing accommodations in the
3 proposed project, and in such determination by the Illinois
4 State Finance Housing--Development Authority, an area of at
5 least one-half mile in radius shall be considered; and that
6 such acquisition or construction is necessary or convenient
7 for the public purposes defined in this Act.

8 (b) That there has been presented to the Illinois State
9 Finance Housing--Development Authority in such form and with
10 such assurance as it may prescribe, a financial plan for the
11 provision of the cost of the lands and improvements such as
12 shall assure the successful completion and operation of the
13 project.

14 (c) That it appears practicable to rent the proposed
15 housing accommodations at prices such that for the entire
16 project the average shall not exceed the maximum prices
17 prescribed by the Illinois State Finance Housing--Development
18 Authority.

19 (d) That the estimated costs of the project shall be
20 proper; and the plans and specifications of the proposed
21 construction shall conform to reasonable standards of health,
22 sanitation, safety and provisions for light and air.

23 The plans and specifications mentioned in the preceding
24 paragraph shall be submitted to the city plan commission, if
25 such there be, of the city, village or incorporated town in
26 which the housing project is located. Such commission shall
27 return the plans and specifications to the Illinois State
28 Finance Housing--Development Authority within 15 days after
29 their receipt by the commission, together with such
30 statements and recommendations as the commission may desire
31 to make. It shall be within the discretion of the Illinois
32 State Finance Housing--Development Authority to adopt or to
33 reject any or all of such recommendations.

34 Projects presented to the Illinois State Finance Housing

1 Develeþment Authority may include the acquisition of property
2 for the purpose of modernizing or rehabilitating single or
3 multiple dwellings or remodeling or altering other existing
4 buildings into dwellings, or may be devoted solely to such
5 modernization or rehabilitation.

6 Every project in whole or in part for the acquisition of
7 land or other property for the modernization, rehabilitation
8 or construction of single family dwellings shall contain a
9 plan for the sale of such houses to the tenants or other
10 purchasers, and such sale may at any time be authorized by
11 the Illinois State Finance Housing-Develeþment Authority in
12 conformity with a plan of sale which has been approved by
13 such Illinois State Finance Housing--Develeþment Authority.
14 Changes in such a plan may be made in the manner provided by
15 this Act for a change of rentals.

16 As a condition of its approval, the Illinois State
17 Finance Housing---Develeþment Authority may require the
18 acceptance by a housing corporation of the designation by the
19 Illinois State Finance Housing--Develeþment Authority of a
20 banking corporation authorized to administer trusts to act as
21 trustee in receiving the proceeds of obligations and
22 securities sold by a housing corporation to meet the cost of
23 a project, and in making payment therefrom for the
24 acquisition of land or costs of improvements included in the
25 project or to the housing corporation only upon a voucher or
26 order of the housing corporation countersigned by the duly
27 designated agent of the Illinois State Finance Housing
28 Develeþment Authority.

29 The Illinois State Finance Housing-Develeþment Authority
30 shall hold a public hearing upon each proposed project and 10
31 days' notice of the time and place and purpose of such
32 hearing shall be published in a newspaper of general
33 circulation in the city, town or village in which the
34 proposed project is situated. If the proposed project is not

1 situated in a city, town or village, such publication shall
2 be in a newspaper of general circulation in the township or
3 county. Such notice shall specify the character of the
4 interests, rights or estates in real property sought to be
5 acquired in connection with such project. Upon approving any
6 project the Illinois State Finance Housing--Development
7 Authority shall make and enter upon its records a finding
8 based upon the facts inquired into, that the proposed project
9 is in the public interest and is necessary for the public
10 use, and shall enter an order thereon and shall issue to the
11 housing corporation a certificate that the acquisition of
12 real property required for such project is necessary and
13 convenient for the public purposes defined by this Act.
14 Unless the power conferred by such order is exercised within
15 a period of 2 years after the entry thereof, or within 2
16 years after final action by the court or courts thereon,
17 under the terms of this section, such order shall be null and
18 void.

19 Upon subsequent application of the housing corporation
20 which made the original application with respect to such
21 project and upon notice and hearing as provided in the
22 preceding paragraph, such order may be altered or modified by
23 the Illinois State Finance Housing-Development Authority.

24 In all cases in which a project is approved by the
25 Illinois State Finance Housing-Development Authority over the
26 objection, filed in writing of, any of the owners of the real
27 property which must be acquired by purchase, condemnation or
28 otherwise, in order to carry out such project, or over the
29 objection filed in writing of the owners of 10 per cent of
30 the real property within one mile of such project but not
31 included therein, or of any municipal or public corporation
32 affected thereby, the Illinois State Finance Housing
33 Development Authority shall, within 20 days after such
34 approval, file in the office of the clerk of the circuit

1 court in the county where such project is located, an
2 application to the circuit court for the confirmation of its
3 approval. Such application shall contain copies of the
4 finding and order of the Illinois State Finance Housing
5 ~~Development~~ Authority, a transcript of the testimony taken at
6 the hearing, a description of the project, a statement of its
7 location, and the reasons for its approval by the Illinois
8 State Finance Housing--Development Authority, and shall
9 specifically indicate any streets, alleys or other public
10 spaces proposed to be vacated. Notice in writing of such
11 application shall be served on all objectors 10 days before
12 the hearing thereof, specifying the date and place of
13 hearing. The objectors or any one or more of them may, if
14 they see fit, file with the clerk of the circuit court on or
15 before the day designated in such notice, objections to the
16 confirmation of such project and the same shall be considered
17 by the circuit court in connection with the granting or
18 refusal of confirmation.

19 The court shall examine such application and the
20 objections thereto, and hear such additional evidence as may
21 be presented thereon. If, after such examination and hearing,
22 the court finds that such approval should be confirmed, the
23 court shall mark the application "approved" and shall enter
24 an order of record to that effect. Otherwise the court shall
25 mark the application "not approved" and enter an order to
26 that effect.

27 Any party to the proceeding may appeal as in other civil
28 cases.

29 (Source: P.A. 83-334.)

30 (310 ILCS 5/27) (from Ch. 67 1/2, par. 177)

31 Sec. 27. In addition to the duties otherwise prescribed
32 by this act, the Illinois State Finance Housing--Development
33 Authority shall:

1 (a) Either through its members or agents duly authorized
2 by it, enter in or upon and inspect the lands, property,
3 equipment, buildings, plants and offices of a housing
4 corporation and make personal inspection of all places to
5 which their duties relate. Nothing in this act shall be
6 construed to alter the provisions of the statutes of this
7 state prescribing the qualifications of persons authorized by
8 law to plan and supervise the construction, enlargement or
9 alteration of buildings.

10 (b) Order repairs to buildings owned or operated by a
11 housing corporation which are necessary to protect the health
12 and safety of the occupants thereof, or to protect the
13 security of the investment.

14 (c) Order every housing corporation to do such acts as
15 may be necessary to comply with the provisions of law, the
16 rules and regulations adopted by the Illinois State Finance
17 Housing--Development Authority, or the terms of any
18 application, contract or agreement approved by the Illinois
19 State Finance Housing-Development Authority; or to refrain
20 from doing any acts in violation thereof.

21 (d) Examine every housing corporation and keep informed
22 as to its general condition, capitalization, and the manner
23 in which its property is constructed, leased, operated, or
24 managed, in order to insure compliance with all provisions of
25 law and with the orders and regulations of the Illinois State
26 Finance Housing-Development Authority.

27 (e) Prescribe uniform forms and methods of keeping
28 accounts, records and books for such corporations, and
29 prescribe accounts to which particular outlays and receipts
30 shall be entered, charged or credited.

31 (f) Require every housing corporation to file with the
32 Illinois State Finance Housing-Development Authority annually
33 or oftener, at such times and for such period as may be
34 prescribed by the Illinois State Finance Housing-Development

1 Authority, reports containing such information and in such
2 form as the Illinois State Finance Housing--Development
3 Authority may prescribe, to be verified by the oath of an
4 executive officer, manager or receiver, if any, of the
5 corporation. Every housing corporation shall furnish to the
6 Illinois State Finance Housing--Development Authority all
7 information required by it to carry into effect the
8 provisions of this act, and shall make specific answer to all
9 questions submitted by the Illinois State Finance Housing
10 Development Authority.

11 (g) Supervise the operation of each completed project of
12 a housing corporation, in order to enforce the provisions of
13 this act and to protect the health and safety of the
14 occupants; to protect the security of the investment; and to
15 prescribe rules and regulations as to the leasing of
16 apartments therein.

17 (h) From time to time make, amend and repeal rules and
18 regulations for carrying into effect the provisions of this
19 act.

20 (Source: P.A. 76-1176.)

21 (310 ILCS 5/28) (from Ch. 67 1/2, par. 178)

22 Sec. 28. Whenever in the judgment of the Illinois State
23 Finance Housing--Development Authority a housing corporation
24 fails or omits, or is about to fail or omit to do anything
25 required of it by law or by order of the Illinois State
26 Finance Housing--Development Authority, or does or is about to
27 do, or permits or is about to permit to be done anything
28 contrary to or in violation of law or any order of the
29 Illinois State Finance Housing--Development Authority, or
30 anything which is improvident or prejudicial to the interests
31 of the public, its tenants, lienholders, mortgagees,
32 creditors, or the holders of its securities or obligations,
33 the Illinois State Finance Housing--Development Authority

1 shall commence an action or proceeding in the Circuit Court
2 of the county in which the premises are situated or in which
3 the principal offices of the corporation are located for the
4 purpose of stopping such act or omission, or preventing such
5 threatened act or omission, either by mandamus or injunction.
6 (Source: P.A. 76-1176.)

7 (310 ILCS 5/30) (from Ch. 67 1/2, par. 180)

8 Sec. 30. For the housing accommodations in each project
9 operated by a housing corporation, the Illinois State Finance
10 Housing-Development Authority shall prescribe and may alter a
11 schedule of maximum rents. A hearing for the purpose of
12 prescribing or altering such rents may be had upon motion of
13 the Illinois State Finance Housing-Development Authority or
14 upon application of any party in interest. An order
15 prescribing or altering schedules of rents shall be made only
16 after public hearing, ten days' notice of the time and place
17 of which shall be published in a newspaper of general
18 circulation in the city, town or village in which the
19 premises are located. Such rents shall be calculated to
20 provide, together with all other income of the housing
21 corporation, an income to the housing corporation sufficient
22 to meet the following charges:

23 (a) All fixed charges, and all operating and maintenance
24 charges and expenses, including taxes, special assessments,
25 insurance premiums, fees paid to the Illinois State Finance
26 Housing--Development Authority for the amortization of
27 indebtedness secured by mortgage upon the project, reserves
28 and corporate expenses essential to the operation and
29 management of the project, and depreciation reserves, if any.

30 (b) A dividend at a rate not exceeding the maximum
31 permitted by this Act upon the capital stock of the housing
32 corporation allocated by the Illinois State Finance Housing
33 Development Authority to the specific project. The amount of

1 capital so allocated shall in no case exceed the final cost
2 of the project plus the working capital authorized by the
3 Illinois State Finance Housing-Development Authority, after
4 deducting the obligations of the corporation secured by liens
5 upon the project and certificates of indebtedness or other
6 securities, the proceeds of which have been applied to the
7 cost of the project.

8 (c) Such amounts as may be approved by the Illinois
9 State Finance Housing-Development Authority as a reserve for
10 the retirement of the securities and obligations of the
11 corporation not secured by mortgage.

12 (d) Amounts approved by the Illinois State Finance
13 Housing--Development Authority to be carried to surplus. Such
14 surplus shall not exceed 25 per centum of the outstanding
15 capital stock, securities and obligations of the housing
16 corporation not secured by mortgage, allocated by the
17 Illinois State Finance Housing-Development Authority to the
18 project aforesaid.

19 In cases where tenants of the project own stock,
20 securities or obligations of the corporation not secured by
21 mortgage, the Illinois State Finance Housing--Development
22 Authority may establish regulations for the creation of a
23 reserve for the purchase, at not more than their face value
24 plus accrued interest or dividends, of such securities or
25 obligations held by tenants ceasing to be occupants of the
26 premises, and securities or obligations so purchased may be
27 resold by the corporation.

28 (Source: P.A. 76-1176.)

29 (310 ILCS 5/31) (from Ch. 67 1/2, par. 181)

30 Sec. 31.

31 Whenever it shall appear that the interest of the
32 lienholders, mortgagees, creditors, or holders of the stock
33 or other securities or obligations of a housing corporation

1 cannot otherwise be adequately safeguarded, the Illinois
2 State Finance Housing-Development Authority shall have power,
3 upon written application of a housing corporation or of a
4 lienholder, mortgagee, creditor, or of the holders of at
5 least 10 per cent of stock or other securities or obligations
6 of the corporation, to make an order authorizing the
7 corporation to increase rentals beyond the maximum previously
8 prescribed, as follows:

9 (a) If the application is made before the occupancy of
10 any housing accommodations in the project, such order shall
11 be made after public hearing, 10 days' notice of the time,
12 place and purpose of which shall be published in a newspaper
13 of general circulation in the city, town or village in which
14 the premises are situated. If it shall appear at such hearing
15 that owing to causes beyond the control of the corporation or
16 contingencies which could not reasonably have been
17 anticipated the maximum rentals previously prescribed,
18 together with the other income of the corporations, are
19 insufficient to meet the charges specified in section 30 of
20 this Act, and it shall further appear that such insufficiency
21 cannot be met by reasonable economies in the management and
22 operation of the project, the Illinois State Finance Housing
23 Development Authority may so certify by order and authorize
24 an increase of rentals only to the extent necessary to meet
25 such charges.

26 (b) If the application is made after the occupancy of
27 any of the housing accommodations in the project, such order
28 shall be made only after public hearing. Ten days' written
29 notice of the time, place and purpose of such hearing shall
30 be served upon the tenants in the manner prescribed by the
31 Illinois State Finance Housing--Development Authority and
32 shall have annexed thereto a copy of the application for
33 increase in rents, setting forth a schedule of the proposed
34 increased rentals. Ten days' notice of the time, place and

1 purpose of the hearing shall also be published in a newspaper
2 of general circulation in the city, town or village in which
3 the premises are situated. If, upon such hearing, it shall
4 appear that by virtue of changes in economic conditions
5 affecting the project or by virtue of additional special
6 assessments or causes beyond the control of the corporation,
7 or contingencies which could not reasonably have been
8 anticipated, the maximum rents previously prescribed,
9 together with the other income of the corporation, are
10 insufficient to meet the charges specified in section 30 of
11 this Act and it shall further appear that such insufficiency
12 cannot be met by reasonable economies in the management and
13 operation of the project, the Illinois State Finance Housing
14 Development Authority shall so certify and may by order
15 authorize an increase in rents only to the extent necessary
16 to meet such charges.

17 At the conclusion of each hearing the Illinois State
18 Finance Housing--Development Authority shall make and render
19 findings concerning the matter inquired into, and enter its
20 order based thereon. Every order granting or refusing an
21 increase in rents shall be at once filed with the secretary
22 of the Illinois State Finance Housing-Development Authority,
23 and served upon every person or corporation to be affected
24 thereby, either by personal delivery of a certified copy
25 thereof or by mailing in the United States mail a certified
26 copy thereof in a sealed package with postage prepaid, to the
27 person to be affected thereby, or in the case of a
28 corporation, to an officer or agent thereof upon whom a
29 summons may be served in a civil action.

30 (Source: P.A. 77-1698.)

31 (310 ILCS 5/32) (from Ch. 67 1/2, par. 182)

32 Sec. 32. Any person affected by a final administrative
33 decision of the Illinois State Finance Housing--Development

1 Authority granting or refusing an application for increase in
2 rentals pursuant to section 31 of this Act or by any other
3 final administrative decision of the Illinois State Finance
4 Housing--Development Authority may have a judicial review
5 thereof in the Circuit Court of the county in which the
6 premises are situated. The provisions of the Administrative
7 Review Law, as now or hereafter amended and the rules adopted
8 pursuant thereto, shall apply to and govern all proceedings
9 for the judicial review of final administrative decisions of
10 the Illinois State Finance Housing--Development Authority
11 hereunder. The term "administrative decision" is defined as
12 in Section 3-101 of the Code of Civil Procedure.

13 Except as otherwise provided by Section 26 of this Act,
14 the provisions of this section with respect to judicial
15 review shall apply to all final administrative decisions of
16 the Illinois State Finance Housing-Development Authority,
17 which shall in all cases be based upon findings concerning
18 the matter inquired into, and all parties affected by any of
19 such orders or decisions shall have the rights herein
20 granted.

21 When no review of a final administrative decision of the
22 Illinois State Finance Housing--Development Authority is
23 sought as herein provided, parties affected by such order or
24 decision shall be deemed to have waived the right to have the
25 merits of the controversy reviewed by a court and there shall
26 be no trial of the merits of any controversy in which such
27 order or decision was made by any court to which application
28 may be made to enforce the same or in any other judicial
29 proceeding.

30 (Source: P.A. 83-346.)

31 (310 ILCS 5/33) (from Ch. 67 1/2, par. 183)

32 Sec. 33. Appeals from final orders of the circuit court
33 in review of a final administrative decision of the Illinois

1 State Finance Housing-Development Authority may be taken as
2 in other civil cases.
3 (Source: P.A. 79-1362.)

4 (310 ILCS 5/34) (from Ch. 67 1/2, par. 184)
5 Sec. 34. Any action, proceeding, or appeal in any court
6 arising under the provisions of this Act, or to which the
7 Illinois State Finance Housing--Development Authority is a
8 party, shall have priority in hearing and determination over
9 all other proceedings pending in such court, excepting
10 election contests.
11 (Source: P.A. 76-1176.)

12 (310 ILCS 5/35) (from Ch. 67 1/2, par. 185)
13 Sec. 35. If in any fiscal year the gross receipts of a
14 housing corporation from any project shall exceed an amount
15 sufficient to meet the charges with reference to that project
16 specified in Section 30 of this Act, the balance shall be
17 applied to the pro rata reduction of rentals of housing
18 accommodations in the project, unless the directors of the
19 corporation with the approval of the Illinois State Finance
20 Housing-Development Authority shall deem such balance too
21 small for effective application to that purpose.
22 (Source: P.A. 76-1176.)

23 (310 ILCS 5/36) (from Ch. 67 1/2, par. 186)
24 Sec. 36. Letting, sub-letting or assignment of leases of
25 apartments in any building owned by or operated by a housing
26 corporation at a greater rental than prescribed by order of
27 the Illinois State Finance Housing-Development Authority are
28 prohibited, and all such leases, subleases or assignments
29 shall be void for all purposes.
30 (Source: P.A. 76-1176.)

1 (310 ILCS 5/37) (from Ch. 67 1/2, par. 187)

2 Sec. 37. The Illinois State Finance Housing--Development
3 Authority shall not approve the use of land or the erection
4 or use of buildings by a housing corporation in contravention
5 of any zoning or building ordinance or officially adopted
6 plan of the political subdivision of the state in which such
7 land or building lies.

8 (Source: P.A. 76-1176.)

9 (310 ILCS 5/38) (from Ch. 67 1/2, par. 188)

10 Sec. 38. The acquisition by eminent domain of real
11 property or any interest therein by a housing corporation
12 shall be in the manner provided for the exercise of the right
13 of eminent domain under Article VII of the Code of Civil
14 Procedure, as amended.

15 Such acquisition by eminent domain shall be limited to
16 the interests, rights or estates, the character of which is
17 specified in the notice of hearing under Section 26, and to
18 the areas of projects authorized in accordance with Section
19 26 of this Act; and it may be exercised only by the housing
20 corporation authorized to acquire and construct such project.

21 The power of eminent domain shall not be exercised by a
22 housing corporation except with specific authorization of
23 such action by the Illinois State Finance Housing-Development
24 Authority following the acquirement either by purchase or by
25 duly authenticated option to purchase by such corporation of
26 at least one-half of the net land area needed for such
27 housing project.

28 Upon the filing of any petition of a housing corporation
29 in the exercise of the power of eminent domain conferred by
30 this Act, the court shall require a bond, with sufficient
31 surety, in such an amount as the court shall determine,
32 conditioned for the payment by the petitioner of all costs,
33 expenses and reasonable attorney's fees paid or incurred by

1 the defendant or defendants in case the petitioner shall
2 dismiss its petition before the entry of an order by the
3 court authorizing the petitioner to enter upon and use the
4 property or in case the petitioner shall fail to make payment
5 of full compensation within the time named in such order.

6 (Source: P.A. 82-783.)

7 (310 ILCS 5/39) (from Ch. 67 1/2, par. 189)

8 Sec. 39. The Illinois State Finance Housing--Development
9 Authority may charge and collect from a housing corporation
10 reasonable fees in accordance with rates to be established by
11 the rules of the Illinois State Finance Housing--Development
12 Authority for the examination of plans and specifications and
13 the inspection of buildings during construction, an amount
14 not to exceed one-half of one per cent of the cost of the
15 project; for the holding of a public hearing upon application
16 of a housing corporation, an amount sufficient to meet the
17 reasonable costs of advertising the notice thereof and of the
18 transcript of testimony taken thereat; for any other
19 examination or investigation made upon application of a
20 housing corporation, an amount reasonably calculated to meet
21 the expenses of the Illinois State Finance Housing
22 Development Authority incurred in connection therewith. The
23 Illinois State Finance Housing--Development Authority may
24 authorize a housing corporation to include such fees as part
25 of the cost of a project, or as part of the charges specified
26 in Section 30 of this Act, pursuant to rules to be
27 established by the Illinois State Finance Housing-Development
28 Authority.

29 (Source: P.A. 76-1176.)

30 (310 ILCS 5/40) (from Ch. 67 1/2, par. 190)

31 Sec. 40. As used in this Act:

32 "Department" shall mean the Department of Commerce and

1 Community Affairs.

2 "Illinois State Finance Housing-Development Authority"
3 shall mean the Illinois State Finance Housing--Development
4 Authority created by the Illinois State Finance Authority
5 Housing-Development Act of 1967, as amended.

6 "Community facilities" shall include land, buildings and
7 equipment for recreation, for social assembly, for education
8 or health or welfare activities, for the use primarily of
9 tenants of housing accommodations of a housing corporation.

10 "Cost" of land shall include all of the following items
11 paid by a housing corporation in connection with the
12 acquisition thereof when approved by the Illinois State
13 Finance Housing-Development Authority; all amounts paid to
14 the vendor on account of the purchase price, whether in cash,
15 securities or property; the unpaid balance of any obligation
16 secured by mortgage remaining upon the premises or created in
17 connection with the acquisition; all accounts paid for
18 surveys, examination and insurance of title; attorneys' fees;
19 brokerage; all awards paid in condemnation and court costs
20 and fees; all documentary and stamp taxes and filing and
21 recording fees and fees of the Illinois State Finance Housing
22 Development Authority and other expenses of acquisition
23 approved by the Illinois State Finance Housing--Development
24 Authority; and shall also include all special assessments for
25 benefit upon the premises approved by the Illinois State
26 Finance Housing-Development Authority whether levied before
27 or after the acquisition.

28 "Cost" of buildings and improvements, shall include all
29 of the following items when approved by the Illinois State
30 Finance Housing--Development Authority; all amounts, whether
31 in cash, securities or property, paid for labor and materials
32 for site preparation and construction, for contractors' and
33 architects' and engineers' fees, for fees or permits of any
34 municipality, for workers' compensation, liability, fire and

1 other casualty insurance, for charges of financing and
2 supervision, for property taxes during construction and for
3 interest upon borrowed and invested capital during
4 construction, for fees of the Illinois State Finance Housing
5 Development Authority, and other expenses of construction
6 approved by the Illinois State Finance Housing-Development
7 Authority.

8 "Person" shall be deemed to include firm, association,
9 trust or corporation.

10 "Project" shall mean all lands, buildings and
11 improvements acquired, owned, managed, or operated by a
12 housing corporation designed to provide housing
13 accommodations and community facilities, stores and offices
14 appurtenant or incidental thereto, which are planned as a
15 unit, whether or not acquired or constructed at one time, and
16 which ordinarily are contiguous or adjacent to one another.
17 The buildings need not be contiguous or adjacent to one
18 another, and a project may be entirely composed of either
19 single or multiple dwellings.

20 (Source: P.A. 81-1509.)

21 Section 909.18. The Abandoned Housing Rehabilitation Act
22 is amended by changing Section 2 as follows:

23 (310 ILCS 50/2) (from Ch. 67 1/2, par. 852)

24 Sec. 2. Definitions. As used in this Act:

25 (a) "Property" means any residential real estate which
26 has been continuously unoccupied by persons legally in
27 possession for the preceding 1 year.

28 (b) "Nuisance" means any property which because of its
29 physical condition or use is a public nuisance, or any
30 property which constitutes a blight on the surrounding area,
31 or any property which is not fit for human habitation under
32 the applicable fire, building and housing codes. "Nuisance"

1 also means any property on which any illegal activity
2 involving controlled substances (as defined in the Illinois
3 Controlled Substances Act) or cannabis (as defined in the
4 Cannabis Control Act) takes place or any property on which
5 any streetgang-related activity (as defined in the Illinois
6 Streetgang Terrorism Omnibus Prevention Act) takes place.

7 (c) "Organization" means any Illinois corporation,
8 agency, partnership, association, firm or other entity
9 consisting of 2 or more persons organized and conducted on a
10 not-for-profit basis with no personal profit inuring to
11 anyone as a result of its operation which has among its
12 purposes the improvement of housing.

13 (d) "Parties in interest" means any owner or owners of
14 record, judgment creditor, tax purchaser or other party
15 having any legal or equitable title or interest in the
16 property.

17 (e) "Last known address" includes the address where the
18 property is located, or the address as listed in the tax
19 records or as listed pursuant to any owner's registration
20 ordinance duly adopted by a home rule unit of government.

21 (f) "Low or moderate income housing" means housing for
22 persons and families with low or moderate incomes, provided
23 that the income limits for such persons and families shall be
24 the same as those established by rule by the Illinois State
25 Finance Housing--Development Authority in accordance with
26 subsection--(g)--of--Section--2--of the Illinois State Finance
27 Authority Housing--Development Act, as amended.

28 (g) "Rehabilitation" means the process of improving the
29 property, including but not limited to bringing property into
30 compliance with applicable fire, housing and building codes.

31 (Source: P.A. 91-357, eff. 7-29-99; 91-807, eff. 1-1-01.)

32 Section 909.19. The Home Ownership Made Easy Act is
33 amended by changing Section 7.1 as follows:

1 (310 ILCS 55/7.1) (from Ch. 67 1/2, par. 1107.1)

2 Sec. 7.1. (a) Participants in the Program created by
3 Section 3.1 shall be entitled to Program benefits, upon
4 meeting the following requirements:

5 (1) for a period of at least 2 years, the
6 participant deposited monies in the investment vehicle of
7 his choice according to the Program depository's
8 requirements; and

9 (2) at any time after 2 years in the Program, the
10 participant becomes the owner as a sole owner, tenant in
11 common, or a joint tenant with right of survivorship of a
12 fee simple absolute interest in real estate located in
13 this State and occupies the real estate as a principal
14 residence.

15 (b) Any participant who is certified by a Program
16 depository as having met all of the requirements of
17 subsection (a) shall:

18 (1) be exempted from paying an amount equal to the
19 tax imposed under the Real Estate Transfer Tax Act if and
20 when it is the contractual responsibility of the
21 participant to purchase the transfer tax stamps; the
22 participant shall present to the recorder, at the time of
23 receiving the exemption, a deed or trust document or the
24 real estate sales contract with attached contract rider,
25 if any, related to the purchase of the participant's
26 principal residence, in addition to the Treasurer's
27 Certification Notice;

28 (2) have priority over persons who are not so
29 certified in the Illinois State Finance Housing
30 Development Authority's program for acquiring and
31 servicing residential mortgages under Section 7-23 of the
32 Illinois State Finance Authority Housing-Development Act;
33 and

34 (3) have priority over persons who are not so

1 certified in any of the Treasurer's housing programs.

2 (c) At the request of the participant, any participant
3 who is certified by a Program depository as having met all
4 the requirements of subsection (b) may also be so certified
5 by the Program depository to the treasurers of the county and
6 municipality in which the participant has purchased a
7 principal residence. Upon such certification, the recorder
8 may waive or the county treasurer may pay to the participant
9 an amount equal to the tax or any portion thereof imposed
10 under Section 5-1031 of the Counties Code upon the
11 participant's purchase of a principal residence. Upon such
12 certification, the municipal treasurer may pay to the
13 participant or the municipality may direct the recorder to
14 waive an amount equal to the tax or any portion thereof
15 imposed by that municipality upon the participant's purchase
16 of such principal residence.

17 (d) After a participant in the Program created in
18 Section 3.1, who has met the Program requirements, terminates
19 participation in the Program, the State Treasurer shall
20 certify to the Director of Revenue and the Director of the
21 Illinois State Finance Housing-Development Authority that the
22 participant is an eligible home buyer and is certified to
23 receive the benefits of the Program. The participant has 4
24 months after termination of participation in the Program to
25 become the owner, as sole owner, tenant in common, or joint
26 tenant with right of survivorship, of a fee simple absolute
27 interest in real estate located in this State and occupied by
28 the participant as a principal residence. The participant
29 may, before the expiration of that 4 month period, apply to
30 the Treasurer for an extension of not more than 6 months
31 within which to acquire the required interest in residential
32 real estate. The Treasurer shall approve or deny
33 applications for extension based on standards adopted in
34 rules promulgated by the Treasurer.

1 (e) "Program", as used in this Section, means the
2 program created in Section 3.1.
3 (Source: P.A. 87-1206.)

4 Section 909.20. The Federally Subsidized Housing
5 Preservation Act is amended by changing Sections 3 and 4 as
6 follows:

7 (310 ILCS 60/3) (from Ch. 67 1/2, par. 1153)
8 Sec. 3. As used in this Act:

9 (a) "ISFA IHDA" means the Illinois State Finance Housing
10 Development Authority.

11 (b) "FmHA" means the Farmers Home Administration or a
12 local housing authority administering an FmHA program.

13 (c) "HUD" means the United States Department of Housing
14 and Urban Development, or the Federal Housing Administration
15 or a local housing authority administering a HUD program.

16 (d) "Owner" means the person, partnership, or
17 corporation that is a party to a contract with HUD or FmHA
18 providing for a mortgage, mortgage assistance, mortgage
19 insurance, or rent subsidy; or any spouse, employee, agent,
20 partner, master lessee, business affiliate or associate, or
21 successor in interest of such person, partnership or
22 corporation, that receives or demands rent for the subsidized
23 housing.

24 (e) "Subsidized housing" means any housing or unit of
25 housing financed by a loan or mortgage insured or held by HUD
26 as follows:

27 (1) insured or held by HUD under Section 221(d)(3) of
28 the National Housing Act and assisted under Section 101 of
29 the Housing and Urban Development Act of 1965 or Section 8 of
30 the United States Housing Act of 1937;

31 (2) insured or held by HUD and bears interest at a rate
32 determined under the proviso of Section 221(d)(3) of the

1 National Housing Act;

2 (3) insured, assisted or held by HUD under Section 236
3 of the National Housing Act;

4 (4) insured or held by HUD under Section 514 or 515 of
5 the Housing Act of 1949; or

6 (5) held by HUD and formerly insured under a program
7 listed in this subsection (e).

8 (f) "Tenant" means a tenant, subtenant, lessee,
9 sublessee or other person entitled to possession, occupancy
10 or benefits of a rental unit within the subsidized housing.

11 (g) "Tenant Association" means an association,
12 corporation or other organization that represents at least a
13 majority of the tenants in the subsidized housing building.

14 (Source: P.A. 86-810.)

15 (310 ILCS 60/4) (from Ch. 67 1/2, par. 1154)

16 Sec. 4. (a) An owner may not sell or otherwise dispose
17 of subsidized housing unless, not less than 6 months before
18 the sale or disposal, the owner submits to all tenants of the
19 subsidized housing and ISFA IHDA a notice of intent to sell
20 or otherwise dispose of the property.

21 (b) Within 60 days after the date of the owner's notice
22 pursuant to subsection (a), the tenants may notify the owner
23 that they have formed a Tenant Association meeting the
24 requirements of this Act and shall designate the name of its
25 representative or representatives in the notice.

26 (Source: P.A. 86-810; 86-1352.)

27 Section 909.21. The Illinois Affordable Housing Act is
28 amended by changing Sections 3, 6, 7, 8, and 9 as follows:

29 (310 ILCS 65/3) (from Ch. 67 1/2, par. 1253)

30 Sec. 3. Definitions. As used in this Act:

31 (a) "Program" means the Illinois Affordable Housing

1 Program.

2 (b) "Trust Fund" means the Illinois Affordable Housing
3 Trust Fund.

4 (c) "Low-income household" means a single person, family
5 or unrelated persons living together whose adjusted income is
6 more than 50%, but less than 80%, of the median income of the
7 area of residence, adjusted for family size, as such adjusted
8 income and median income for the area are determined from
9 time to time by the United States Department of Housing and
10 Urban Development for purposes of Section 8 of the United
11 States Housing Act of 1937.

12 (d) "Very low-income household" means a single person,
13 family or unrelated persons living together whose adjusted
14 income is not more than 50% of the median income of the area
15 of residence, adjusted for family size, as such adjusted
16 income and median income for the area are determined from
17 time to time by the United States Department of Housing and
18 Urban Development for purposes of Section 8 of the United
19 States Housing Act of 1937.

20 (e) "Affordable housing" means residential housing that,
21 so long as the same is occupied by low-income households or
22 very low-income households, requires payment of monthly
23 housing costs, including utilities other than telephone, of
24 no more than 30% of the maximum allowable income as stated
25 for such households as defined in this Section.

26 (f) "Multi-family housing" means a building or buildings
27 providing housing to 5 or more households.

28 (g) "Single-family housing" means a building containing
29 one to 4 dwelling units, including a mobile home as defined
30 in subsection (b) of Section 3 of the Mobile Home Landlord
31 and Tenant Rights Act, as amended.

32 (h) "Community-based organization" means a
33 not-for-profit entity whose governing body includes a
34 majority of members who reside in the community served by the

1 organization.

2 (i) "Advocacy organization" means a not-for-profit
3 organization which conducts, in part or in whole, activities
4 to influence public policy on behalf of low-income or very
5 low-income households.

6 (j) "Program Administrator" means the Illinois State
7 Finance Housing-Development Authority.

8 (k) "Funding Agent" means the Illinois Department of
9 Revenue.

10 (l) "Commission" means the Affordable Housing Advisory
11 Commission.

12 (m) "Congregate housing" means a building or structure
13 in which 2 or more households, inclusive, share common living
14 areas and may share child care, cleaning, cooking and other
15 household responsibilities.

16 (n) "Eligible applicant" means a proprietorship,
17 partnership, for-profit corporation, not-for-profit
18 corporation or unit of local government which seeks to use
19 fund assets as provided in this Article.

20 (o) "Moderate income household" means a single person,
21 family or unrelated persons living together whose adjusted
22 income is more than 80% but less than 120% of the median
23 income of the area of residence, adjusted for family size, as
24 such adjusted income and median income for the area are
25 determined from time to time by the United States Department
26 of Housing and Urban Development for purposes of Section 8 of
27 the United States Housing Act of 1937.

28 (p) "Affordable Housing Program Trust Fund Bonds or
29 Notes" means the bonds or notes issued by the Program
30 Administrator under the Illinois State Finance Authority
31 Housing-Development Act to further the purposes of this Act.

32 (q) "Trust Fund Moneys" means all moneys, deposits,
33 revenues, income, interest, dividends, receipts, taxes,
34 proceeds and other amounts or funds deposited or to be

1 deposited in the Trust Fund pursuant to Section 5(b) of this
2 Act and any proceeds, investments or increase thereof.

3 (r) "Program Escrow" means accounts, except those
4 accounts relating to any Affordable Housing Program Trust
5 Fund Bonds or Notes, designated by the Program Administrator,
6 into which Trust Fund Moneys are deposited.

7 (Source: P.A. 91-357, eff. 7-29-99.)

8 (310 ILCS 65/6) (from Ch. 67 1/2, par. 1256)

9 Sec. 6. Advisory Commission.

10 (a) There is hereby created the Illinois Affordable
11 Housing Advisory Commission. The Commission shall consist of
12 15 members. Three of the Commissioners shall be the Directors
13 of the Illinois State Finance Housing-Development Authority,
14 the Illinois Development Finance Authority and the Department
15 of Commerce and Community Affairs or their representatives.
16 One of the Commissioners shall be the Commissioner of the
17 Chicago Department of Housing or its representative. The
18 remaining 11 members shall be appointed by the Governor, with
19 the advice and consent of the Senate, and not more than 4 of
20 these Commission members shall reside in any one county in
21 the State. At least one Commission member shall be an
22 administrator of a public housing authority from other than a
23 municipality having a population in excess of 2,000,000; at
24 least 2 Commission members shall be representatives of
25 special needs populations as described in subsection (e) of
26 Section 8; at least 4 Commission members shall be
27 representatives of community-based organizations engaged in
28 the development or operation of housing for low-income and
29 very low-income households; and at least 4 Commission members
30 shall be representatives of advocacy organizations, one of
31 which shall represent a tenants' advocacy organization. The
32 Governor shall consider nominations made by advocacy
33 organizations and community-based organizations.

1 (b) Members appointed to the Commission shall serve a
2 term of 3 years; however, 3 members first appointed under
3 this Act shall serve an initial term of one year, and 4
4 members first appointed under this Act shall serve a term of
5 2 years. Individual terms of office shall be chosen by lot
6 at the initial meeting of the Commission. The Governor shall
7 appoint the Chairman of the Commission, and the Commission
8 members shall elect a Vice Chairman.

9 (c) Members of the Commission shall not be entitled to
10 compensation, but shall receive reimbursement for actual and
11 reasonable expenses incurred in the performance of their
12 duties.

13 (d) Eight members of the Commission shall constitute a
14 quorum for the transaction of business.

15 (e) The Commission shall meet at least quarterly and its
16 duties and responsibilities are:

17 (1) the study and review of the availability of
18 affordable housing for low-income and very low-income
19 households in the State of Illinois and the development
20 of a plan which addresses the need for additional
21 affordable housing;

22 (2) encouraging collaboration between federal and
23 State agencies, local government and the private sector
24 in the planning, development and operation of affordable
25 housing for low-income and very low-income households;

26 (3) studying, evaluating and soliciting new and
27 expanded sources of funding for affordable housing;

28 (4) developing, proposing, reviewing, and
29 commenting on priorities, policies and procedures for
30 uses and expenditures of Trust Fund monies, including
31 policies which assure equitable distribution of funds
32 statewide;

33 (5) making recommendations to the Program
34 Administrator concerning proposed expenditures from the

1 Trust Fund;

2 (6) making recommendations to the Program
3 Administrator concerning the developments proposed to be
4 financed with the proceeds of Affordable Housing Program
5 Trust Fund Bonds or Notes;

6 (7) reviewing and commenting on the development of
7 priorities, policies and procedures for the
8 administration of the Program;

9 (8) monitoring and evaluating all allocations of
10 funds under this Program; and

11 (9) making recommendations to the General Assembly
12 for further legislation that may be necessary in the area
13 of affordable housing.

14 (Source: P.A. 88-93; 89-286, eff. 8-10-95.)

15 (310 ILCS 65/7) (from Ch. 67 1/2, par. 1257)

16 Sec. 7. Powers of the Program Administrator. The
17 Program Administrator, in addition to the powers set forth in
18 the Illinois State Finance Authority Housing-Development Act
19 and the powers identified in Sections 8 and 9 of this Act,
20 has the power to:

21 (a) identify, select and make financing available
22 to eligible applicants from monies in the Trust Fund or
23 from monies secured by the Trust Fund for affordable
24 housing for low and very low-income families;

25 (b) purchase first and second mortgages, to make
26 secured, unsecured or deferred repayment loans, to make
27 no interest or low interest loans or to issue grants,
28 payments or subsidies for the predevelopment expenses,
29 acquisition, construction, rehabilitation development,
30 operation, insurance, or retention of projects in support
31 of affordable single family and multi-family housing for
32 low and very low-income households;

33 (c) expend monies for mortgage participation

1 certificates representing an undivided interest in
2 specified, first-lien conventional residential Illinois
3 mortgages which are underwritten, insured, guaranteed or
4 purchased by the Federal Home Loan Mortgage Corporation;

5 (d) fix, determine, charge and collect any fees,
6 costs and expenses, including without limitation, any
7 application fees, commitment or servicing fees, program
8 fees, financing charges, or publication fees in
9 connection with activities under this Act;

10 (e) establish applications, notification
11 procedures, and other forms, and to prepare and issue
12 rules deemed necessary and appropriate to implement this
13 Act with consultation from the Commission; and to issue
14 emergency rules, as necessary, for program implementation
15 needed prior to publication of the first annual plan
16 required by Section 12 of this Act;

17 (f) make and enter into and enforce all loans, loan
18 commitments, contracts and agreements necessary,
19 convenient or desirable to the performance of its duties
20 and the execution of its powers under this Act;

21 (g) consent, subject to the provisions of any
22 contract or agreement with another person, whenever it
23 deems it is necessary or desirable in the fulfillment of
24 the purposes of this Act, to the modification or
25 restructuring of any loan commitment, loan, contract or
26 agreement to which the Program Administrator is a party;

27 (h) acquire by purchase, gift, or foreclosure, but
28 not by condemnation, any real or personal property, or
29 any interest therein, to procure insurance against loss,
30 to enter into any lease of property and to hold, sell,
31 assign, lease, mortgage or otherwise dispose of any real
32 or personal property, or any interest therein, or
33 relinquish any right, title, claim, lien, interest,
34 easement or demand however acquired, and to do any of the

1 foregoing by public or private sale;

2 (i) subject to the provisions of any contract or
3 agreement with another party to collect, enforce the
4 collection of, and foreclose on any property or
5 collateral securing its loan or loans, mortgage or
6 mortgages, and acquire or take possession of such
7 property or collateral and release or relinquish any
8 right, title, claim, lien, interest, easement, or demand
9 in property foreclosed by it or to sell the same at
10 public or private sale, with or without bidding, and
11 otherwise deal with such collateral as may be necessary
12 to protect the interest of the Program Administrator;

13 (j) sell any eligible loan made by the Program
14 Administrator or mortgage interest owned by it, at public
15 or private sale, with or without bidding, either singly
16 or in groups, or in shares of loans or shares of groups
17 of loans, and to deposit and invest the funds derived
18 from such sales in any manner authorized by this Act;

19 (k) provide, contract or arrange, or participate
20 with or enter into agreements with any department, agency
21 or authority of the United States or of this State, or
22 any local unit of government, or any banking institution,
23 insurance company, trust or fiduciary or any foundation
24 or not-for-profit agency for the review, application,
25 servicing, processing or administration of any proposed
26 loan, grant, application, servicing, processing or
27 administration of any proposed loan, grant, agreement, or
28 contract of the Department when such arrangement is in
29 furtherance of this Act;

30 (l) receive and accept any gifts, grants, donations
31 or contributions from any source, of money, property,
32 labor or other things of value, to be held, used and
33 applied to carry out the purposes of this Act subject to
34 including, but not limited to, gifts or grants from any

1 Department or agency of the United States or the State or
2 from any local unit of government, not-for-profit
3 organization or private firm or individual for any
4 purpose consistent with this Act; and

5 (m) exercise such other powers as are necessary or
6 incidental to the administration of this Act or
7 performance of duties under this Act.

8 (Source: P.A. 91-357, eff. 7-29-99.)

9 (310 ILCS 65/8) (from Ch. 67 1/2, par. 1258)

10 Sec. 8. Uses of Trust Fund.

11 (a) Subject to annual appropriation to the Funding Agent
12 and subject to the prior dedication, allocation, transfer and
13 use of Trust Fund Moneys as provided in Sections 8(b), 8(c)
14 and 9 of this Act, the Trust Fund may be used to make grants,
15 mortgages, or other loans to acquire, construct,
16 rehabilitate, develop, operate, insure, and retain affordable
17 single-family and multi-family housing in this State for
18 low-income and very low-income households. The majority of
19 monies appropriated to the Trust Fund in any given year are
20 to be used for affordable housing for very low-income
21 households.

22 (b) For each fiscal year commencing with fiscal year
23 1994, the Program Administrator shall certify from time to
24 time to the Funding Agent, the Comptroller and the State
25 Treasurer amounts, up to an aggregate in any fiscal year of
26 \$10,000,000, of Trust Fund Moneys expected to be used or
27 pledged by the Program Administrator during the fiscal year
28 for the purposes and uses specified in Sections 8(c) and 9 of
29 this Act. Subject to annual appropriation, upon receipt of
30 such certification, the Funding Agent and the Comptroller
31 shall dedicate and the State Treasurer shall transfer not
32 less often than monthly to the Program Administrator or its
33 designated payee, without requisition or further request

1 therefor, all amounts accumulated in the Trust Fund within
2 the State Treasury and not already transferred to the Loan
3 Commitment Account prior to the Funding Agent's receipt of
4 such certification, until the Program Administrator has
5 received the aggregate amount certified by the Program
6 Administrator, to be used solely for the purposes and uses
7 authorized and provided in Sections 8(c) and 9 of this Act.
8 Neither the Comptroller nor the Treasurer shall transfer,
9 dedicate or allocate any of the Trust Fund Moneys transferred
10 or certified for transfer by the Program Administrator as
11 provided above to any other fund, nor shall the Governor
12 authorize any such transfer, dedication or allocation, nor
13 shall any of the Trust Fund Moneys so dedicated, allocated or
14 transferred be used, temporarily or otherwise, for interfund
15 borrowing, or be otherwise used or appropriated, except as
16 expressly authorized and provided in Sections 8(c) and 9 of
17 this Act for the purposes and subject to the priorities,
18 limitations and conditions provided for therein until such
19 obligations, uses and dedications as therein provided, have
20 been satisfied.

21 (c) Notwithstanding Section 5(b) of this Act, any Trust
22 Fund Moneys transferred to the Program Administrator pursuant
23 to Section 8(b) of this Act, or otherwise obtained, paid to
24 or held by or for the Program Administrator, or pledged
25 pursuant to resolution of the Program Administrator, for
26 Affordable Housing Program Trust Fund Bonds or Notes under
27 the Illinois State Finance Authority Housing-Development Act,
28 and all proceeds, payments and receipts from investments or
29 use of such moneys, including any residual or additional
30 funds or moneys generated or obtained in connection with any
31 of the foregoing, may be held, pledged, applied or dedicated
32 by the Program Administrator as follows:

33 (1) as required by the terms of any pledge of or
34 resolution of the Program Administrator authorized under

1 Section 9 of this Act in connection with Affordable
2 Housing Program Trust Fund Bonds or Notes issued pursuant
3 to the Illinois State Finance Authority Housing
4 Development Act;

5 (2) to or for costs of issuance and administration
6 and the payments of any principal, interest, premium or
7 other amounts or expenses incurred or accrued in
8 connection with Affordable Housing Program Trust Fund
9 Bonds or Notes, including rate protection contracts and
10 credit support arrangements pertaining thereto, and,
11 provided such expenses, fees and charges are obligations,
12 whether recourse or nonrecourse, and whether financed
13 with or paid from the proceeds of Affordable Housing
14 Program Trust Fund Bonds or Notes, of the developers,
15 mortgagors or other users, the Program Administrator's
16 expenses and servicing, administration and origination
17 fees and charges in connection with any loans, mortgages,
18 or developments funded or financed or expected to be
19 funded or financed, in whole or in part, from the
20 issuance of Affordable Housing Program Trust Fund Bonds
21 or Notes;

22 (3) to or for costs of issuance and administration
23 and the payments of principal, interest, premium, loan
24 fees, and other amounts or other obligations of the
25 Program Administrator, including rate protection
26 contracts and credit support arrangements pertaining
27 thereto, for loans, commercial paper or other notes or
28 bonds issued by the Program Administrator pursuant to the
29 Illinois State Finance Authority Housing-Development Act,
30 provided that the proceeds of such loans, commercial
31 paper or other notes or bonds are paid or expended in
32 connection with, or refund or repay, loans, commercial
33 paper or other notes or bonds issued or made in
34 connection with bridge loans or loans for the

1 construction, renovation, redevelopment, restructuring,
2 reorganization of Affordable Housing and related
3 expenses, including development costs, technical
4 assistance, or other amounts to construct, preserve,
5 improve, renovate, rehabilitate, refinance, or assist
6 Affordable Housing, including financially troubled
7 Affordable Housing, permanent or other financing for
8 which has been funded or financed or is expected to be
9 funded or financed in whole or in part by the Program
10 Administrator through the issuance of or use of proceeds
11 from Affordable Housing Program Trust Fund Bonds or
12 Notes;

13 (4) to or for direct expenditures or reimbursement
14 for development costs, technical assistance, or other
15 amounts to construct, preserve, improve, renovate,
16 rehabilitate, refinance, or assist Affordable Housing,
17 including financially troubled Affordable Housing,
18 permanent or other financing for which has been funded or
19 financed or is expected to be funded or financed in whole
20 or in part by the Program Administrator through the
21 issuance of or use of proceeds from Affordable Housing
22 Program Trust Fund Bonds or Notes; and

23 (5) for deposit into any residual, sinking, reserve
24 or revolving fund or pool established by the Program
25 Administrator, whether or not pledged to secure
26 Affordable Housing Program Trust Fund Bonds or Notes, to
27 support or be utilized for the issuance, redemption, or
28 payment of the principal, interest, premium or other
29 amounts payable on or with respect to any existing,
30 additional or future Affordable Housing Program Trust
31 Fund Bonds or Notes, or to or for any other expenditure
32 authorized by this Section 8(c).

33 (d) All or a portion of the Trust Fund Moneys on deposit
34 or to be deposited in the Trust Fund not already certified

1 for transfer or transferred to the Program Administrator
2 pursuant to Section 8(b) of this Act may be used to secure
3 the repayment of Affordable Housing Program Trust Fund Bonds
4 or Notes, or otherwise to supplement or support Affordable
5 Housing funded or financed or intended to be funded or
6 financed, in whole or in part, by Affordable Housing Program
7 Trust Fund Bonds or Notes.

8 (e) Assisted housing may include housing for special
9 needs populations such as the homeless, single-parent
10 families, the elderly, or the physically and mentally
11 disabled. The Trust Fund shall be used to implement a
12 demonstration congregate housing project for any such special
13 needs population.

14 (f) Grants from the Trust Fund may include, but are not
15 limited to, rental assistance and security deposit subsidies
16 for low and very low-income households.

17 (g) The Trust Fund may be used to pay actual and
18 reasonable costs for Commission members to attend Commission
19 meetings, and any litigation costs and expenses, including
20 legal fees, incurred by the Program Administrator in any
21 litigation related to this Act or its action as Program
22 Administrator.

23 (h) The Trust Fund may be used to make grants for (1)
24 the provision of technical assistance, (2) outreach, and (3)
25 building an organization's capacity to develop affordable
26 housing projects.

27 (i) Amounts on deposit in the Trust Fund may be used to
28 reimburse the Program Administrator and the Funding Agent for
29 costs incurred in the performance of their duties under this
30 Act, excluding costs and fees of the Program Administrator
31 associated with the Program Escrow to the extent withheld
32 pursuant to paragraph (8) of subsection (b) of Section 5.

33 (Source: P.A. 88-93; 89-286, eff. 8-10-95.)

1 (310 ILCS 65/9) (from Ch. 67 1/2, par. 1259)

2 Sec. 9. Notes and bonds.

3 (a) Subject to the restrictions on purposes and uses
4 contained in this Act and the limit on amount contained in
5 ~~Section 22 of~~ the Illinois State Finance Authority Housing
6 Development Act, the Program Administrator may issue
7 Affordable Housing Program Trust Fund Bonds or Notes pursuant
8 to the Illinois State Finance Authority Housing--Development
9 Act. Such bonds and notes shall be secured as provided in
10 the authorizing resolution of the Program Administrator under
11 the Illinois State Finance Authority Housing-Development Act
12 which may, notwithstanding any other provision of this Act,
13 include in addition to any other security, a specific pledge
14 or assignment of lien on or security interest in, Trust Fund
15 Moneys received or to be received by the Program
16 Administrator from the Trust Fund pursuant to Section 8(b) of
17 this Act. Any such pledge, assignment, lien or security
18 interest shall be for the benefit of the holders of such
19 bonds or notes and shall be valid, binding from the times
20 bonds or notes are issued without any physical delivery or
21 further act, and shall be valid and binding as against and
22 prior to the claims of all other parties having claims of any
23 kind against the Program Administrator or any other person
24 irrespective of whether such other parties have notice of
25 such pledge, assignment, lien or security interest. The
26 pledge by the Program Administrator of Trust Fund Moneys
27 obtained pursuant to Section 8(b) of this Act and pledged
28 pursuant to this Section shall be superior to and have
29 priority over any other use of such moneys by the Program
30 Administrator under this Act. The resolution authorizing the
31 issuance of any such bonds or notes may provide, as part of
32 the contract with the holders of the bonds or notes, for the
33 creation of a separate fund or funds to provide for the
34 payment of principal, premium, if any, interest and other

1 amounts in respect of such bonds or notes and for the deposit
2 in such funds of any or all Trust Fund Moneys certified to
3 the State Treasurer, the Comptroller and the Funding Agent by
4 the Program Administrator as provided in Section 8(b) of this
5 Act, as well as any other amounts, all as provided in such
6 resolution, to meet the debt service requirements on such
7 bonds or notes, including principal, premium, if any, and
8 interest in respect of such bonds or notes, and any sinking
9 fund, reserve fund or other fund or account requirements as
10 may be provided by such resolution, and all expenses incident
11 to or in connection with such fund or account or the
12 issuance, administration and payment of such bonds or notes.

13 (b) The resolution of the Program Administrator
14 authorizing the issuance of Affordable Housing Program Trust
15 Fund Bonds or Notes may further secure such bonds or notes by
16 providing for the assignment and direct payment to the
17 corporate or indenture trustee, if any, for the holders of
18 such bonds and notes of any or all Trust Fund Moneys
19 transferred or certified or dedicated for transfer to the
20 Program Administrator pursuant to Section 8(b) of this Act.
21 Subject to annual appropriation, upon receipt of notice of
22 any such assignment, the Funding Agent, the Treasurer and the
23 Comptroller of the State of Illinois shall thereafter,
24 notwithstanding the provisions of any other Act, including
25 Section 5 of the State Finance Act, provide for such assigned
26 amounts to be paid directly to the trustee instead of the
27 Program Administrator, all in accordance with the terms of
28 the resolution making the assignment. The resolution shall
29 provide that Trust Fund Moneys paid pursuant to Section 8(b)
30 and this Section to the trustee which are not required to be
31 deposited, held or invested in funds and accounts created by
32 the resolution with respect to Affordable Housing Program
33 Trust Fund Bonds or Notes, may be paid by the trustee to the
34 Program Administrator and the Program Administrator may use

1 such amounts or funds as provided in Section 8(c) of this
2 Act.

3 (c) In issuing Affordable Housing Program Trust Fund
4 Bonds or Notes pursuant to the Illinois State Finance
5 Authority Housing-Development Act, the Program Administrator
6 may include in the resolution authorizing such issue a
7 covenant as part of the contract with the holders of the
8 bonds or notes, that as long as such obligations are
9 outstanding, it shall make the deposits or transfers of Trust
10 Fund Moneys it receives or is entitled to receive pursuant to
11 Section 8(b) of this Act. A certified copy of the resolution
12 authorizing the issuance of any of such bonds or notes shall
13 be filed at or prior to the issuance of such obligations with
14 the Governor, the Treasurer and Comptroller of the State of
15 Illinois and with the Funding Agent.

16 (d) The State of Illinois pledges to and agrees with the
17 holders of Affordable Housing Program Trust Fund Bonds or
18 Notes issued pursuant to the Illinois State Finance Authority
19 Housing-Development Act that the State will not limit or
20 alter the rights and powers vested in the Program
21 Administrator by this Act or the Illinois State Finance
22 Authority Housing--Development Act so as to impair the terms
23 of any contract made by the Program Administrator with such
24 holders or in any way impair the rights and remedies of such
25 holders until the principal and premium, if any, of such
26 bonds and notes, together with interest thereon, with
27 interest on any unpaid installments of interest, and all
28 costs and expenses in connection with any action or
29 proceedings by or on behalf of such holders are fully met and
30 discharged. In addition, the State pledges to and agrees
31 with the holders of such bonds and notes that the State will
32 not limit or alter the basis on which Trust Fund Moneys are
33 to be collected and paid to the Program Administrator as
34 provided in this Act, or the use of such funds, and the State

1 will not take action to repeal or reduce the Real Estate
2 Transfer Tax, as amended, so as to impair the terms of any
3 such contract. The Program Administrator is authorized to
4 include these pledges and agreements of the State in any
5 contract with the holders of Affordable Housing Program Trust
6 Fund Bonds or Notes.

7 (e) Illinois Affordable Housing Program Trust Fund Bonds
8 or Notes do not constitute general obligations of the State
9 and shall not be secured by a pledge of the full faith and
10 credit of the State. Each such bond or note shall describe
11 the limited nature of the State's obligation on the face of
12 the bond or note.

13 (Source: P.A. 88-93.)

14 Section 909.22. The Subsidized Housing Joint Occupancy
15 Act is amended by changing Section 3 as follows:

16 (310 ILCS 75/3) (from Ch. 67 1/2, par. 1353)

17 Sec. 3. Definitions. As used in this Act, unless the
18 context clearly requires otherwise:

19 "Elderly person" means a person 62 years of age or older.

20 "Handicapped person" means a person having a physical or
21 mental impairment that:

22 (1) is expected to be of long-continued and
23 indefinite duration,

24 (2) substantially impedes the person's ability to
25 live independently, and

26 (3) is of such a nature that this ability could be
27 improved by more suitable housing conditions.

28 "Subsidized housing" means any housing or unit of housing
29 financed by a loan or mortgage held by the Illinois State
30 Finance Housing--Development Authority, a local housing
31 authority, or the federal Department of Housing and Urban
32 Development ("HUD") under one of the following circumstances:

1 (1) Insured or held by HUD under Section 221(d)(3)
2 of the National Housing Act and assisted under Section
3 101 of the Housing and Urban Development Act of 1965 or
4 Section 8 of the United States Housing Act of 1937.

5 (2) Insured or held by HUD and bears interest at a
6 rate determined under the proviso of Section 221(d)(3) of
7 the National Housing Act.

8 (3) Insured, assisted, or held by HUD under Section
9 202 or 236 of the National Housing Act.

10 (4) Insured or held by HUD under Section 514 or 515
11 of the Housing Act of 1949.

12 (5) Insured or held by HUD under the United States
13 Housing Act of 1937.

14 (6) Held by HUD and formerly insured under a
15 program listed in paragraph (1), (2), (3), (4), or (5).

16 (Source: P.A. 87-243.)

17 Section 909.23. The HOME Investment Trust Fund Act is
18 amended by changing Section 5 as follows:

19 (310 ILCS 90/5)

20 Sec. 5. Definitions. In this Act:

21 "Authority" means the Illinois State Finance Housing
22 Development Authority.

23 "Department" means the Illinois Department of Revenue.

24 "Governor" means the Governor of the State of Illinois.

25 "HOME Program" means the federal HOME Investment
26 Partnerships Program under the National Affordable Housing
27 Act (42 U.S.C. 12701 et seq.) and the regulations promulgated
28 under that Act.

29 "Participating jurisdiction" has the same meaning as in
30 the regulations implementing the HOME Program.

31 "Trust Fund" means the Federal HOME Investment Trust Fund
32 created under Section 6z-25 of the State Finance Act.

1 (Source: P.A. 89-286, eff. 8-10-95.)

2 Section 909.24. The Accessible Housing Demonstration
3 Grant Program Act is amended by changing Section 5 as
4 follows:

5 (310 ILCS 95/5)

6 Sec. 5. Definitions. In this Act:

7 "Authority" means the Illinois State Finance Housing
8 Development Authority.

9 "Spec home" means a private single-family residence
10 constructed by a builder or individual for sale on the open
11 market and not built for an individual for immediate
12 occupancy.

13 (Source: P.A. 91-451, eff. 8-6-99.)

14 Section 909.25. The Environmental Protection Act is
15 amended by changing Sections 22.2, 58.9, and 58.10 as
16 follows:

17 (415 ILCS 5/22.2) (from Ch. 111 1/2, par. 1022.2)

18 Sec. 22.2. Hazardous waste; fees; liability.

19 (a) There are hereby created within the State Treasury 2
20 special funds to be known respectively as the "Hazardous
21 Waste Fund" and the "Hazardous Waste Research Fund",
22 constituted from the fees collected pursuant to this Section.
23 In addition to the fees collected under this Section, the
24 Hazardous Waste Fund shall include other moneys made
25 available from any source for deposit into the Fund.

26 (b) (1) On and after January 1, 1989, the Agency shall
27 collect from the owner or operator of each of the
28 following sites a fee in the amount of:

29 (A) 6 cents per gallon or \$12.12 per cubic
30 yard of hazardous waste disposed for 1989, 7.5 cents

1 per gallon or \$15.15 per cubic yard for 1990 and 9
2 cents per gallon or \$18.18 per cubic yard
3 thereafter, if the hazardous waste disposal site is
4 located off the site where such waste was produced.
5 The maximum amount payable under this subdivision
6 (A) with respect to the hazardous waste generated by
7 a single generator and deposited in monofills is
8 \$20,000 for 1989, \$25,000 for 1990, and \$30,000 per
9 year thereafter. If, as a result of the use of
10 multiple monofills, waste fees in excess of the
11 maximum are assessed with respect to a single waste
12 generator, the generator may apply to the Agency for
13 a credit.

14 (B) 6 cents per gallon or \$12.12 per cubic
15 yard of hazardous waste disposed for 1989, 7.5 cents
16 per gallon or \$15.15 per cubic yard for 1990 and 9
17 cents or \$18.18 per cubic yard thereafter, if the
18 hazardous waste disposal site is located on the site
19 where such waste was produced, provided however the
20 maximum amount of fees payable under this paragraph
21 (B) is \$20,000 for 1989, \$25,000 for 1990 and
22 \$30,000 per year thereafter for each such hazardous
23 waste disposal site.

24 (C) If the hazardous waste disposal site is an
25 underground injection well, \$6,000 per year if not
26 more than 10,000,000 gallons per year are injected,
27 \$15,000 per year if more than 10,000,000 gallons but
28 not more than 50,000,000 gallons per year are
29 injected, and \$27,000 per year if more than
30 50,000,000 gallons per year are injected.

31 (D) 2 cents per gallon or \$4.04 per cubic yard
32 for 1989, 2.5 cents per gallon or \$5.05 per cubic
33 yard for 1990, and 3 cents per gallon or \$6.06 per
34 cubic yard thereafter of hazardous waste received

1 for treatment at a hazardous waste treatment site,
2 if the hazardous waste treatment site is located off
3 the site where such waste was produced and if such
4 hazardous waste treatment site is owned, controlled
5 and operated by a person other than the generator of
6 such waste. After treatment at such hazardous waste
7 treatment site, the waste shall not be subject to
8 any other fee imposed by this subsection (b). For
9 purposes of this subsection (b), the term
10 "treatment" is defined as in Section 3.49 but shall
11 not include recycling, reclamation or reuse.

12 (2) The General Assembly shall annually appropriate
13 to the Fund such amounts as it deems necessary to fulfill
14 the purposes of this Act.

15 (3) The Agency shall have the authority to accept,
16 receive, and administer on behalf of the State any moneys
17 made available to the State from any source for the
18 purposes of the Hazardous Waste Fund set forth in
19 subsection (d) of this Section.

20 (4) Of the amount collected as fees provided for in
21 this Section, the Agency shall manage the use of such
22 funds to assure that sufficient funds are available for
23 match towards federal expenditures for response action at
24 sites which are listed on the National Priorities List;
25 provided, however, that this shall not apply to
26 additional monies appropriated to the Fund by the General
27 Assembly, nor shall it apply in the event that the
28 Director finds that revenues in the Hazardous Waste Fund
29 must be used to address conditions which create or may
30 create an immediate danger to the environment or public
31 health or to the welfare of the people of the State of
32 Illinois.

33 (5) Notwithstanding the other provisions of this
34 subsection (b), sludge from a publicly-owned sewage works

1 generated in Illinois, coal mining wastes and refuse
2 generated in Illinois, bottom boiler ash, flyash and flue
3 gas desulphurization sludge from public utility electric
4 generating facilities located in Illinois, and bottom
5 boiler ash and flyash from all incinerators which process
6 solely municipal waste shall not be subject to the fee.

7 (6) For the purposes of this subsection (b),
8 "monofill" means a facility, or a unit at a facility,
9 that accepts only wastes bearing the same USEPA hazardous
10 waste identification number, or compatible wastes as
11 determined by the Agency.

12 (c) The Agency shall establish procedures, not later
13 than January 1, 1984, relating to the collection of the fees
14 authorized by this Section. Such procedures shall include,
15 but not be limited to: (1) necessary records identifying the
16 quantities of hazardous waste received or disposed; (2) the
17 form and submission of reports to accompany the payment of
18 fees to the Agency; and (3) the time and manner of payment of
19 fees to the Agency, which payments shall be not more often
20 than quarterly.

21 (d) Beginning July 1, 1996, the Agency shall deposit all
22 such receipts in the State Treasury to the credit of the
23 Hazardous Waste Fund, except as provided in subsection (e) of
24 this Section. All monies in the Hazardous Waste Fund shall be
25 used by the Agency for the following purposes:

26 (1) Taking whatever preventive or corrective action
27 is necessary or appropriate, in circumstances certified
28 by the Director, including but not limited to removal or
29 remedial action whenever there is a release or
30 substantial threat of a release of a hazardous substance
31 or pesticide; provided, the Agency shall expend no more
32 than \$1,000,000 on any single incident without
33 appropriation by the General Assembly.

34 (2) To meet any requirements which must be met by

1 the State in order to obtain federal funds pursuant to
2 the Comprehensive Environmental Response, Compensation
3 and Liability Act of 1980, (P.L. 96-510).

4 (3) In an amount up to 30% of the amount collected
5 as fees provided for in this Section, for use by the
6 Agency to conduct groundwater protection activities,
7 including providing grants to appropriate units of local
8 government which are addressing protection of underground
9 waters pursuant to the provisions of this Act.

10 (4) To fund the development and implementation of
11 the model pesticide collection program under Section 19.1
12 of the Illinois Pesticide Act.

13 (5) To the extent the Agency has received and
14 deposited monies in the Fund other than fees collected
15 under subsection (b) of this Section, to pay for the cost
16 of Agency employees for services provided in reviewing
17 the performance of response actions pursuant to Title
18 XVII of this Act.

19 (6) In an amount up to 15% of the fees collected
20 annually under subsection (b) of this Section, for use by
21 the Agency for administration of the provisions of this
22 Section.

23 (e) The Agency shall deposit 10% of all receipts
24 collected under subsection (b) of this Section, but not to
25 exceed \$200,000 per year, in the State Treasury to the credit
26 of the Hazardous Waste Research Fund established by this Act.
27 Pursuant to appropriation, all monies in such Fund shall be
28 used by the Department of Natural Resources for the purposes
29 set forth in this subsection.

30 The Department of Natural Resources may enter into
31 contracts with business, industrial, university, governmental
32 or other qualified individuals or organizations to assist in
33 the research and development intended to recycle, reduce the
34 volume of, separate, detoxify or reduce the hazardous

1 properties of hazardous wastes in Illinois. Monies in the
2 Fund may also be used by the Department of Natural Resources
3 for technical studies, monitoring activities, and educational
4 and research activities which are related to the protection
5 of underground waters. Monies in the Hazardous Waste
6 Research Fund may be used to administer the Illinois Health
7 and Hazardous Substances Registry Act. Monies in the
8 Hazardous Waste Research Fund shall not be used for any
9 sanitary landfill or the acquisition or construction of any
10 facility. This does not preclude the purchase of equipment
11 for the purpose of public demonstration projects. The
12 Department of Natural Resources shall adopt guidelines for
13 cost sharing, selecting, and administering projects under
14 this subsection.

15 (f) Notwithstanding any other provision or rule of law,
16 and subject only to the defenses set forth in subsection (j)
17 of this Section, the following persons shall be liable for
18 all costs of removal or remedial action incurred by the State
19 of Illinois or any unit of local government as a result of a
20 release or substantial threat of a release of a hazardous
21 substance or pesticide:

22 (1) the owner and operator of a facility or vessel
23 from which there is a release or substantial threat of
24 release of a hazardous substance or pesticide;

25 (2) any person who at the time of disposal,
26 transport, storage or treatment of a hazardous substance
27 or pesticide owned or operated the facility or vessel
28 used for such disposal, transport, treatment or storage
29 from which there was a release or substantial threat of a
30 release of any such hazardous substance or pesticide;

31 (3) any person who by contract, agreement, or
32 otherwise has arranged with another party or entity for
33 transport, storage, disposal or treatment of hazardous
34 substances or pesticides owned, controlled or possessed

1 by such person at a facility owned or operated by another
2 party or entity from which facility there is a release or
3 substantial threat of a release of such hazardous
4 substances or pesticides; and

5 (4) any person who accepts or accepted any
6 hazardous substances or pesticides for transport to
7 disposal, storage or treatment facilities or sites from
8 which there is a release or a substantial threat of a
9 release of a hazardous substance or pesticide.

10 Any monies received by the State of Illinois pursuant to
11 this subsection (f) shall be deposited in the State Treasury
12 to the credit of the Hazardous Waste Fund.

13 In accordance with the other provisions of this Section,
14 costs of removal or remedial action incurred by a unit of
15 local government may be recovered in an action before the
16 Board brought by the unit of local government under
17 subsection (i) of this Section. Any monies so recovered
18 shall be paid to the unit of local government.

19 (g)(1) No indemnification, hold harmless, or similar
20 agreement or conveyance shall be effective to transfer
21 from the owner or operator of any vessel or facility or
22 from any person who may be liable for a release or
23 substantial threat of a release under this Section, to
24 any other person the liability imposed under this
25 Section. Nothing in this Section shall bar any agreement
26 to insure, hold harmless or indemnify a party to such
27 agreements for any liability under this Section.

28 (2) Nothing in this Section, including the
29 provisions of paragraph (g)(1) of this Section, shall bar
30 a cause of action that an owner or operator or any other
31 person subject to liability under this Section, or a
32 guarantor, has or would have, by reason of subrogation or
33 otherwise against any person.

34 (h) For purposes of this Section:

1 (1) The term "facility" means:

2 (A) any building, structure, installation,
3 equipment, pipe or pipeline including but not
4 limited to any pipe into a sewer or publicly owned
5 treatment works, well, pit, pond, lagoon,
6 impoundment, ditch, landfill, storage container,
7 motor vehicle, rolling stock, or aircraft; or

8 (B) any site or area where a hazardous
9 substance has been deposited, stored, disposed of,
10 placed, or otherwise come to be located.

11 (2) The term "owner or operator" means:

12 (A) any person owning or operating a vessel or
13 facility;

14 (B) in the case of an abandoned facility, any
15 person owning or operating the abandoned facility or
16 any person who owned, operated, or otherwise
17 controlled activities at the abandoned facility
18 immediately prior to such abandonment;

19 (C) in the case of a land trust as defined in
20 Section 2 of the Land Trustee as Creditor Act, the
21 person owning the beneficial interest in the land
22 trust;

23 (D) in the case of a fiduciary (other than a
24 land trustee), the estate, trust estate, or other
25 interest in property held in a fiduciary capacity,
26 and not the fiduciary. For the purposes of this
27 Section, "fiduciary" means a trustee, executor,
28 administrator, guardian, receiver, conservator or
29 other person holding a facility or vessel in a
30 fiduciary capacity;

31 (E) in the case of a "financial institution",
32 meaning the Illinois State Finance Housing
33 Development Authority and that term as defined in
34 Section 2 of the Illinois Banking Act, that has

1 acquired ownership, operation, management, or
2 control of a vessel or facility through foreclosure
3 or under the terms of a security interest held by
4 the financial institution or under the terms of an
5 extension of credit made by the financial
6 institution, the financial institution only if the
7 financial institution takes possession of the vessel
8 or facility and the financial institution exercises
9 actual, direct, and continual or recurrent
10 managerial control in the operation of the vessel or
11 facility that causes a release or substantial threat
12 of a release of a hazardous substance or pesticide
13 resulting in removal or remedial action;

14 (F) In the case of an owner of residential
15 property, the owner if the owner is a person other
16 than an individual, or if the owner is an individual
17 who owns more than 10 dwelling units in Illinois, or
18 if the owner, or an agent, representative,
19 contractor, or employee of the owner, has caused,
20 contributed to, or allowed the release or threatened
21 release of a hazardous substance or pesticide. The
22 term "residential property" means single family
23 residences of one to 4 dwelling units, including
24 accessory land, buildings, or improvements
25 incidental to those dwellings that are exclusively
26 used for the residential use. For purposes of this
27 subparagraph (F), the term "individual" means a
28 natural person, and shall not include corporations,
29 partnerships, trusts, or other non-natural persons.

30 (G) In the case of any facility, title or
31 control of which was conveyed due to bankruptcy,
32 foreclosure, tax delinquency, abandonment, or
33 similar means to a unit of State or local
34 government, any person who owned, operated, or

1 otherwise controlled activities at the facility
2 immediately beforehand.

3 (H) The term "owner or operator" does not
4 include a unit of State or local government which
5 acquired ownership or control through bankruptcy,
6 tax delinquency, abandonment, or other circumstances
7 in which the government acquires title by virtue of
8 its function as sovereign. The exclusion provided
9 under this paragraph shall not apply to any State or
10 local government which has caused or contributed to
11 the release or threatened release of a hazardous
12 substance from the facility, and such a State or
13 local government shall be subject to the provisions
14 of this Act in the same manner and to the same
15 extent, both procedurally and substantively, as any
16 nongovernmental entity, including liability under
17 Section 22.2(f).

18 (i) The costs and damages provided for in this Section
19 may be imposed by the Board in an action brought before the
20 Board in accordance with Title VIII of this Act, except that
21 Section 33(c) of this Act shall not apply to any such action.

22 (j) (1) There shall be no liability under this Section
23 for a person otherwise liable who can establish by a
24 preponderance of the evidence that the release or substantial
25 threat of release of a hazardous substance and the damages
26 resulting therefrom were caused solely by:

27 (A) an act of God;

28 (B) an act of war;

29 (C) an act or omission of a third party other than
30 an employee or agent of the defendant, or other than one
31 whose act or omission occurs in connection with a
32 contractual relationship, existing directly or
33 indirectly, with the defendant (except where the sole
34 contractual arrangement arises from a published tariff

1 and acceptance for carriage by a common carrier by rail),
2 if the defendant establishes by a preponderance of the
3 evidence that (i) he exercised due care with respect to
4 the hazardous substance concerned, taking into
5 consideration the characteristics of such hazardous
6 substance, in light of all relevant facts and
7 circumstances, and (ii) he took precautions against
8 foreseeable acts or omissions of any such third party and
9 the consequences that could foreseeably result from such
10 acts or omissions; or

11 (D) any combination of the foregoing paragraphs.

12 (2) There shall be no liability under this Section for
13 any release permitted by State or federal law.

14 (3) There shall be no liability under this Section for
15 damages as a result of actions taken or omitted in the course
16 of rendering care, assistance, or advice in accordance with
17 this Section or the National Contingency Plan pursuant to the
18 Comprehensive Environmental Response, Compensation and
19 Liability Act of 1980 (P.L. 96-510) or at the direction of an
20 on-scene coordinator appointed under such plan, with respect
21 to an incident creating a danger to public health or welfare
22 or the environment as a result of any release of a hazardous
23 substance or a substantial threat thereof. This subsection
24 shall not preclude liability for damages as the result of
25 gross negligence or intentional misconduct on the part of
26 such person. For the purposes of the preceding sentence,
27 reckless, willful, or wanton misconduct shall constitute
28 gross negligence.

29 (4) There shall be no liability under this Section for
30 any person (including, but not limited to, an owner of
31 residential property who applies a pesticide to the
32 residential property or who has another person apply a
33 pesticide to the residential property) for response costs or
34 damages as the result of the storage, handling and use, or

1 recommendation for storage, handling and use, of a pesticide
2 consistent with:

3 (A) its directions for storage, handling and use as
4 stated in its label or labeling;

5 (B) its warnings and cautions as stated in its
6 label or labeling; and

7 (C) the uses for which it is registered under the
8 Federal Insecticide, Fungicide and Rodenticide Act and
9 the Illinois Pesticide Act.

10 (4.5) There shall be no liability under subdivision
11 (f)(1) of this Section for response costs or damages as the
12 result of a release of a pesticide from an agrichemical
13 facility site if the Agency has received notice from the
14 Department of Agriculture pursuant to Section 19.3 of the
15 Illinois Pesticide Act, the owner or operator of the
16 agrichemical facility is proceeding with a corrective action
17 plan under the Agrichemical Facility Response Action Program
18 implemented under that Section, and the Agency has provided a
19 written endorsement of a corrective action plan.

20 (4.6) There shall be no liability under subdivision
21 (f)(1) of this Section for response costs or damages as the
22 result of a substantial threat of a release of a pesticide
23 from an agrichemical facility site if the Agency has received
24 notice from the Department of Agriculture pursuant to Section
25 19.3 of the Illinois Pesticide Act and the owner or operator
26 of the agrichemical facility is proceeding with a corrective
27 action plan under the Agrichemical Facility Response Action
28 Program implemented under that Section.

29 (5) Nothing in this subsection (j) shall affect or
30 modify in any way the obligations or liability of any person
31 under any other provision of this Act or State or federal
32 law, including common law, for damages, injury, or loss
33 resulting from a release or substantial threat of a release
34 of any hazardous substance or for removal or remedial action

1 or the costs of removal or remedial action of such hazardous
2 substance.

3 (6)(A) The term "contractual relationship", for the
4 purpose of this subsection includes, but is not limited to,
5 land contracts, deeds or other instruments transferring title
6 or possession, unless the real property on which the facility
7 concerned is located was acquired by the defendant after the
8 disposal or placement of the hazardous substance on, in, or
9 at the facility, and one or more of the circumstances
10 described in clause (i), (ii), or (iii) of this paragraph is
11 also established by the defendant by a preponderance of the
12 evidence:

13 (i) At the time the defendant acquired the facility
14 the defendant did not know and had no reason to know that
15 any hazardous substance which is the subject of the
16 release or threatened release was disposed of on, in or
17 at the facility.

18 (ii) The defendant is a government entity which
19 acquired the facility by escheat, or through any other
20 involuntary transfer or acquisition, or through the
21 exercise of eminent domain authority by purchase or
22 condemnation.

23 (iii) The defendant acquired the facility by
24 inheritance or bequest.

25 In addition to establishing the foregoing, the defendant
26 must establish that he has satisfied the requirements of
27 subparagraph (C) of paragraph (1) of this subsection (j).

28 (B) To establish the defendant had no reason to know, as
29 provided in clause (i) of subparagraph (A) of this paragraph,
30 the defendant must have undertaken, at the time of
31 acquisition, all appropriate inquiry into the previous
32 ownership and uses of the property consistent with good
33 commercial or customary practice in an effort to minimize
34 liability. For purposes of the preceding sentence, the court

1 shall take into account any specialized knowledge or
2 experience on the part of the defendant, the relationship of
3 the purchase price to the value of the property if
4 uncontaminated, commonly known or reasonably ascertainable
5 information about the property, the obviousness of the
6 presence or likely presence of contamination at the property,
7 and the ability to detect such contamination by appropriate
8 inspection.

9 (C) Nothing in this paragraph (6) or in subparagraph (C)
10 of paragraph (1) of this subsection shall diminish the
11 liability of any previous owner or operator of such facility
12 who would otherwise be liable under this Act. Notwithstanding
13 this paragraph (6), if the defendant obtained actual
14 knowledge of the release or threatened release of a hazardous
15 substance at such facility when the defendant owned the real
16 property and then subsequently transferred ownership of the
17 property to another person without disclosing such knowledge,
18 such defendant shall be treated as liable under subsection
19 (f) of this Section and no defense under subparagraph (C) of
20 paragraph (1) of this subsection shall be available to such
21 defendant.

22 (D) Nothing in this paragraph (6) shall affect the
23 liability under this Act of a defendant who, by any act or
24 omission, caused or contributed to the release or threatened
25 release of a hazardous substance which is the subject of the
26 action relating to the facility.

27 (E) (i) Except as provided in clause (ii) of this
28 subparagraph (E), a defendant who has acquired real property
29 shall have established a rebuttable presumption against all
30 State claims and a conclusive presumption against all private
31 party claims that the defendant has made all appropriate
32 inquiry within the meaning of subdivision (6)(B) of this
33 subsection (j) if the defendant proves that immediately prior
34 to or at the time of the acquisition:

1 (I) the defendant obtained a Phase I Environmental
2 Audit of the real property that meets or exceeds the
3 requirements of this subparagraph (E), and the Phase I
4 Environmental Audit did not disclose the presence or
5 likely presence of a release or a substantial threat of a
6 release of a hazardous substance or pesticide at, on, to,
7 or from the real property; or

8 (II) the defendant obtained a Phase II
9 Environmental Audit of the real property that meets or
10 exceeds the requirements of this subparagraph (E), and
11 the Phase II Environmental Audit did not disclose the
12 presence or likely presence of a release or a substantial
13 threat of a release of a hazardous substance or pesticide
14 at, on, to, or from the real property.

15 (ii) No presumption shall be created under clause (i) of
16 this subparagraph (E), and a defendant shall be precluded
17 from demonstrating that the defendant has made all
18 appropriate inquiry within the meaning of subdivision (6)(B)
19 of this subsection (j), if:

20 (I) the defendant fails to obtain all Environmental
21 Audits required under this subparagraph (E) or any such
22 Environmental Audit fails to meet or exceed the
23 requirements of this subparagraph (E);

24 (II) a Phase I Environmental Audit discloses the
25 presence or likely presence of a release or a substantial
26 threat of a release of a hazardous substance or pesticide
27 at, on, to, or from real property, and the defendant
28 fails to obtain a Phase II Environmental Audit;

29 (III) a Phase II Environmental Audit discloses the
30 presence or likely presence of a release or a substantial
31 threat of a release of a hazardous substance or pesticide
32 at, on, to, or from the real property;

33 (IV) the defendant fails to maintain a written
34 compilation and explanatory summary report of the

1 information reviewed in the course of each Environmental
2 Audit under this subparagraph (E); or

3 (V) there is any evidence of fraud, material
4 concealment, or material misrepresentation by the
5 defendant of environmental conditions or of related
6 information discovered during the course of an
7 Environmental Audit.

8 (iii) For purposes of this subparagraph (E), the term
9 "environmental professional" means an individual (other than
10 a practicing attorney) who, through academic training,
11 occupational experience, and reputation (such as engineers,
12 industrial hygienists, or geologists) can objectively conduct
13 one or more aspects of an Environmental Audit and who either:

14 (I) maintains at the time of the Environmental
15 Audit and for at least one year thereafter at least
16 \$500,000 of environmental consultants' professional
17 liability insurance coverage issued by an insurance
18 company licensed to do business in Illinois; or

19 (II) is an Illinois licensed professional engineer
20 or an Illinois licensed industrial hygienist.

21 An environmental professional may employ persons who are
22 not environmental professionals to assist in the preparation
23 of an Environmental Audit if such persons are under the
24 direct supervision and control of the environmental
25 professional.

26 (iv) For purposes of this subparagraph (E), the term
27 "real property" means any interest in any parcel of land, and
28 shall not be limited to the definition of the term "real
29 property" contained in the Responsible Property Transfer Act
30 of 1988. For purposes of this subparagraph (E), the term
31 "real property" includes, but is not limited to, buildings,
32 fixtures, and improvements.

33 (v) For purposes of this subparagraph (E), the term
34 "Phase I Environmental Audit" means an investigation of real

1 property, conducted by environmental professionals, to
2 discover the presence or likely presence of a release or a
3 substantial threat of a release of a hazardous substance or
4 pesticide at, on, to, or from real property, and whether a
5 release or a substantial threat of a release of a hazardous
6 substance or pesticide has occurred or may occur at, on, to,
7 or from the real property. The investigation shall include a
8 review of at least each of the following sources of
9 information concerning the current and previous ownership and
10 use of the real property:

11 (I) Recorded chain of title documents regarding the
12 real property, including all deeds, easements, leases,
13 restrictions, and covenants for a period of 50 years.

14 (II) Aerial photographs that may reflect prior uses
15 of the real property and that are reasonably obtainable
16 through State, federal, or local government agencies or
17 bodies.

18 (III) Recorded environmental cleanup liens, if any,
19 against the real property that have arisen pursuant to
20 this Act or federal statutes.

21 (IV) Reasonably obtainable State, federal, and
22 local government records of sites or facilities at, on,
23 or near the real property to discover the presence or
24 likely presence of a hazardous substance or pesticide,
25 and whether a release or a substantial threat of a
26 release of a hazardous substance or pesticide has
27 occurred or may occur at, on, to, or from the real
28 property. Such government records shall include, but not
29 be limited to: reasonably obtainable State, federal, and
30 local government investigation reports for those sites or
31 facilities; reasonably obtainable State, federal, and
32 local government records of activities likely to cause or
33 contribute to a release or a threatened release of a
34 hazardous substance or pesticide at, on, to, or from the

1 real property, including landfill and other treatment,
2 storage, and disposal location records, underground
3 storage tank records, hazardous waste transporter and
4 generator records, and spill reporting records; and other
5 reasonably obtainable State, federal, and local
6 government environmental records that report incidents or
7 activities that are likely to cause or contribute to a
8 release or a threatened release of a hazardous substance
9 or pesticide at, on, to, or from the real property. In
10 order to be deemed "reasonably obtainable" as required
11 herein, a copy or reasonable facsimile of the record must
12 be obtainable from the government agency by request and
13 upon payment of a processing fee, if any, established by
14 the government agency. The Agency is authorized to
15 establish a reasonable fee for processing requests
16 received under this subparagraph (E) for records. All
17 fees collected by the Agency under this clause (v)(IV)
18 shall be deposited into the Environmental Protection
19 Permit and Inspection Fund in accordance with Section
20 22.8. Notwithstanding any other law, if the fee is paid,
21 commencing on the effective date of this amendatory Act
22 of 1993 and until one year after the effective date of
23 this amendatory Act of 1993, the Agency shall use its
24 best efforts to process a request received under this
25 subparagraph (E) as expeditiously as possible.
26 Notwithstanding any other law, commencing one year after
27 the effective date of this amendatory Act of 1993, if the
28 fee is paid, the Agency shall process a request received
29 under this subparagraph (E) for records within 30 days of
30 the receipt of such request.

31 (V) A visual site inspection of the real property
32 and all facilities and improvements on the real property
33 and a visual inspection of properties immediately
34 adjacent to the real property, including an investigation

1 of any use, storage, treatment, spills from use, or
2 disposal of hazardous substances, hazardous wastes, solid
3 wastes, or pesticides. If the person conducting the
4 investigation is denied access to any property adjacent
5 to the real property, the person shall conduct a visual
6 inspection of that adjacent property from the property to
7 which the person does have access and from public
8 rights-of-way.

9 (VI) A review of business records for activities at
10 or on the real property for a period of 50 years.

11 (vi) For purposes of subparagraph (E), the term "Phase
12 II Environmental Audit" means an investigation of real
13 property, conducted by environmental professionals,
14 subsequent to a Phase I Environmental Audit. If the Phase I
15 Environmental Audit discloses the presence or likely presence
16 of a hazardous substance or a pesticide or a release or a
17 substantial threat of a release of a hazardous substance or
18 pesticide:

19 (I) In or to soil, the defendant, as part of the
20 Phase II Environmental Audit, shall perform a series of
21 soil borings sufficient to determine whether there is a
22 presence or likely presence of a hazardous substance or
23 pesticide and whether there is or has been a release or a
24 substantial threat of a release of a hazardous substance
25 or pesticide at, on, to, or from the real property.

26 (II) In or to groundwater, the defendant, as part
27 of the Phase II Environmental Audit, shall: review
28 information regarding local geology, water well
29 locations, and locations of waters of the State as may be
30 obtained from State, federal, and local government
31 records, including but not limited to the United States
32 Geological Service, the State Geological Survey Division
33 of the Department of Natural Resources, and the State
34 Water Survey Division of the Department of Natural

1 Resources; and perform groundwater monitoring sufficient
2 to determine whether there is a presence or likely
3 presence of a hazardous substance or pesticide, and
4 whether there is or has been a release or a substantial
5 threat of a release of a hazardous substance or pesticide
6 at, on, to, or from the real property.

7 (III) On or to media other than soil or
8 groundwater, the defendant, as part of the Phase II
9 Environmental Audit, shall perform an investigation
10 sufficient to determine whether there is a presence or
11 likely presence of a hazardous substance or pesticide,
12 and whether there is or has been a release or a
13 substantial threat of a release of a hazardous substance
14 or pesticide at, on, to, or from the real property.

15 (vii) The findings of each Environmental Audit prepared
16 under this subparagraph (E) shall be set forth in a written
17 audit report. Each audit report shall contain an affirmation
18 by the defendant and by each environmental professional who
19 prepared the Environmental Audit that the facts stated in the
20 report are true and are made under a penalty of perjury as
21 defined in Section 32-2 of the Criminal Code of 1961. It is
22 perjury for any person to sign an audit report that contains
23 a false material statement that the person does not believe
24 to be true.

25 (viii) The Agency is not required to review, approve, or
26 certify the results of any Environmental Audit. The
27 performance of an Environmental Audit shall in no way entitle
28 a defendant to a presumption of Agency approval or
29 certification of the results of the Environmental Audit.

30 The presence or absence of a disclosure document prepared
31 under the Responsible Property Transfer Act of 1988 shall not
32 be a defense under this Act and shall not satisfy the
33 requirements of subdivision (6)(A) of this subsection (j).

34 (7) No person shall be liable under this Section for

1 response costs or damages as the result of a pesticide
2 release if the Agency has found that a pesticide release
3 occurred based on a Health Advisory issued by the U.S.
4 Environmental Protection Agency or an action level developed
5 by the Agency, unless the Agency notified the manufacturer of
6 the pesticide and provided an opportunity of not less than 30
7 days for the manufacturer to comment on the technical and
8 scientific justification supporting the Health Advisory or
9 action level.

10 (8) No person shall be liable under this Section for
11 response costs or damages as the result of a pesticide
12 release that occurs in the course of a farm pesticide
13 collection program operated under Section 19.1 of the
14 Illinois Pesticide Act, unless the release results from gross
15 negligence or intentional misconduct.

16 (k) If any person who is liable for a release or
17 substantial threat of release of a hazardous substance or
18 pesticide fails without sufficient cause to provide removal
19 or remedial action upon or in accordance with a notice and
20 request by the Agency or upon or in accordance with any order
21 of the Board or any court, such person may be liable to the
22 State for punitive damages in an amount at least equal to,
23 and not more than 3 times, the amount of any costs incurred
24 by the State of Illinois as a result of such failure to take
25 such removal or remedial action. The punitive damages
26 imposed by the Board shall be in addition to any costs
27 recovered from such person pursuant to this Section and in
28 addition to any other penalty or relief provided by this Act
29 or any other law.

30 Any monies received by the State pursuant to this
31 subsection (k) shall be deposited in the Hazardous Waste
32 Fund.

33 (l) Beginning January 1, 1988, the Agency shall annually
34 collect a \$250 fee for each Special Waste Hauling Permit

1 Application and, in addition, shall collect a fee of \$20 for
2 each waste hauling vehicle identified in the annual permit
3 application and for each vehicle which is added to the permit
4 during the annual period. The Agency shall deposit 85% of
5 such fees collected under this subsection in the State
6 Treasury to the credit of the Hazardous Waste Research Fund;
7 and shall deposit the remaining 15% of such fees collected in
8 the State Treasury to the credit of the Environmental
9 Protection Permit and Inspection Fund. The majority of such
10 receipts which are deposited in the Hazardous Waste Research
11 Fund pursuant to this subsection shall be used by the
12 Department of Natural Resources for activities which relate
13 to the protection of underground waters. Persons engaged in
14 the offsite transportation of hazardous waste by highway and
15 participating in the Uniform Program under subsection (1-5)
16 are not required to file a Special Waste Hauling Permit
17 Application.

18 (1-5) (1) As used in this subsection:

19 "Base state" means the state selected by a
20 transporter according to the procedures established under
21 the Uniform Program.

22 "Base state agreement" means an agreement between
23 participating states electing to register or permit
24 transporters.

25 "Participating state" means a state electing to
26 participate in the Uniform Program by entering into a
27 base state agreement.

28 "Transporter" means a person engaged in the offsite
29 transportation of hazardous waste by highway.

30 "Uniform application" means the uniform registration
31 and permit application form prescribed under the Uniform
32 Program.

33 "Uniform Program" means the Uniform State Hazardous
34 Materials Transportation Registration and Permit Program

1 established in the report submitted and amended pursuant
2 to 49 U.S.C. Section 5119(b), as implemented by the
3 Agency under this subsection.

4 "Vehicle" means any self-propelled motor vehicle,
5 except a truck tractor without a trailer, designed or
6 used for the transportation of hazardous waste subject to
7 the hazardous waste manifesting requirements of 40 U.S.C.
8 Section 6923(a)(3).

9 (2) Beginning July 1, 1998, the Agency shall
10 implement the Uniform State Hazardous Materials
11 Transportation Registration and Permit Program. On and
12 after that date, no person shall engage in the offsite
13 transportation of hazardous waste by highway without
14 registering and obtaining a permit under the Uniform
15 Program. A transporter with its principal place of
16 business in Illinois shall register with and obtain a
17 permit from the Agency. A transporter that designates
18 another participating state in the Uniform Program as its
19 base state shall likewise register with and obtain a
20 permit from that state before transporting hazardous
21 waste in Illinois.

22 (3) Beginning July 1, 1998, the Agency shall
23 annually collect no more than a \$250 processing and audit
24 fee from each transporter of hazardous waste who has
25 filed a uniform application and, in addition, the Agency
26 shall annually collect an apportioned vehicle
27 registration fee of \$20. The amount of the apportioned
28 vehicle registration fee shall be calculated consistent
29 with the procedures established under the Uniform
30 Program.

31 All moneys received by the Agency from the
32 collection of fees pursuant to the Uniform Program shall
33 be deposited into the Hazardous Waste Transporter account
34 hereby created within the Environmental Protection Permit

1 and Inspection Fund. Moneys remaining in the account at
2 the close of the fiscal year shall not lapse to the
3 General Revenue Fund. The State Treasurer may receive
4 money or other assets from any source for deposit into
5 the account. The Agency may expend moneys from the
6 account, upon appropriation, for the implementation of
7 the Uniform Program, including the costs to the Agency of
8 fee collection and administration. In addition, funds
9 not expended for the implementation of the Uniform
10 Program may be utilized for emergency response and
11 cleanup activities related to hazardous waste
12 transportation that are initiated by the Agency.

13 Whenever the amount of the Hazardous Waste
14 Transporter account exceeds by 115% the amount annually
15 appropriated by the General Assembly, the Agency shall credit
16 participating transporters an amount, proportionately based
17 on the amount of the vehicle fee paid, equal to the excess in
18 the account, and shall determine the need to reduce the
19 amount of the fee charged transporters in the subsequent
20 fiscal year by the amount of the credit.

21 (4) (A) The Agency may propose and the Board shall
22 adopt rules as necessary to implement and enforce the
23 Uniform Program. The Agency is authorized to enter into
24 agreements with other agencies of this State as necessary
25 to carry out administrative functions or enforcement of
26 the Uniform Program.

27 (B) The Agency shall recognize a Uniform Program
28 registration as valid for one year from the date a notice
29 of registration form is issued and a permit as valid for
30 3 years from the date issued or until a transporter fails
31 to renew its registration, whichever occurs first.

32 (C) The Agency may inspect or examine any motor
33 vehicle or facility operated by a transporter, including
34 papers, books, records, documents, or other materials to

1 determine if a transporter is complying with the Uniform
2 Program. The Agency may also conduct investigations and
3 audits as necessary to determine if a transporter is
4 entitled to a permit or to make suspension or revocation
5 determinations consistent with the standards of the
6 Uniform Program.

7 (5) The Agency may enter into agreements with
8 federal agencies, national repositories, or other
9 participating states as necessary to allow for the
10 reciprocal registration and permitting of transporters
11 pursuant to the Uniform Program. The agreements may
12 include procedures for determining a base state, the
13 collection and distribution of registration fees, dispute
14 resolution, the exchange of information for reporting and
15 enforcement purposes, and other provisions necessary to
16 fully implement, administer, and enforce the Uniform
17 Program.

18 (m) (Blank).

19 (n) (Blank).

20 (Source: P.A. 90-14, eff. 7-1-97; 90-219, eff. 7-25-97;
21 90-773, eff. 8-14-98; 91-36, eff. 6-15-99.)

22 (415 ILCS 5/58.9)

23 Sec. 58.9. Liability.

24 (a) Cost assignment.

25 (1) Notwithstanding any other provisions of this
26 Act to the contrary, including subsection (f) of Section
27 22.2, in no event may the Agency, the State of Illinois,
28 or any person bring an action pursuant to this Act or the
29 Groundwater Protection Act to require any person to
30 conduct remedial action or to seek recovery of costs for
31 remedial activity conducted by the State of Illinois or
32 any person beyond the remediation of releases of
33 regulated substances that may be attributed to being

1 proximately caused by such person's act or omission or
2 beyond such person's proportionate degree of
3 responsibility for costs of the remedial action of
4 releases of regulated substances that were proximately
5 caused or contributed to by 2 or more persons.

6 (2) Notwithstanding any provisions in this Act to
7 the contrary, including subsection (f) of Section 22.2,
8 in no event may the State of Illinois or any person
9 require the performance of remedial action pursuant to
10 this Act against any of the following:

11 (A) A person who neither caused nor
12 contributed to in any material respect a release of
13 regulated substances on, in, or under the site that
14 was identified and addressed by the remedial action
15 taken pursuant to this Title.

16 (B) Notwithstanding a landlord's rights
17 against a tenant, a landlord, if the landlord did
18 not know, and could not have reasonably known, of
19 the acts or omissions of a tenant that caused or
20 contributed to, or were likely to have caused or
21 contributed to, a release of regulated substances
22 that resulted in the performance of remedial action
23 at the site.

24 (C) The State of Illinois or any unit of local
25 government if it involuntarily acquires ownership or
26 control of the site by virtue of its function as a
27 sovereign through such means as escheat, bankruptcy,
28 tax delinquency, or abandonment, unless the State of
29 Illinois or unit of local government takes
30 possession of the site and exercises actual, direct,
31 and continual or recurrent managerial control in the
32 operation of the site that causes a release or
33 substantial threat of a release of a regulated
34 substance resulting in removal or remedial activity.

1 (D) The State of Illinois or any unit of local
2 government if it voluntarily acquires ownership or
3 control of the site through purchase, appropriation,
4 or other means, unless the State of Illinois or the
5 unit of local government takes possession of the
6 site and exercises actual, direct, and continual or
7 recurrent managerial control in the operation of the
8 site that causes a release or substantial threat of
9 a release of a regulated substance resulting in
10 removal or remedial activity.

11 (E) A financial institution, as that term is
12 defined in Section 2 of the Illinois Banking Act and
13 to include the Illinois State Finance Housing
14 Development Authority, that has acquired the
15 ownership, operation, management, or control of a
16 site through foreclosure, a deed in lieu of
17 foreclosure, receivership, by exercising of an
18 assignment of rents, as mortgagee in possession or
19 otherwise under the terms of a security interest
20 held by the financial institution, or under the
21 terms of an extension of credit made by the
22 financial institution, unless the financial
23 institution takes actual physical possession of the
24 site and, in so doing, directly causes a release of
25 a regulated substance that results in removal or
26 remedial activity.

27 (F) A corporate fiduciary that has acquired
28 ownership, operation, management, or control of a
29 site through acceptance of a fiduciary appointment
30 unless the corporate fiduciary directly causes a
31 release of a regulated substance resulting in a
32 removal or remedial activity.

33 (b) In the event that the State of Illinois seeks to
34 require a person who may be liable pursuant to this Act to

1 conduct remedial activities for a release or threatened
2 release of a regulated substance, the Agency shall provide
3 notice to such person. Such notice shall include the
4 necessity to conduct remedial action pursuant to this Title
5 and an opportunity for the person to perform the remedial
6 action.

7 (c) In any instance in which the Agency has issued
8 notice pursuant to subsection (b) of this Section, the
9 Agency and the person to whom such notice was issued may
10 attempt to determine the costs of conducting the remedial
11 action that are attributable to the releases to which such
12 person or any other person caused or contributed.
13 Determinations pursuant to this Section may be made in
14 accordance with rules promulgated by the Board.

15 (d) The Board shall adopt, not later than January 1,
16 1999, pursuant to Sections 27 and 28 of this Act, rules and
17 procedures for determining proportionate share. Such rules
18 shall, at a minimum, provide for criteria for the
19 determination of apportioned responsibility based upon the
20 degree to which a person directly caused or contributed to a
21 release of regulated substances on, in, or under the site
22 identified and addressed in the remedial action; procedures
23 to establish how and when such persons may file a petition
24 for determination of such apportionment; and any other
25 standards or procedures which the Board may adopt pursuant to
26 this Section. In developing such rules, the Board shall take
27 into consideration any recommendations and proposals of the
28 Agency and the Site Remediation Advisory Committee
29 established in Section 58.11 of this Act and other interested
30 participants.

31 (e) Nothing in this Section shall limit the authority of
32 the Agency to provide notice under subsection (q) of Section
33 4 or to undertake investigative, preventive, or corrective
34 action under any other applicable provisions of this Act.

1 The Director of the Agency is authorized to enter into such
2 contracts and agreements as may be necessary to carry out the
3 Agency's duties and responsibilities under this Section as
4 expeditiously as possible.

5 (f) This Section does not apply to any cost recovery
6 action brought by the State under Section 22.2 to recover
7 costs incurred by the State prior to July 1, 1996.

8 (Source: P.A. 89-443, eff. 7-1-96; 90-484, eff. 8-17-97.)

9 (415 ILCS 5/58.10)

10 Sec. 58.10. Effect of completed remediation; liability
11 releases.

12 (a) The Agency's issuance of the No Further Remediation
13 Letter signifies a release from further responsibilities
14 under this Act in performing the approved remedial action and
15 shall be considered prima facie evidence that the site does
16 not constitute a threat to human health and the environment
17 and does not require further remediation under this Act, so
18 long as the site is utilized in accordance with the terms of
19 the No Further Remediation Letter.

20 (b) Within 30 days of the Agency's approval of a
21 Remedial Action Completion Report, the Agency shall issue a
22 No Further Remediation Letter applicable to the site. In the
23 event that the Agency fails to issue the No Further
24 Remediation Letter within 30 days after approval of the
25 Remedial Action Completion Report, the No Further Remediation
26 Letter shall issue by operation of law. A No Further
27 Remediation Letter issued pursuant to this Section shall be
28 limited to and shall include all of the following:

29 (1) An acknowledgment that the requirements of the
30 Remedial Action Plan and the Remedial Action Completion
31 Report were satisfied;

32 (2) A description of the location of the affected
33 property by adequate legal description or by reference to

1 a plat showing its boundaries;

2 (3) The level of the remediation objectives,
3 specifying, as appropriate, any land use limitation
4 imposed as a result of such remediation efforts;

5 (4) A statement that the Agency's issuance of the
6 No Further Remediation Letter signifies a release from
7 further responsibilities under this Act in performing the
8 approved remedial action and shall be considered prima
9 facie evidence that the site does not constitute a threat
10 to human health and the environment and does not require
11 further remediation under the Act, so long as the site is
12 utilized in accordance with the terms of the No Further
13 Remediation Letter;

14 (5) The prohibition against the use of any site in
15 a manner inconsistent with any land use limitation
16 imposed as a result of such remediation efforts without
17 additional appropriate remedial activities;

18 (6) A description of any preventive, engineering,
19 and institutional controls required in the approved
20 Remedial Action Plan and notification that failure to
21 manage the controls in full compliance with the terms of
22 the Remedial Action Plan may result in avoidance of the No
23 Further Remediation Letter;

24 (7) The recording obligations pursuant to Section
25 58.8;

26 (8) The opportunity to request a change in the
27 recorded land use pursuant to Section 58.8;

28 (9) Notification that further information regarding
29 the site can be obtained from the Agency through a
30 request under the Freedom of Information Act (5 ILCS
31 140); and

32 (10) If only a portion of the site or only selected
33 regulated substances at a site were the subject of
34 corrective action, any other provisions agreed to by the

1 Agency and the RA.

2 (c) The Agency may deny a No Further Remediation Letter
3 if fees applicable under the review and evaluation services
4 agreement have not been paid in full.

5 (d) The No Further Remediation Letter shall apply in
6 favor of the following persons:

7 (1) The RA or other person to whom the letter was
8 issued.

9 (2) The owner and operator of the site.

10 (3) Any parent corporation or subsidiary of the
11 owner of the site.

12 (4) Any co-owner, either by joint-tenancy, right
13 of survivorship, or any other party sharing a legal
14 relationship with the owner of the site.

15 (5) Any holder of a beneficial interest of a land
16 trust or inter vivos trust, whether revocable or
17 irrevocable, involving the site.

18 (6) Any mortgagee or trustee of a deed of trust of
19 the owner of the site or any assignee, transferee, or any
20 successor-in-interest thereto.

21 (7) Any successor-in-interest of the owner of the
22 site.

23 (8) Any transferee of the owner of the site whether
24 the transfer was by sale, bankruptcy proceeding,
25 partition, dissolution of marriage, settlement or
26 adjudication of any civil action, charitable gift, or
27 bequest.

28 (9) Any heir or devisee of the owner of the site.

29 (10) Any financial institution, as that term is
30 defined in Section 2 of the Illinois Banking Act and to
31 include the Illinois State Finance Housing-Development
32 Authority, that has acquired the ownership, operation,
33 management, or control of a site through foreclosure or
34 under the terms of a security interest held by the

1 financial institution, under the terms of an extension of
2 credit made by the financial institution, or any
3 successor in interest thereto.

4 (11) In the case of a fiduciary (other than a land
5 trustee), the estate, trust estate, or other interest in
6 property held in a fiduciary capacity, and a trustee,
7 executor, administrator, guardian, receiver, conservator,
8 or other person who holds the remediated site in a
9 fiduciary capacity, or a transferee of such party.

10 (e) The No Further Remediation Letter shall be voidable
11 if the site activities are not managed in full compliance
12 with the provisions of this Title, any rules adopted under
13 it, or the approved Remedial Action Plan or remediation
14 objectives upon which the issuance of the No Further
15 Remediation Letter was based. Specific acts or omissions
16 that may result in avoidance of the No Further Remediation
17 Letter include, but shall not be limited to:

18 (1) Any violation of institutional controls or land
19 use restrictions, if applicable;

20 (2) The failure of the owner, operator, RA, or any
21 subsequent transferee to operate and maintain preventive
22 or engineering controls or comply with a groundwater
23 monitoring plan, if applicable;

24 (3) The disturbance or removal of contamination
25 that has been left in place in accordance with the
26 Remedial Action Plan;

27 (4) The failure to comply with the recording
28 requirements of Section 58.8;

29 (5) Obtaining the No Further Remediation Letter by
30 fraud or misrepresentation;

31 (6) Subsequent discovery of contaminants, not
32 identified as part of the investigative or remedial
33 activities upon which the issuance of the No Further
34 Remediation Letter was based, that pose a threat to human

1 health or the environment; or

2 (7) The failure to pay the No Further Remediation
3 Assessment required under subsection (g) of this Section.

4 (f) If the Agency seeks to void a No Further Remediation
5 Letter, it shall provide notice by certified letter to the
6 current title holder of the site and to the RA at his or her
7 last known address. The notice shall specify the cause for
8 the voidance and describe facts in support of that cause.

9 (1) Within 35 days of the receipt of the notice of
10 voidance, the RA or current title holder may appeal the
11 Agency's decision to the Board in the manner provided for
12 the review of permits in Section 40 of this Act. If the
13 Board fails to take final action on the petition within
14 120 days, unless such time period is waived by the
15 petitioner, the petition shall be deemed denied and the
16 petitioner shall be entitled to an Appellate Court order
17 pursuant to subsection (d) of Section 41 of this Act.
18 The Agency shall have the burden of proof in any such
19 action.

20 (2) If the Agency's action is not appealed, the
21 Agency shall submit the notice of voidance to the Office
22 of the Recorder or the Registrar of Titles for the county
23 in which the site is located. The notice shall be filed
24 in accordance with Illinois law so that it forms a
25 permanent part of the chain of title for the site.

26 (3) If the Agency's action is appealed, the action
27 shall not become effective until the appeal process has
28 been exhausted and a final decision reached by the Board
29 or courts.

30 (4) Upon receiving notice of appeal, the Agency
31 shall file a notice of lis pendens with the Office of the
32 Recorder or the Registrar of Titles for the county in
33 which the site is located. The notice shall be filed in
34 accordance with Illinois law so that it becomes a part of

1 the chain of title for the site. However, if the Agency's
2 action is not upheld on appeal, the notice of lis pendens
3 shall be removed in accordance with Illinois law within
4 45 days of receipt of the final decision of the Board or
5 the courts.

6 (g) Within 30 days after the receipt of a No Further
7 Remediation Letter issued by the Agency or by operation of
8 law pursuant to this Section, the recipient of the letter
9 shall forward to the Agency a No Further Remediation
10 Assessment in the amount of the lesser of \$2,500 or an amount
11 equal to the costs incurred for the site by the Agency under
12 Section 58.7. The assessment shall be made payable to the
13 State of Illinois, for deposit in the Hazardous Waste Fund.
14 The No Further Remediation Assessment is in addition to any
15 other costs that may be incurred by the Agency pursuant to
16 Section 58.7.

17 (Source: P.A. 89-431, eff. 12-15-95; 89-443, eff. 7-1-96;
18 89-626, eff. 8-9-96.)

19 Section 909.26. The Illinois Highway Code is amended by
20 changing Section 5-903 as follows:

21 (605 ILCS 5/5-903) (from Ch. 121, par. 5-903)

22 Sec. 5-903. Definitions. As used in this Division:

23 "Units of local government" mean counties with a
24 population over 400,000 and all home rule municipalities.

25 "Road improvement impact fee" means any charge or fee
26 levied or imposed by a unit of local government as a
27 condition to the issuance of a building permit or a
28 certificate of occupancy in connection with a new
29 development, when any portion of the revenues collected is
30 intended to be used to fund any portion of the costs of road
31 improvements.

32 "Road improvements" mean the improvement, expansion,

1 enlargement or construction of roads, streets, or highways
2 under the jurisdiction of units of local government,
3 including but not limited to bridges, rights-of-way, and
4 traffic control improvements owned and operated by such units
5 of local government. Road improvements may also include the
6 improvement, expansion, enlargement or construction of roads,
7 ramps, streets or highways under the jurisdiction of the
8 State of Illinois, provided an agreement providing for the
9 construction and financing of such road improvements has been
10 reached between the State and the unit of local government
11 and incorporated into the comprehensive road improvement
12 plan. Road improvements shall not include tollways but may
13 include tollway ramps.

14 "New development" means any residential, commercial,
15 industrial or other project which is being newly constructed,
16 reconstructed, redeveloped, structurally altered, relocated,
17 or enlarged, and which generates additional traffic within
18 the service area or areas of the unit of local government.
19 "New development" shall not include any new development for
20 which site specific development approval has been given by a
21 unit of local government within 18 months before the first
22 date of publication by the unit of local government of a
23 notice of public hearing to consider the land use assumptions
24 relating to the development of a comprehensive road
25 improvement plan and imposition of impact fees; provided,
26 however, that a building permit for such new development is
27 issued within 18 months after the date of publication of such
28 notice.

29 "Roads, streets or highways" mean any roads, streets or
30 highways which have been designated by the unit of local
31 government in the comprehensive road improvement plan
32 together with all necessary appurtenances, including but not
33 limited to bridges, rights-of-way, tollway ramps, and traffic
34 control improvements.

1 "Comprehensive road improvement plan" means a plan
2 prepared by the unit of local government in consultation with
3 the Advisory Committee.

4 "Advisory Committee" means the group of members selected
5 from the public and private sectors to advise in the
6 development and implementation of the comprehensive road
7 improvement plan, and the periodic update of the plan.

8 "Person" means any individual, firm, partnership,
9 association, public or private corporation, organization or
10 business, charitable trust, or unit of local government.

11 "Land use assumptions" means a description of the service
12 area or areas and the roads, streets or highways incorporated
13 therein, including projections relating to changes in land
14 uses, densities and population growth rates which affect the
15 level of traffic within the service area or areas over a 20
16 year period of time.

17 "Service area" means one or more land areas within the
18 boundaries of the unit of local government which has been
19 designated by the unit of local government in the
20 comprehensive road improvement plan.

21 "Residential development" means a house, building, or
22 other structure that is suitable or capable of being used for
23 residential purposes.

24 "Nonresidential development" means a building or other
25 structure that is suitable or capable of being used for all
26 purposes other than residential purposes.

27 "Specifically and uniquely attributable" means that a new
28 development creates the need, or an identifiable portion of
29 the need, for additional capacity to be provided by a road
30 improvement. Each new development paying impact fees used to
31 fund a road improvement must receive a direct and material
32 benefit from the road improvement constructed with the impact
33 fees paid. The need for road improvements funded by impact
34 fees shall be based upon generally accepted traffic

1 engineering practices as assignable to the new development
2 paying the fees.

3 "Proportionate share" means the cost of road improvements
4 that are specifically and uniquely attributable to a new
5 development after the consideration of the following factors:
6 the amount of additional traffic generated by the new
7 development, any appropriate credit or offset for
8 contribution of money, dedication of land, construction of
9 road improvements or traffic reduction techniques, payments
10 reasonably anticipated to be made by or as a result of a new
11 development in the form of user fees, debt service payments,
12 or taxes which are dedicated for road improvements and all
13 other available sources of funding road improvements.

14 "Level of service" means one of the categories of road
15 service as defined by the Institute of Transportation
16 Engineers which shall be selected by a unit of local
17 government imposing the impact fee as the adopted level of
18 service to serve existing development not subject to the fee
19 and new development, provided that the level of service
20 selected for new development shall not exceed the level of
21 service adopted for existing development.

22 "Site specific development approval" means an approval of
23 a plan submitted by a developer to a unit of local government
24 describing with reasonable certainty the type and intensity
25 of use for a specific parcel or parcels of property. The
26 plan may be in the form of, but need not be limited to, any
27 of the following: a preliminary or final planned unit
28 development plan, subdivision plat, development plan,
29 conditional or special use permit, or any other form of
30 development use approval, as utilized by a unit of local
31 government, provided that the development use approval
32 constitutes a final exercise of discretion by the unit of
33 local government.

34 "Developer" means any person who undertakes new

1 development.

2 "Existing deficiencies" mean existing roads, streets, or
3 highways operating at a level of service below the adopted
4 level of service selected by the unit of local government, as
5 defined in the comprehensive road improvement plan.

6 "Assisted financing" means the financing of residential
7 development by the Illinois State Finance Housing-Development
8 Authority, including loans to developers for multi-unit
9 residential development and loans to purchasers of single
10 family residences, including condominiums and townhomes.

11 (Source: P.A. 90-356, eff. 8-10-97.)

12 Section 909.27. The Code of Civil Procedure is amended
13 by changing Section 9-119 as follows:

14 (735 ILCS 5/9-119)

15 Sec. 9-119. Emergency subsidized housing eviction
16 proceedings.

17 (a) As used in this Section:

18 "FmHA" means the Farmers Home Administration or a local
19 housing authority administering an FmHA program.

20 "HUD" means the United States Department of Housing and
21 Urban Development, or the Federal Housing Administration or a
22 local housing authority administering a HUD program.

23 "Section 8 contract" means a contract with HUD or FmHA
24 which provides rent subsidies entered into pursuant to
25 Section 8 of the United States Housing Act of 1937 or the
26 Section 8 Existing Housing Program (24 C.F.R. Part 882).

27 "Subsidized housing" means:

28 (1) any housing or unit of housing subject to a
29 Section 8 contract;

30 (2) any housing or unit of housing owned, operated,
31 or managed by a housing authority established under the
32 Housing Authorities Act; or

1 (3) any housing or unit of housing financed by a
2 loan or mortgage held by the Illinois State Finance
3 Housing-Development Authority, a local housing authority,
4 or the federal Department of Housing and Urban
5 Development ("HUD") that is:

6 (i) insured or held by HUD under Section
7 221(d)(3) of the National Housing Act and assisted
8 under Section 101 of the Housing and Urban
9 Development Act of 1965 or Section 8 of the United
10 States Housing Act of 1937;

11 (ii) insured or held by HUD and bears interest
12 at a rate determined under the proviso of Section
13 221(d)(3) of the National Housing Act;

14 (iii) insured, assisted, or held by HUD under
15 Section 202 or 236 of the National Housing Act;

16 (iv) insured or held by HUD under Section 514
17 or 515 of the Housing Act of 1949;

18 (v) insured or held by HUD under the United
19 States Housing Act of 1937; or

20 (vi) held by HUD and formerly insured under a
21 program listed in subdivision (i), (ii), (iii),
22 (iv), or (v).

23 (b) This Section applies only if all of the following
24 conditions are met:

25 (1) The verified complaint seeks possession of
26 premises that are subsidized housing as defined under
27 this Section.

28 (2) The verified complaint alleges that there is
29 direct evidence of refusal by the tenant to allow the
30 landlord or agent of the landlord or other person
31 authorized by State or federal law or regulations or
32 local ordinance to inspect the premises, provided that
33 all of the following conditions have been met:

34 (A) on 2 separate occasions within a 30 day

1 period the tenant, or another person on the premises
2 with the consent of the tenant, refuses to allow the
3 landlord or agent of the landlord or other person
4 authorized by State or federal law or regulations or
5 local ordinance to inspect the premises;

6 (B) the landlord then sends written notice to
7 the tenant stating that (i) the tenant, or a person
8 on the premises with the consent of the tenant,
9 failed twice within a 30 day period to allow the
10 landlord or agent of the landlord or other person
11 authorized by State or federal law or regulations or
12 local ordinance to inspect the premises and (ii) the
13 tenant must allow the landlord or agent of the
14 landlord or other person authorized by State or
15 federal law or regulations or local ordinance to
16 inspect the premises within the next 30 days or face
17 emergency eviction proceedings under this Section;

18 (C) the tenant subsequently fails to allow the
19 landlord or agent of the landlord or other person
20 authorized by State or federal law or regulations or
21 local ordinance to inspect the premises within 30
22 days of receiving the notice from the landlord; and

23 (D) the tenant's written lease states that the
24 occurrence of the events described in items (A),
25 (B), and (C) may result in eviction.

26 (3) Notice, by verified complaint setting forth the
27 relevant facts, and a demand for possession of the type
28 specified in Section 9-104 is served on the tenant or
29 occupant of the premises at least 14 days before a
30 hearing on the complaint is held, and proof of service of
31 the complaint is submitted by the plaintiff to the court.

32 (c) When a complaint has been filed under this Section,
33 a hearing on the complaint shall be scheduled on any day
34 after the expiration of 14 days following the filing of the

1 complaint. The summons shall advise the defendant that a
2 hearing on the complaint shall be held at the specified date
3 and time, and that the defendant should be prepared to
4 present any evidence on his or her behalf at that time.

5 (d) If the defendant does not appear at the hearing,
6 judgment for possession of the premises in favor of the
7 plaintiff shall be entered by default. If the defendant
8 appears, a trial shall be held immediately as is prescribed
9 in other proceedings for possession. The matter shall not be
10 continued beyond 7 days from the date set for the first
11 hearing on the complaint except by agreement of both the
12 plaintiff and the defendant. After a trial, if the court
13 finds, by a preponderance of the evidence, that the
14 allegations in the complaint have been proven, the court
15 shall enter judgment for possession of the premises in favor
16 of the plaintiff and the court shall order that the plaintiff
17 shall be entitled to re-enter the premises immediately.

18 (e) A judgment for possession entered under this Section
19 may not be stayed for any period in excess of 7 days by the
20 court. Thereafter the plaintiff shall be entitled to
21 re-enter the premises immediately. The sheriff or other
22 lawfully deputized officers shall give priority to service
23 and execution of orders entered under this Section over other
24 possession orders.

25 (Source: P.A. 89-660, eff. 1-1-97.)

26 Section 909.28. The Notice of Prepayment of Federally
27 Subsidized Mortgage Act is amended by changing Sections 3, 4,
28 5, and 6 as follows:

29 (765 ILCS 925/3) (from Ch. 67 1/2, par. 903)

30 Sec. 3. As used in this Act:

31 (a) "ISFA IHDA" means the Illinois State Finance Housing
32 Development Authority.

1 (b) "FmHA" means the Farmers Home Administration or a
2 local housing authority administering an FmHA program.

3 (c) "HUD" means the United States Department of Housing
4 and Urban Development, or the Federal Housing Administration
5 or a local housing authority administering a HUD program.

6 (d) "Owner" means the person, partnership, or
7 corporation that is a party to a contract with HUD or FmHA
8 providing for a mortgage, mortgage assistance, mortgage
9 insurance, or rent subsidy; or any spouse, employee, agent,
10 partner, master lessee, business affiliate or associate, or
11 successor in interest of such person, partnership or
12 corporation, that receives or demands rent for the subsidized
13 housing.

14 (e) "Prepayment of mortgage" means the prepayment of a
15 mortgage, or loan prior to maturity, that is:

16 (1) insured or held by HUD under Section 221(d)(3) of
17 the National Housing Act and assisted under Section 101 of
18 the Housing and Urban Development Act of 1965 or Section 8 of
19 the United States Housing Act of 1937;

20 (2) insured or held by HUD and bears interest at a rate
21 determined under the proviso of Section 221(d)(3) of the
22 National Housing Act;

23 (3) insured, assisted or held by HUD under Section 236
24 of the National Housing Act;

25 (4) insured or held by HUD under Section 514 or 515 of
26 the Housing Act of 1949; or

27 (5) held by HUD and formerly insured under a program
28 listed in this subsection (e).

29 (f) "Section 8 contract" means a contract with HUD or
30 FmHA which provides rent subsidies entered into pursuant to
31 Section 8 of the United States Housing Act of 1937 or the
32 Section 8 Existing Housing Program (24 C.F.R. Part 882).

33 (g) "Subsidized housing" means any housing or unit of
34 housing financed by a loan or mortgage insured or held by HUD

1 under a program listed in subsection (e) of this Section, or
2 subject to a Section 8 contract.

3 (h) "Unit of local government" means (1) the
4 municipality within which subsidized housing is located, or
5 (2) if subsidized housing is not located within the
6 boundaries of any municipality, the county in which the
7 subsidized housing is located.

8 (Source: P.A. 85-1438.)

9 (765 ILCS 925/4) (from Ch. 67 1/2, par. 904)

10 Sec. 4. (a) An owner of subsidized housing shall provide
11 to the clerk of the unit of local government and to ISFA ~~FHDA~~
12 notice of the earliest date upon which he may exercise
13 prepayment of mortgage. Such notice shall be delivered at
14 least 12 months prior to the date upon which the owner may
15 prepay the mortgage. The notice shall include the following
16 information:

17 (1) the name and address of the owner or managing agent
18 of the building;

19 (2) the earliest date of allowed prepayment;

20 (3) the number of subsidized housing units in the
21 building subject to prepayment, and the number of subsidized
22 housing units occupied by persons age 62 or older, disabled
23 persons, and households with children;

24 (4) the rental payment paid by each household occupying
25 a subsidized housing unit, not including any federal subsidy
26 received by the owner for such subsidized housing unit; and

27 (5) the rent schedule for the subsidized housing units
28 as approved by HUD or FmHA.

29 Such notice shall be available to the public upon
30 request.

31 (b) Twelve months prior to the date upon which an owner
32 may exercise prepayment of mortgage, the owner shall:

33 (1) post a copy of such notice in a prominent location

1 in the affected building and leave the notice posted during
2 the entire notice period, and

3 (2) deliver, personally or by certified mail, copies of
4 the notice to all tenants residing in the building.

5 The owner shall provide a copy of the notice to all
6 prospective tenants. Such notices shall be on forms
7 prescribed by ISFA ~~IHDA~~.

8 (Source: P.A. 85-1438.)

9 (765 ILCS 925/5) (from Ch. 67 1/2, par. 905)

10 Sec. 5. An owner of subsidized housing shall provide to
11 the clerk of the unit of local government and ISFA ~~IHDA~~
12 notice of his intent to exercise his prepayment of mortgage
13 option at least 9 months prior to the date of the intended
14 prepayment of mortgage.

15 At least 9 months prior to the intended date of the
16 prepayment of mortgage, the owner shall post in a prominent
17 location in the affected building and shall deliver, either
18 personally or by certified mail, a notice to all tenants
19 residing in the building. Such notice shall be provided in
20 writing to all prospective tenants during the notice period.

21 The notice to the unit of local government and ISFA ~~IHDA~~
22 and the notice to the tenants shall be provided on forms
23 prescribed by ISFA ~~IHDA~~. These notices shall be considered
24 in effect for 15 months from the date received by the unit of
25 local government and ISFA ~~IHDA~~. If prepayment does not occur
26 within the 15 month period, a new 9 month notice will be
27 required prior to prepayment of mortgage.

28 (Source: P.A. 85-1438.)

29 (765 ILCS 925/6) (from Ch. 67 1/2, par. 906)

30 Sec. 6. Before executing any lease agreement, an owner
31 of a building receiving a Section 8 contract, of which ISFA
32 ~~IHDA~~ is not the contract administrator, shall notify all

1 prospective tenants in writing of the date of the expiration
2 of the Section 8 contract. An owner shall notify current
3 tenants of the date of expiration of a Section 8 contract
4 within 60 days of the effective date of this Act.

5 (Source: P.A. 85-1438.)

6 Section 909.29. The Illinois Pension Code is amended by
7 changing Section 2-117.1 as follows:

8 (40 ILCS 5/2-117.1) (from Ch. 108 1/2, par. 2-117.1)

9 Sec. 2-117.1. Participants - Election to continue
10 participation.

11 (a) Any person who has served as a member for 4 or more
12 years or who has elected to become a member pursuant to
13 Section 2-105, and who is employed in such a position as to
14 be eligible to actively participate in one of the retirement
15 systems established under Articles 5 through 18 of this Code
16 or under the authority of the Illinois State Finance
17 Authority ~~Housing--Development~~ Act, and who earns in that
18 capacity, at the time of making an election under this
19 subsection, an amount at least equal to the minimum salary
20 provided by law for members of the General Assembly, may
21 elect after he or she ceases to be a member, but in no event
22 after June 1, 1992, to continue his or her participation in
23 this System for up to 4 additional years instead of
24 participating in such other retirement system, by making
25 written application to the board.

26 (b) A person who elects to continue participation under
27 this Section shall make contributions directly to the board,
28 not less frequently than monthly, at the rates specified for
29 participants under Section 2-126. The State shall continue
30 to make contributions on behalf of persons participating
31 under this Section on the same basis as for other
32 participants.

1 Creditable service shall be granted to any person for the
 2 period, not exceeding 4 years, during which the person
 3 continues participation under this Section and continues to
 4 make contributions as required.

5 (c) A person who elects to continue participation under
 6 this Section may cancel such election at any time, and may
 7 apply to transfer the creditable service accumulated under
 8 this Section to any one of the retirement systems established
 9 under Articles 5 through 18 or the Illinois State Finance
 10 Authority Housing--Development Act in which he or she is
 11 eligible to participate. Upon such application, the board
 12 shall pay to such retirement system (1) the amounts credited
 13 to the participant under this Section through participant
 14 contributions, including interest, if any, on the date of
 15 transfer, plus (2) employer contributions in an amount equal
 16 to the amount determined under clause (1). Participation in
 17 this System as to any credits transferred under this Section
 18 shall terminate on the date of transfer.

19 (Source: P.A. 86-272; 86-1488; 87-794.)

20 Section 912.1. The Children and Family Services Act is
 21 amended by changing Section 22.4 as follows:

22 (20 ILCS 505/22.4) (from Ch. 23, par. 5022.4)

23 Sec. 22.4. Low-interest loans for child care facilities;
 24 Department of Human Services. The Department of Human
 25 Services may establish, with financing to be provided through
 26 the issuance of bonds by the Illinois State Finance Health
 27 ~~Faeilities~~ Authority pursuant to the Illinois State Finance
 28 ~~Health-Faeilities~~ Authority Act, ~~as-new-or-hereafter-amended,~~
 29 a low-interest loan program to help child care centers and
 30 family day care homes accomplish the following:

- 31 (a) establish a child care program;
- 32 (b) meet federal, State and local child care

1 standards as well as any applicable health and safety
2 standards; or

3 (c) build facilities or renovate or expand existing
4 facilities.

5 Such loans shall be available only to child care centers
6 and family day care homes serving children of low income
7 families.

8 (Source: P.A. 89-507, eff. 7-1-97.)

9 Section 912.2. The Energy Conservation and Coal
10 Development Act is amended by changing Section 15 as follows:

11 (20 ILCS 1105/15) (from Ch. 96 1/2, par. 7415)

12 Sec. 15. (a) The Department, in cooperation with the
13 Illinois Development Finance Authority, shall establish a
14 program to assist units of local government, as defined in
15 the Illinois Development Finance Authority Act, to identify
16 and arrange financing for energy conservation projects for
17 buildings and facilities owned or leased by those units of
18 local government.

19 (b) The Department, in cooperation with the Illinois
20 State Finance Health-Facilities Authority, shall establish a
21 program to assist health facilities to identify and arrange
22 financing for energy conservation projects for buildings and
23 facilities owned or leased by those health facilities.

24 (Source: P.A. 87-852; 88-45.)

25 Section 912.3. The Illinois Public Aid Code is amended
26 by changing Sections 11-3 and 11-3.3 as follows:

27 (305 ILCS 5/11-3) (from Ch. 23, par. 11-3)

28 Sec. 11-3. Assignment and attachment of aid prohibited.
29 Except as provided below in this Section and in Section
30 11-3.3, all financial aid given under Articles III, IV, V, VI

1 and VII and money payments for child care services provided
2 by a child care provider under Articles IX and IXA shall not
3 be subject to assignment, sale, attachment, garnishment, or
4 otherwise. Provided, however, that a medical vendor may use
5 his right to receive vendor payments as collateral for loans
6 from financial institutions so long as such arrangements do
7 not constitute any activity prohibited under Section
8 1902(a)(32) of the Social Security Act and regulations
9 promulgated thereunder, or any other applicable laws or
10 regulations. Provided further, however, that a medical or
11 other vendor or a service provider may assign, reassign,
12 sell, pledge or grant a security interest in any such
13 financial aid, vendor payments or money payments or grants
14 which he has a right to receive to the Illinois State Finance
15 Health-Facilities Authority, in connection with any financing
16 program undertaken by the Illinois State Finance Health
17 Facilities Authority, or to the Illinois Development Finance
18 Authority, in connection with any financing program
19 undertaken by the Illinois Development Finance Authority.
20 Each Authority may utilize a trustee or agent to accept,
21 accomplish, effectuate or realize upon any such assignment,
22 reassignment, sale, pledge or grant on that Authority's
23 behalf. Provided further, however, that nothing herein shall
24 prevent the Illinois Department from collecting any
25 assessment, fee, interest or penalty due under Article V-A,
26 V-B, V-C, or V-E by withholding financial aid as payment of
27 such assessment, fee, interest, or penalty. Any alienation in
28 contravention of this statute does not diminish and does not
29 affect the validity, legality or enforceability of any
30 underlying obligations for which such alienation may have
31 been made as collateral between the parties to the
32 alienation. This amendatory Act shall be retroactive in
33 application and shall pertain to obligations existing prior
34 to its enactment.

1 (Source: P.A. 87-13; 87-842; 87-861; 88-88; 88-554, eff.
2 7-26-94.)

3 (305 ILCS 5/11-3.3) (from Ch. 23, par. 11-3.3)

4 Sec. 11-3.3. Payment to provider or governmental agency
5 or entity. Payments under this Code shall be made to the
6 provider, except that the Department may issue or may agree
7 to issue the payment directly to the Illinois State Finance
8 Health-Facilities Authority, the Illinois Development Finance
9 Authority, or any other governmental agency or entity,
10 including any bond trustee for that agency or entity, to whom
11 the provider has assigned, reassigned, sold, pledged or
12 granted a security interest in the payments that the provider
13 has a right to receive, provided that the issuance or
14 agreement to issue is not prohibited under Section
15 1902(a)(32) of the Social Security Act.

16 (Source: P.A. 87-842.)

17 Section 912.4. The AIDS Confidentiality Act is amended
18 by changing Section 3 as follows:

19 (410 ILCS 305/3) (from Ch. 111 1/2, par. 7303)

20 Sec. 3. When used in this Act:

21 (a) "Department" means the Illinois Department of Public
22 Health.

23 (b) "AIDS" means acquired immunodeficiency syndrome.

24 (c) "HIV" means the Human Immunodeficiency Virus or any
25 other identified causative agent of AIDS.

26 (d) "Written informed consent" means an agreement in
27 writing executed by the subject of a test or the subject's
28 legally authorized representative without undue inducement or
29 any element of force, fraud, deceit, duress or other form of
30 constraint or coercion, which entails at least the following:

31 (1) a fair explanation of the test, including its

1 purpose, potential uses, limitations and the meaning of its
2 results; and

3 (2) a fair explanation of the procedures to be followed,
4 including the voluntary nature of the test, the right to
5 withdraw consent to the testing process at any time, the
6 right to anonymity to the extent provided by law with respect
7 to participation in the test and disclosure of test results,
8 and the right to confidential treatment of information
9 identifying the subject of the test and the results of the
10 test, to the extent provided by law.

11 (e) "Health facility" means a hospital, nursing home,
12 blood bank, blood center, sperm bank, or other health care
13 institution, including any "health facility" as that term is
14 defined in the Illinois State Finance Health-Facilities
15 Authority Act.

16 (f) "Health care provider" means any physician, nurse,
17 paramedic, psychologist or other person providing medical,
18 nursing, psychological, or other health care services of any
19 kind.

20 (g) "Test" or "HIV test" means a test to determine the
21 presence of the antibody or antigen to HIV, or of HIV
22 infection.

23 (h) "Person" includes any natural person, partnership,
24 association, joint venture, trust, governmental entity,
25 public or private corporation, health facility or other legal
26 entity.

27 (Source: P.A. 85-677; 85-679.)

28 Section 915.1. The State Employees Group Insurance Act
29 of 1971 is amended by changing Section 3 as follows:

30 (5 ILCS 375/3) (from Ch. 127, par. 523)

31 Sec. 3. Definitions. Unless the context otherwise
32 requires, the following words and phrases as used in this Act

1 shall have the following meanings. The Department may define
2 these and other words and phrases separately for the purpose
3 of implementing specific programs providing benefits under
4 this Act.

5 (a) "Administrative service organization" means any
6 person, firm or corporation experienced in the handling of
7 claims which is fully qualified, financially sound and
8 capable of meeting the service requirements of a contract of
9 administration executed with the Department.

10 (b) "Annuitant" means (1) an employee who retires, or
11 has retired, on or after January 1, 1966 on an immediate
12 annuity under the provisions of Articles 2, 14, 15 (including
13 an employee who has retired under the optional retirement
14 program established under Section 15-158.2), paragraphs (2),
15 (3), or (5) of Section 16-106, or Article 18 of the Illinois
16 Pension Code; (2) any person who was receiving group
17 insurance coverage under this Act as of March 31, 1978 by
18 reason of his status as an annuitant, even though the annuity
19 in relation to which such coverage was provided is a
20 proportional annuity based on less than the minimum period of
21 service required for a retirement annuity in the system
22 involved; (3) any person not otherwise covered by this Act
23 who has retired as a participating member under Article 2 of
24 the Illinois Pension Code but is ineligible for the
25 retirement annuity under Section 2-119 of the Illinois
26 Pension Code; (4) the spouse of any person who is receiving a
27 retirement annuity under Article 18 of the Illinois Pension
28 Code and who is covered under a group health insurance
29 program sponsored by a governmental employer other than the
30 State of Illinois and who has irrevocably elected to waive
31 his or her coverage under this Act and to have his or her
32 spouse considered as the "annuitant" under this Act and not
33 as a "dependent"; or (5) an employee who retires, or has
34 retired, from a qualified position, as determined according

1 to rules promulgated by the Director, under a qualified local
2 government or a qualified rehabilitation facility or a
3 qualified domestic violence shelter or service. (For
4 definition of "retired employee", see (p) post).

5 (b-5) "New SERS annuitant" means a person who, on or
6 after January 1, 1998, becomes an annuitant, as defined in
7 subsection (b), by virtue of beginning to receive a
8 retirement annuity under Article 14 of the Illinois Pension
9 Code, and is eligible to participate in the basic program of
10 group health benefits provided for annuitants under this Act.

11 (b-6) "New SURS annuitant" means a person who (1) on or
12 after January 1, 1998, becomes an annuitant, as defined in
13 subsection (b), by virtue of beginning to receive a
14 retirement annuity under Article 15 of the Illinois Pension
15 Code, (2) has not made the election authorized under Section
16 15-135.1 of the Illinois Pension Code, and (3) is eligible to
17 participate in the basic program of group health benefits
18 provided for annuitants under this Act.

19 (b-7) "New TRS State annuitant" means a person who, on
20 or after July 1, 1998, becomes an annuitant, as defined in
21 subsection (b), by virtue of beginning to receive a
22 retirement annuity under Article 16 of the Illinois Pension
23 Code based on service as a teacher as defined in paragraph
24 (2), (3), or (5) of Section 16-106 of that Code, and is
25 eligible to participate in the basic program of group health
26 benefits provided for annuitants under this Act.

27 (c) "Carrier" means (1) an insurance company, a
28 corporation organized under the Limited Health Service
29 Organization Act or the Voluntary Health Services Plan Act, a
30 partnership, or other nongovernmental organization, which is
31 authorized to do group life or group health insurance
32 business in Illinois, or (2) the State of Illinois as a
33 self-insurer.

34 (d) "Compensation" means salary or wages payable on a

1 regular payroll by the State Treasurer on a warrant of the
2 State Comptroller out of any State, trust or federal fund, or
3 by the Governor of the State through a disbursing officer of
4 the State out of a trust or out of federal funds, or by any
5 Department out of State, trust, federal or other funds held
6 by the State Treasurer or the Department, to any person for
7 personal services currently performed, and ordinary or
8 accidental disability benefits under Articles 2, 14, 15
9 (including ordinary or accidental disability benefits under
10 the optional retirement program established under Section
11 15-158.2), paragraphs (2), (3), or (5) of Section 16-106, or
12 Article 18 of the Illinois Pension Code, for disability
13 incurred after January 1, 1966, or benefits payable under the
14 Workers' Compensation or Occupational Diseases Act or
15 benefits payable under a sick pay plan established in
16 accordance with Section 36 of the State Finance Act.

17 "Compensation" also means salary or wages paid to an employee
18 of any qualified local government or qualified rehabilitation
19 facility or a qualified domestic violence shelter or service.

20 (e) "Commission" means the State Employees Group
21 Insurance Advisory Commission authorized by this Act.
22 Commencing July 1, 1984, "Commission" as used in this Act
23 means the Illinois Economic and Fiscal Commission as
24 established by the Legislative Commission Reorganization Act
25 of 1984.

26 (f) "Contributory", when referred to as contributory
27 coverage, shall mean optional coverages or benefits elected
28 by the member toward the cost of which such member makes
29 contribution, or which are funded in whole or in part through
30 the acceptance of a reduction in earnings or the foregoing of
31 an increase in earnings by an employee, as distinguished from
32 noncontributory coverage or benefits which are paid entirely
33 by the State of Illinois without reduction of the member's
34 salary.

1 (g) "Department" means any department, institution,
2 board, commission, officer, court or any agency of the State
3 government receiving appropriations and having power to
4 certify payrolls to the Comptroller authorizing payments of
5 salary and wages against such appropriations as are made by
6 the General Assembly from any State fund, or against trust
7 funds held by the State Treasurer and includes boards of
8 trustees of the retirement systems created by Articles 2, 14,
9 15, 16 and 18 of the Illinois Pension Code. "Department"
10 also includes the Illinois Comprehensive Health Insurance
11 Board, the Board of Examiners established under the Illinois
12 Public Accounting Act, and the Illinois State Finance
13 Authority Rural-Bond-Bank.

14 (h) "Dependent", when the term is used in the context of
15 the health and life plan, means a member's spouse and any
16 unmarried child (1) from birth to age 19 including an adopted
17 child, a child who lives with the member from the time of the
18 filing of a petition for adoption until entry of an order of
19 adoption, a stepchild or recognized child who lives with the
20 member in a parent-child relationship, or a child who lives
21 with the member if such member is a court appointed guardian
22 of the child, or (2) age 19 to 23 enrolled as a full-time
23 student in any accredited school, financially dependent upon
24 the member, and eligible to be claimed as a dependent for
25 income tax purposes, or (3) age 19 or over who is mentally or
26 physically handicapped. For the health plan only, the term
27 "dependent" also includes any person enrolled prior to the
28 effective date of this Section who is dependent upon the
29 member to the extent that the member may claim such person as
30 a dependent for income tax deduction purposes; no other such
31 person may be enrolled.

32 (i) "Director" means the Director of the Illinois
33 Department of Central Management Services.

34 (j) "Eligibility period" means the period of time a

1 member has to elect enrollment in programs or to select
2 benefits without regard to age, sex or health.

3 (k) "Employee" means and includes each officer or
4 employee in the service of a department who (1) receives his
5 compensation for service rendered to the department on a
6 warrant issued pursuant to a payroll certified by a
7 department or on a warrant or check issued and drawn by a
8 department upon a trust, federal or other fund or on a
9 warrant issued pursuant to a payroll certified by an elected
10 or duly appointed officer of the State or who receives
11 payment of the performance of personal services on a warrant
12 issued pursuant to a payroll certified by a Department and
13 drawn by the Comptroller upon the State Treasurer against
14 appropriations made by the General Assembly from any fund or
15 against trust funds held by the State Treasurer, and (2) is
16 employed full-time or part-time in a position normally
17 requiring actual performance of duty during not less than 1/2
18 of a normal work period, as established by the Director in
19 cooperation with each department, except that persons elected
20 by popular vote will be considered employees during the
21 entire term for which they are elected regardless of hours
22 devoted to the service of the State, and (3) except that
23 "employee" does not include any person who is not eligible by
24 reason of such person's employment to participate in one of
25 the State retirement systems under Articles 2, 14, 15 (either
26 the regular Article 15 system or the optional retirement
27 program established under Section 15-158.2) or 18, or under
28 paragraph (2), (3), or (5) of Section 16-106, of the Illinois
29 Pension Code, but such term does include persons who are
30 employed during the 6 month qualifying period under Article
31 14 of the Illinois Pension Code. Such term also includes any
32 person who (1) after January 1, 1966, is receiving ordinary
33 or accidental disability benefits under Articles 2, 14, 15
34 (including ordinary or accidental disability benefits under

1 the optional retirement program established under Section
2 15-158.2), paragraphs (2), (3), or (5) of Section 16-106, or
3 Article 18 of the Illinois Pension Code, for disability
4 incurred after January 1, 1966, (2) receives total permanent
5 or total temporary disability under the Workers' Compensation
6 Act or Occupational Disease Act as a result of injuries
7 sustained or illness contracted in the course of employment
8 with the State of Illinois, or (3) is not otherwise covered
9 under this Act and has retired as a participating member
10 under Article 2 of the Illinois Pension Code but is
11 ineligible for the retirement annuity under Section 2-119 of
12 the Illinois Pension Code. However, a person who satisfies
13 the criteria of the foregoing definition of "employee" except
14 that such person is made ineligible to participate in the
15 State Universities Retirement System by clause (4) of
16 subsection (a) of Section 15-107 of the Illinois Pension Code
17 is also an "employee" for the purposes of this Act.
18 "Employee" also includes any person receiving or eligible for
19 benefits under a sick pay plan established in accordance with
20 Section 36 of the State Finance Act. "Employee" also includes
21 each officer or employee in the service of a qualified local
22 government, including persons appointed as trustees of
23 sanitary districts regardless of hours devoted to the service
24 of the sanitary district, and each employee in the service of
25 a qualified rehabilitation facility and each full-time
26 employee in the service of a qualified domestic violence
27 shelter or service, as determined according to rules
28 promulgated by the Director.

29 (l) "Member" means an employee, annuitant, retired
30 employee or survivor.

31 (m) "Optional coverages or benefits" means those
32 coverages or benefits available to the member on his or her
33 voluntary election, and at his or her own expense.

34 (n) "Program" means the group life insurance, health

1 benefits and other employee benefits designed and contracted
2 for by the Director under this Act.

3 (o) "Health plan" means a health benefits program
4 offered by the State of Illinois for persons eligible for the
5 plan.

6 (p) "Retired employee" means any person who would be an
7 annuitant as that term is defined herein but for the fact
8 that such person retired prior to January 1, 1966. Such term
9 also includes any person formerly employed by the University
10 of Illinois in the Cooperative Extension Service who would be
11 an annuitant but for the fact that such person was made
12 ineligible to participate in the State Universities
13 Retirement System by clause (4) of subsection (a) of Section
14 15-107 of the Illinois Pension Code.

15 (q) "Survivor" means a person receiving an annuity as a
16 survivor of an employee or of an annuitant. "Survivor" also
17 includes: (1) the surviving dependent of a person who
18 satisfies the definition of "employee" except that such
19 person is made ineligible to participate in the State
20 Universities Retirement System by clause (4) of subsection
21 (a) of Section 15-107 of the Illinois Pension Code; and (2)
22 the surviving dependent of any person formerly employed by
23 the University of Illinois in the Cooperative Extension
24 Service who would be an annuitant except for the fact that
25 such person was made ineligible to participate in the State
26 Universities Retirement System by clause (4) of subsection
27 (a) of Section 15-107 of the Illinois Pension Code.

28 (q-5) "New SERS survivor" means a survivor, as defined
29 in subsection (q), whose annuity is paid under Article 14 of
30 the Illinois Pension Code and is based on the death of (i) an
31 employee whose death occurs on or after January 1, 1998, or
32 (ii) a new SERS annuitant as defined in subsection (b-5).

33 (q-6) "New SURS survivor" means a survivor, as defined
34 in subsection (q), whose annuity is paid under Article 15 of

1 the Illinois Pension Code and is based on the death of (i) an
2 employee whose death occurs on or after January 1, 1998, or
3 (ii) a new SURS annuitant as defined in subsection (b-6).

4 (q-7) "New TRS State survivor" means a survivor, as
5 defined in subsection (q), whose annuity is paid under
6 Article 16 of the Illinois Pension Code and is based on the
7 death of (i) an employee who is a teacher as defined in
8 paragraph (2), (3), or (5) of Section 16-106 of that Code and
9 whose death occurs on or after July 1, 1998, or (ii) a new
10 TRS State annuitant as defined in subsection (b-7).

11 (r) "Medical services" means the services provided
12 within the scope of their licenses by practitioners in all
13 categories licensed under the Medical Practice Act of 1987.

14 (s) "Unit of local government" means any county,
15 municipality, township, school district, special district or
16 other unit, designated as a unit of local government by law,
17 which exercises limited governmental powers or powers in
18 respect to limited governmental subjects, any not-for-profit
19 association with a membership that primarily includes
20 townships and township officials, that has duties that
21 include provision of research service, dissemination of
22 information, and other acts for the purpose of improving
23 township government, and that is funded wholly or partly in
24 accordance with Section 85-15 of the Township Code; any
25 not-for-profit corporation or association, with a membership
26 consisting primarily of municipalities, that operates its own
27 utility system, and provides research, training,
28 dissemination of information, or other acts to promote
29 cooperation between and among municipalities that provide
30 utility services and for the advancement of the goals and
31 purposes of its membership; the Southern Illinois Collegiate
32 Common Market, which is a consortium of higher education
33 institutions in Southern Illinois; and the Illinois
34 Association of Park Districts. "Qualified local government"

1 means a unit of local government approved by the Director and
2 participating in a program created under subsection (i) of
3 Section 10 of this Act.

4 (t) "Qualified rehabilitation facility" means any
5 not-for-profit organization that is accredited by the
6 Commission on Accreditation of Rehabilitation Facilities or
7 certified by the Department of Human Services (as successor
8 to the Department of Mental Health and Developmental
9 Disabilities) to provide services to persons with
10 disabilities and which receives funds from the State of
11 Illinois for providing those services, approved by the
12 Director and participating in a program created under
13 subsection (j) of Section 10 of this Act.

14 (u) "Qualified domestic violence shelter or service"
15 means any Illinois domestic violence shelter or service and
16 its administrative offices funded by the Department of Human
17 Services (as successor to the Illinois Department of Public
18 Aid), approved by the Director and participating in a program
19 created under subsection (k) of Section 10.

20 (v) "TRS benefit recipient" means a person who:

21 (1) is not a "member" as defined in this Section;
22 and

23 (2) is receiving a monthly benefit or retirement
24 annuity under Article 16 of the Illinois Pension Code;
25 and

26 (3) either (i) has at least 8 years of creditable
27 service under Article 16 of the Illinois Pension Code, or
28 (ii) was enrolled in the health insurance program offered
29 under that Article on January 1, 1996, or (iii) is the
30 survivor of a benefit recipient who had at least 8 years
31 of creditable service under Article 16 of the Illinois
32 Pension Code or was enrolled in the health insurance
33 program offered under that Article on the effective date
34 of this amendatory Act of 1995, or (iv) is a recipient or

1 survivor of a recipient of a disability benefit under
2 Article 16 of the Illinois Pension Code.

3 (w) "TRS dependent beneficiary" means a person who:

4 (1) is not a "member" or "dependent" as defined in
5 this Section; and

6 (2) is a TRS benefit recipient's: (A) spouse, (B)
7 dependent parent who is receiving at least half of his or
8 her support from the TRS benefit recipient, or (C)
9 unmarried natural or adopted child who is (i) under age
10 19, or (ii) enrolled as a full-time student in an
11 accredited school, financially dependent upon the TRS
12 benefit recipient, eligible to be claimed as a dependent
13 for income tax purposes, and either is under age 24 or
14 was, on January 1, 1996, participating as a dependent
15 beneficiary in the health insurance program offered under
16 Article 16 of the Illinois Pension Code, or (iii) age 19
17 or over who is mentally or physically handicapped.

18 (x) "Military leave with pay and benefits" refers to
19 individuals in basic training for reserves, special/advanced
20 training, annual training, emergency call up, or activation
21 by the President of the United States with approved pay and
22 benefits.

23 (y) "Military leave without pay and benefits" refers to
24 individuals who enlist for active duty in a regular component
25 of the U.S. Armed Forces or other duty not specified or
26 authorized under military leave with pay and benefits.

27 (z) "Community college benefit recipient" means a person
28 who:

29 (1) is not a "member" as defined in this Section;
30 and

31 (2) is receiving a monthly survivor's annuity or
32 retirement annuity under Article 15 of the Illinois
33 Pension Code; and

34 (3) either (i) was a full-time employee of a

1 community college district or an association of community
2 college boards created under the Public Community College
3 Act (other than an employee whose last employer under
4 Article 15 of the Illinois Pension Code was a community
5 college district subject to Article VII of the Public
6 Community College Act) and was eligible to participate in
7 a group health benefit plan as an employee during the
8 time of employment with a community college district
9 (other than a community college district subject to
10 Article VII of the Public Community College Act) or an
11 association of community college boards, or (ii) is the
12 survivor of a person described in item (i).

13 (aa) "Community college dependent beneficiary" means a
14 person who:

15 (1) is not a "member" or "dependent" as defined in
16 this Section; and

17 (2) is a community college benefit recipient's: (A)
18 spouse, (B) dependent parent who is receiving at least
19 half of his or her support from the community college
20 benefit recipient, or (C) unmarried natural or adopted
21 child who is (i) under age 19, or (ii) enrolled as a
22 full-time student in an accredited school, financially
23 dependent upon the community college benefit recipient,
24 eligible to be claimed as a dependent for income tax
25 purposes and under age 23, or (iii) age 19 or over and
26 mentally or physically handicapped.

27 (Source: P.A. 90-14, eff. 7-1-97; 90-65, eff. 7-7-97; 90-448,
28 eff. 8-16-97; 90-497, eff. 8-18-97; 90-511, eff. 8-22-97;
29 90-582, eff. 5-27-98; 90-655, eff. 7-30-98; 91-390, eff.
30 7-30-99; 91-395, eff. 7-30-99; 91-617, eff, 8-19-99; revised
31 10-19-99.)

32 Section 915.2. The Build Illinois Act is amended by
33 changing Section 8-3 as follows:

1 (30 ILCS 750/8-3) (from Ch. 127, par. 2708-3)
2 Sec. 8-3. Powers of the Department. The Department has
3 the power to:

4 (a) provide business development public infrastructure
5 loans or grants from appropriations from the Build Illinois
6 Bond Fund, the Build Illinois Purposes Fund, the Fund for
7 Illinois' Future, and the Public Infrastructure Construction
8 Loan Fund to local governments to provide or improve a
9 community's public infrastructure so as to create or retain
10 private sector jobs pursuant to the provisions of this
11 Article;

12 (b) provide affordable financing of public
13 infrastructure loans and grants to, or on behalf of, local
14 governments, local public entities, medical facilities, and
15 public health clinics from appropriations from the Public
16 Infrastructure Construction Loan Fund for the purpose of
17 assisting with the financing, or application and access to
18 financing, of a community's public infrastructure necessary
19 to health, safety, and economic development;

20 (c) enter into agreements, accept funds or grants, and
21 engage in cooperation with agencies of the federal
22 government, or state or local governments to carry out the
23 purposes of this Article, and to use funds appropriated
24 pursuant to this Article to participate in federal
25 infrastructure loan and grant programs upon such terms and
26 conditions as may be established by the federal government;

27 (d) establish application, notification, contract, and
28 other procedures, rules, or regulations deemed necessary and
29 appropriate to carry out the provisions of this Article;

30 (e) coordinate assistance under this program with
31 activities of the Illinois Development Finance Authority in
32 order to maximize the effectiveness and efficiency of State
33 development programs;

34 (f) coordinate assistance under the Affordable Financing

1 of Public Infrastructure Loan and Grant Program with the
2 activities of the Illinois Development Finance Authority,
3 Illinois State Finance Authority Rural--Bond--Bank, Illinois
4 Farm Development Authority, Illinois Housing Development
5 Authority, Illinois Environmental Protection Agency, and
6 other federal and State programs and entities providing
7 financing assistance to communities for public health,
8 safety, and economic development infrastructure;

9 (f-5) provide staff, administration, and related support
10 required to manage the programs authorized under this Article
11 and pay for the staffing, administration, and related support
12 from the Public Infrastructure Construction Loan Revolving
13 Fund;

14 (g) exercise such other powers as are necessary or
15 incidental to the foregoing.

16 (Source: P.A. 90-454, eff. 8-16-97; 91-34, eff. 7-1-99.)

17 Section 915.3. The Illinois Pension Code is amended by
18 changing Section 14-103.04 as follows:

19 (40 ILCS 5/14-103.04) (from Ch. 108 1/2, par. 14-103.04)

20 Sec. 14-103.04. Department. "Department": Any
21 department, institution, board, commission, officer, court,
22 or any agency of the State having power to certify payrolls
23 to the State Comptroller authorizing payments of salary or
24 wages against State appropriations, or against trust funds
25 held by the State Treasurer, except those departments
26 included under the term "employer" in the State Universities
27 Retirement System. "Department" includes the Illinois
28 Development Finance Authority. "Department" also includes
29 the Illinois Comprehensive Health Insurance Board and the
30 Illinois State Finance Authority Rural--Bond--Bank.

31 (Source: P.A. 90-511, eff. 8-22-97.)

1 Section 918.1. The Intergovernmental Cooperation Act is
2 amended by changing Section 3 as follows:

3 (5 ILCS 220/3) (from Ch. 127, par. 743)

4 Sec. 3. Intergovernmental cooperation. Any power or
5 powers, privileges, functions, or authority exercised or
6 which may be exercised by a public agency of this State may
7 be exercised, combined, transferred, and enjoyed jointly with
8 any other public agency of this State and jointly with any
9 public agency of any other state or of the United States to
10 the extent that laws of such other state or of the United
11 States do not prohibit joint exercise or enjoyment and except
12 where specifically and expressly prohibited by law. This
13 includes, but is not limited to, (i) arrangements between the
14 Illinois State Finance Authority Student---Assistance
15 Commission and agencies in other states which issue
16 professional licenses and (ii) agreements between the
17 Illinois Department of Public Aid and public agencies for the
18 establishment and enforcement of child support orders and for
19 the exchange of information that may be necessary for the
20 enforcement of those child support orders.

21 (Source: P.A. 90-18, eff. 7-1-97; 91-298, eff. 7-29-99.)

22 Section 918.2. The State Comptroller Act is amended by
23 changing Section 10.05b as follows:

24 (15 ILCS 405/10.05b) (from Ch. 15, par. 210.05b)

25 Sec. 10.05b. Deduction from Warrants and Payments for
26 Satisfaction of Delinquent Student Loan and Financial Aid
27 Obligations. At the direction of the Illinois State Finance
28 Authority Student--Assistance--Commission, the Comptroller
29 shall deduct from a warrant or other payment described in
30 Section 10.05 of this Act, in accordance with the procedures
31 provided therein, and pay over to the Illinois State Finance

1 Authority Student-Assistance-Commission that amount certified
2 as necessary to satisfy, in whole or in part: (a) delinquent
3 or defaulted amounts due and owing from a borrower, whether
4 or not due and owing to the State, on any loan guaranteed by
5 that Authority Commission under the Illinois State Finance
6 Authority Higher-Education-Student-Assistance Act or on any
7 "eligible loan" as that term is defined under the Education
8 Loan Purchase Program Law; and (b) any amounts recoverable
9 under ~~Section--120--of~~ the Illinois State Finance Authority
10 Higher-Education-Student-Assistance Act, whether or not any
11 amounts so recoverable are due and owing to the State, in a
12 civil action from a person who received a scholarship, grant,
13 monetary award, or guaranteed loan. The Comptroller shall
14 provide the Authority Commission with the address to which
15 the warrant or other payment was to be mailed and the social
16 security number of each person from whom a deduction is made
17 pursuant to this Section.

18 (Source: P.A. 87-997.)

19 Section 918.3. The State Treasurer Act is amended by
20 changing Section 16.5 as follows:

21 (15 ILCS 505/16.5)

22 Sec. 16.5. College Savings Pool. The State Treasurer may
23 establish and administer a College Savings Pool to supplement
24 and enhance the investment opportunities otherwise available
25 to persons seeking to finance the costs of higher education.
26 The State Treasurer, in administering the College Savings
27 Pool, may receive moneys paid into the pool by a participant
28 and may serve as the fiscal agent of that participant for the
29 purpose of holding and investing those moneys.

30 "Participant", as used in this Section, means any person
31 that makes investments in the pool. "Designated beneficiary",
32 as used in this Section, means any person on whose behalf an

1 account is established in the College Savings Pool by a
2 participant. Both in-state and out-of-state persons may be
3 participants and designated beneficiaries in the College
4 Savings Pool.

5 New accounts in the College Savings Pool shall be
6 processed through participating financial institutions.
7 "Participating financial institution", as used in this
8 Section, means any financial institution insured by the
9 Federal Deposit Insurance Corporation and lawfully doing
10 business in the State of Illinois and any credit union
11 approved by the State Treasurer and lawfully doing business
12 in the State of Illinois that agrees to process new accounts
13 in the College Savings Pool. Participating financial
14 institutions may charge a processing fee to participants to
15 open an account in the pool that shall not exceed \$30 until
16 the year 2001. Beginning in 2001 and every year thereafter,
17 the maximum fee limit shall be adjusted by the Treasurer
18 based on the Consumer Price Index for the North Central
19 Region as published by the United States Department of Labor,
20 Bureau of Labor Statistics for the immediately preceding
21 calendar year. Every contribution received by a financial
22 institution for investment in the College Savings Pool shall
23 be transferred from the financial institution to a location
24 selected by the State Treasurer within one business day
25 following the day that the funds must be made available in
26 accordance with federal law. All communications from the
27 State Treasurer to participants shall reference the
28 participating financial institution at which the account was
29 processed.

30 The Treasurer may invest the moneys in the College
31 Savings Pool in the same manner, in the same types of
32 investments, and subject to the same limitations provided for
33 the investment of moneys by the Illinois State Board of
34 Investment. To enhance the safety and liquidity of the

1 College Savings Pool, to ensure the diversification of the
2 investment portfolio of the pool, and in an effort to keep
3 investment dollars in the State of Illinois, the State
4 Treasurer shall make a percentage of each account available
5 for investment in participating financial institutions doing
6 business in the State. The State Treasurer shall deposit
7 with the participating financial institution at which the
8 account was processed the following percentage of each
9 account at a prevailing rate offered by the institution,
10 provided that the deposit is federally insured or fully
11 collateralized and the institution accepts the deposit: 10%
12 of the total amount of each account for which the current age
13 of the beneficiary is less than 7 years of age, 20% of the
14 total amount of each account for which the beneficiary is at
15 least 7 years of age and less than 12 years of age, and 50%
16 of the total amount of each account for which the current age
17 of the beneficiary is at least 12 years of age. The State
18 Treasurer shall adjust each account at least annually to
19 ensure compliance with this Section. The Treasurer shall
20 develop, publish, and implement an investment policy covering
21 the investment of the moneys in the College Savings Pool. The
22 policy shall be published (i) at least once each year in at
23 least one newspaper of general circulation in both
24 Springfield and Chicago and (ii) each year as part of the
25 audit of the College Savings Pool by the Auditor General,
26 which shall be distributed to all participants. The Treasurer
27 shall notify all participants in writing, and the Treasurer
28 shall publish in a newspaper of general circulation in both
29 Chicago and Springfield, any changes to the previously
30 published investment policy at least 30 calendar days before
31 implementing the policy. Any investment policy adopted by the
32 Treasurer shall be reviewed and updated if necessary within
33 90 days following the date that the State Treasurer takes
34 office.

1 Participants shall be required to use moneys distributed
2 from the College Savings Pool for qualified expenses at
3 eligible educational institutions. "Qualified expenses", as
4 used in this Section, means the following: (i) tuition, fees,
5 and the costs of books, supplies, and equipment required for
6 enrollment or attendance at an eligible educational
7 institution and (ii) certain room and board expenses incurred
8 while attending an eligible educational institution at least
9 half-time. "Eligible educational institutions", as used in
10 this Section, means public and private colleges, junior
11 colleges, graduate schools, and certain vocational
12 institutions that are described in Section 481 of the Higher
13 Education Act of 1965 (20 U.S.C. 1088) and that are eligible
14 to participate in Department of Education student aid
15 programs. A student shall be considered to be enrolled at
16 least half-time if the student is enrolled for at least half
17 the full-time academic work load for the course of study the
18 student is pursuing as determined under the standards of the
19 institution at which the student is enrolled. Distributions
20 made from the pool for qualified expenses shall be made
21 directly to the eligible educational institution, directly to
22 a vendor, or in the form of a check payable to both the
23 beneficiary and the institution or vendor. Any moneys that
24 are distributed in any other manner or that are used for
25 expenses other than qualified expenses at an eligible
26 educational institution shall be subject to a penalty of 10%
27 of the earnings unless the beneficiary dies, becomes
28 disabled, or receives a scholarship that equals or exceeds
29 the distribution. Penalties shall be withheld at the time the
30 distribution is made.

31 The Treasurer shall limit the contributions that may be
32 made on behalf of a designated beneficiary based on an
33 actuarial estimate of what is required to pay tuition, fees,
34 and room and board for 5 undergraduate years at the highest

1 cost eligible educational institution. The contributions made
2 on behalf of a beneficiary who is also a beneficiary under
3 the Illinois Prepaid Tuition Program shall be further
4 restricted to ensure that the contributions in both programs
5 combined do not exceed the limit established for the College
6 Savings Pool. The Treasurer shall provide the Illinois State
7 Finance Authority Student-Assistance-Commission each year at
8 a time designated by the Authority Commission, an electronic
9 report of all participant accounts in the Treasurer's College
10 Savings Pool, listing total contributions and disbursements
11 from each individual account during the previous calendar
12 year. As soon thereafter as is possible following receipt of
13 the Treasurer's report, the Illinois State Finance Authority
14 Student-Assistance-Commission shall, in turn, provide the
15 Treasurer with an electronic report listing those College
16 Savings Pool participants who also participate in the State's
17 prepaid tuition program, administered by the Authority
18 Commission. The Authority Commission shall be responsible
19 for filing any combined tax reports regarding State qualified
20 savings programs required by the United States Internal
21 Revenue Service. The Treasurer shall work with the Illinois
22 State Finance Authority Student--Assistance--Commission to
23 coordinate the marketing of the College Savings Pool and the
24 Illinois Prepaid Tuition Program when considered beneficial
25 by the Treasurer and the Director of the Illinois State
26 Finance Authority Student---Assistance---Commission. The
27 Treasurer's office shall not publicize or otherwise market
28 the College Savings Pool or accept any moneys into the
29 College Savings Pool prior to March 1, 2000. The Treasurer
30 shall provide a separate accounting for each designated
31 beneficiary to each participant, the Illinois State Finance
32 Authority Student---Assistance---Commission, and the
33 participating financial institution at which the account was
34 processed. No interest in the program may be pledged as

1 security for a loan.

2 The assets of the College Savings Pool and its income and
3 operation shall be exempt from all taxation by the State of
4 Illinois and any of its subdivisions. The accrued earnings
5 on investments in the Pool once disbursed on behalf of a
6 designated beneficiary shall be similarly exempt from all
7 taxation by the State of Illinois and its subdivisions, so
8 long as they are used for qualified expenses. The provisions
9 of this paragraph are exempt from Section 250 of the Illinois
10 Income Tax Act.

11 The Treasurer shall adopt rules he or she considers
12 necessary for the efficient administration of the College
13 Savings Pool. The rules shall provide whatever additional
14 parameters and restrictions are necessary to ensure that the
15 College Savings Pool meets all of the requirements for a
16 qualified state tuition program under Section 529 of the
17 Internal Revenue Code (26 U.S.C. 529 52). The rules shall
18 provide for the administration expenses of the pool to be
19 paid from its earnings and for the investment earnings in
20 excess of the expenses and all moneys collected as penalties
21 to be credited or paid monthly to the several participants in
22 the pool in a manner which equitably reflects the differing
23 amounts of their respective investments in the pool and the
24 differing periods of time for which those amounts were in the
25 custody of the pool. Also, the rules shall require the
26 maintenance of records that enable the Treasurer's office to
27 produce a report for each account in the pool at least
28 annually that documents the account balance and investment
29 earnings. Notice of any proposed amendments to the rules and
30 regulations shall be provided to all participants prior to
31 adoption. Amendments to rules and regulations shall apply
32 only to contributions made after the adoption of the
33 amendment.

34 Upon creating the College Savings Pool, the State

1 Treasurer shall give bond with 2 or more sufficient sureties,
2 payable to and for the benefit of the participants in the
3 College Savings Pool, in the penal sum of \$1,000,000,
4 conditioned upon the faithful discharge of his or her duties
5 in relation to the College Savings Pool.

6 (Source: P.A. 91-607, eff. 1-1-00; 91-829, eff. 1-1-01;
7 revised 7-3-00.)

8 Section 918.4. The Department of Nuclear Safety Law of
9 the Civil Administrative Code of Illinois is amended by
10 changing Section 2005-85 as follows:

11 (20 ILCS 2005/2005-85) (was 20 ILCS 2005/71 in part)

12 Sec. 2005-85. No accreditation, certification, or
13 registration if in default on educational loan. The
14 Department shall not issue or renew to any individual any
15 accreditation, certification, or registration (but excluding
16 registration under the Radiation Installation Act) otherwise
17 issued by the Department if the individual has defaulted on
18 an educational loan guaranteed by the Illinois State Finance
19 Authority Student---Assistance---Commission; however, the
20 Department may issue or renew an accreditation,
21 certification, or registration if the individual has
22 established a satisfactory repayment record as determined by
23 the Illinois State Finance Authority Student--Assistance
24 Commission. Additionally, any accreditation, certification,
25 or registration issued by the Department (but excluding
26 registration under the Radiation Installation Act) may be
27 suspended or revoked if the Department, after the opportunity
28 for a hearing under the appropriate accreditation,
29 certification, or registration Act, finds that the holder has
30 failed to make satisfactory repayment to the Illinois State
31 Finance Authority Student--Assistance--Commission for a
32 delinquent or defaulted loan. For purposes of this Section,

1 "satisfactory repayment record" shall be defined by rule.
2 (Source: P.A. 90-14, eff. 7-1-97; 90-209, eff. 7-25-97;
3 91-239, eff. 1-1-00.)

4 Section 918.5. The Department of Professional Regulation
5 Law of the Civil Administrative Code of Illinois is amended
6 by changing Section 2105-15 as follows:

7 (20 ILCS 2105/2105-15) (was 20 ILCS 2105/60)

8 Sec. 2105-15. General powers and duties.

9 (a) The Department has, subject to the provisions of the
10 Civil Administrative Code of Illinois, the following powers
11 and duties:

12 (1) To authorize examinations in English to
13 ascertain the qualifications and fitness of applicants to
14 exercise the profession, trade, or occupation for which
15 the examination is held.

16 (2) To prescribe rules and regulations for a fair
17 and wholly impartial method of examination of candidates
18 to exercise the respective professions, trades, or
19 occupations.

20 (3) To pass upon the qualifications of applicants
21 for licenses, certificates, and authorities, whether by
22 examination, by reciprocity, or by endorsement.

23 (4) To prescribe rules and regulations defining,
24 for the respective professions, trades, and occupations,
25 what shall constitute a school, college, or university,
26 or department of a university, or other institution,
27 reputable and in good standing, and to determine the
28 reputability and good standing of a school, college, or
29 university, or department of a university, or other
30 institution, reputable and in good standing, by reference
31 to a compliance with those rules and regulations;
32 provided, that no school, college, or university, or

1 department of a university, or other institution that
2 refuses admittance to applicants solely on account of
3 race, color, creed, sex, or national origin shall be
4 considered reputable and in good standing.

5 (5) To conduct hearings on proceedings to revoke,
6 suspend, refuse to renew, place on probationary status,
7 or take other disciplinary action as authorized in any
8 licensing Act administered by the Department with regard
9 to licenses, certificates, or authorities of persons
10 exercising the respective professions, trades, or
11 occupations and to revoke, suspend, refuse to renew,
12 place on probationary status, or take other disciplinary
13 action as authorized in any licensing Act administered by
14 the Department with regard to those licenses,
15 certificates, or authorities. The Department shall issue
16 a monthly disciplinary report. The Department shall deny
17 any license or renewal authorized by the Civil
18 Administrative Code of Illinois to any person who has
19 defaulted on an educational loan or scholarship provided
20 by or guaranteed by the Illinois State Finance Authority
21 Student-Assistance-Commission or any governmental agency
22 of this State; however, the Department may issue a
23 license or renewal if the aforementioned persons have
24 established a satisfactory repayment record as determined
25 by the Illinois State Finance Authority Student
26 Assistance-Commission or other appropriate governmental
27 agency of this State. Additionally, beginning June 1,
28 1996, any license issued by the Department may be
29 suspended or revoked if the Department, after the
30 opportunity for a hearing under the appropriate licensing
31 Act, finds that the licensee has failed to make
32 satisfactory repayment to the Illinois State Finance
33 Authority Student-Assistance-Commission for a delinquent
34 or defaulted loan. For the purposes of this Section,

1 "satisfactory repayment record" shall be defined by rule.
2 The Department shall refuse to issue or renew a license
3 to, or shall suspend or revoke a license of, any person
4 who, after receiving notice, fails to comply with a
5 subpoena or warrant relating to a paternity or child
6 support proceeding. However, the Department may issue a
7 license or renewal upon compliance with the subpoena or
8 warrant.

9 The Department, without further process or hearings,
10 shall revoke, suspend, or deny any license or renewal
11 authorized by the Civil Administrative Code of Illinois
12 to a person who is certified by the Illinois Department
13 of Public Aid as being more than 30 days delinquent in
14 complying with a child support order or who is certified
15 by a court as being in violation of the Non-Support of
16 Punishment Act for more than 60 days. The Department
17 may, however, issue a license or renewal if the person
18 has established a satisfactory repayment record as
19 determined by the Illinois Department of Public Aid or if
20 the person is determined by the court to be in compliance
21 with the Non-Support Punishment Act. The Department may
22 implement this paragraph as added by Public Act 89-6
23 through the use of emergency rules in accordance with
24 Section 5-45 of the Illinois Administrative Procedure
25 Act. For purposes of the Illinois Administrative
26 Procedure Act, the adoption of rules to implement this
27 paragraph shall be considered an emergency and necessary
28 for the public interest, safety, and welfare.

29 (6) To transfer jurisdiction of any realty under
30 the control of the Department to any other department of
31 the State Government or to acquire or accept federal
32 lands when the transfer, acquisition, or acceptance is
33 advantageous to the State and is approved in writing by
34 the Governor.

1 (7) To formulate rules and regulations necessary
2 for the enforcement of any Act administered by the
3 Department.

4 (8) To exchange with the Illinois Department of
5 Public Aid information that may be necessary for the
6 enforcement of child support orders entered pursuant to
7 the Illinois Public Aid Code, the Illinois Marriage and
8 Dissolution of Marriage Act, the Non-Support of Spouse
9 and Children Act, the Non-Support Punishment Act, the
10 Revised Uniform Reciprocal Enforcement of Support Act,
11 the Uniform Interstate Family Support Act, or the
12 Illinois Parentage Act of 1984. Notwithstanding any
13 provisions in this Code to the contrary, the Department
14 of Professional Regulation shall not be liable under any
15 federal or State law to any person for any disclosure of
16 information to the Illinois Department of Public Aid
17 under this paragraph (8) or for any other action taken in
18 good faith to comply with the requirements of this
19 paragraph (8).

20 (9) To perform other duties prescribed by law.

21 (b) The Department may, when a fee is payable to the
22 Department for a wall certificate of registration provided by
23 the Department of Central Management Services, require that
24 portion of the payment for printing and distribution costs be
25 made directly or through the Department to the Department of
26 Central Management Services for deposit into the Paper and
27 Printing Revolving Fund. The remainder shall be deposited
28 into the General Revenue Fund.

29 (c) For the purpose of securing and preparing evidence,
30 and for the purchase of controlled substances, professional
31 services, and equipment necessary for enforcement activities,
32 recoupment of investigative costs, and other activities
33 directed at suppressing the misuse and abuse of controlled
34 substances, including those activities set forth in Sections

1 504 and 508 of the Illinois Controlled Substances Act, the
2 Director and agents appointed and authorized by the Director
3 may expend sums from the Professional Regulation Evidence
4 Fund that the Director deems necessary from the amounts
5 appropriated for that purpose. Those sums may be advanced to
6 the agent when the Director deems that procedure to be in the
7 public interest. Sums for the purchase of controlled
8 substances, professional services, and equipment necessary
9 for enforcement activities and other activities as set forth
10 in this Section shall be advanced to the agent who is to make
11 the purchase from the Professional Regulation Evidence Fund
12 on vouchers signed by the Director. The Director and those
13 agents are authorized to maintain one or more commercial
14 checking accounts with any State banking corporation or
15 corporations organized under or subject to the Illinois
16 Banking Act for the deposit and withdrawal of moneys to be
17 used for the purposes set forth in this Section; provided,
18 that no check may be written nor any withdrawal made from any
19 such account except upon the written signatures of 2 persons
20 designated by the Director to write those checks and make
21 those withdrawals. Vouchers for those expenditures must be
22 signed by the Director. All such expenditures shall be
23 audited by the Director, and the audit shall be submitted to
24 the Department of Central Management Services for approval.

25 (d) Whenever the Department is authorized or required by
26 law to consider some aspect of criminal history record
27 information for the purpose of carrying out its statutory
28 powers and responsibilities, then, upon request and payment
29 of fees in conformance with the requirements of Section
30 2605-400 of the Department of State Police Law (20 ILCS
31 2605/2605-400), the Department of State Police is authorized
32 to furnish, pursuant to positive identification, the
33 information contained in State files that is necessary to
34 fulfill the request.

1 (e) The provisions of this Section do not apply to
2 private business and vocational schools as defined by Section
3 1 of the Private Business and Vocational Schools Act.

4 (f) Beginning July 1, 1995, this Section does not apply
5 to those professions, trades, and occupations licensed under
6 the Real Estate License Act of 2000, nor does it apply to any
7 permits, certificates, or other authorizations to do business
8 provided for in the Land Sales Registration Act of 1989 or
9 the Illinois Real Estate Time-Share Act.

10 (Source: P.A. 90-18, eff. 7-1-97; 91-239, eff. 1-1-00;
11 91-245, eff. 12-31-99; 91-613, eff. 10-1-99; revised
12 9-29-99.)

13 Section 918.6. The School Code is amended by changing
14 Sections 21-23, 30-9, 30-12.5, 30-14.8, and 30-17.1 as
15 follows:

16 (105 ILCS 5/21-23) (from Ch. 122, par. 21-23)
17 Sec. 21-23. Suspension or revocation of certificate.

18 (a) Any certificate issued pursuant to this Article,
19 including but not limited to any administrative certificate
20 or endorsement, may be suspended for a period not to exceed
21 one calendar year by the regional superintendent or for a
22 period not to exceed 5 calendar years by the State
23 Superintendent of Education upon evidence of immorality, a
24 condition of health detrimental to the welfare of pupils,
25 incompetency, unprofessional conduct, the neglect of any
26 professional duty, willful failure to report an instance of
27 suspected child abuse or neglect as required by the Abused
28 and Neglected Child Reporting Act, failure to establish
29 satisfactory repayment on an educational loan guaranteed by
30 the Illinois State Finance Authority Student--Assistance
31 Commission, or other just cause. Unprofessional conduct
32 shall include refusal to attend or participate in,

1 institutes, teachers' meetings, professional readings, or to
2 meet other reasonable requirements of the regional
3 superintendent or State Superintendent of Education.
4 Unprofessional conduct also includes conduct that violates
5 the standards, ethics, or rules applicable to the security,
6 administration, monitoring, or scoring of, or the reporting
7 of scores from, any assessment test or the Prairie State
8 Achievement Examination administered under Section 2-3.64 or
9 that is known or intended to produce or report manipulated or
10 artificial, rather than actual, assessment or achievement
11 results or gains from the administration of those tests or
12 examinations. It shall also include neglect or unnecessary
13 delay in making of statistical and other reports required by
14 school officers. The regional superintendent or State
15 Superintendent of Education shall upon receipt of evidence of
16 immorality, a condition of health detrimental to the welfare
17 of pupils, incompetency, unprofessional conduct, the neglect
18 of any professional duty or other just cause serve written
19 notice to the individual and afford the individual
20 opportunity for a hearing prior to suspension. If a hearing
21 is requested within 10 days of notice of opportunity for
22 hearing it shall act as a stay of proceedings not to exceed
23 30 days. No certificate shall be suspended until the teacher
24 has an opportunity for a hearing at the educational service
25 region. When a certificate is suspended, the right of appeal
26 shall lie to the State Teacher Certification Board. When an
27 appeal is taken within 10 days after notice of suspension it
28 shall act as a stay of proceedings not to exceed 60 days. If
29 a certificate is suspended for a period greater than one
30 year, the State Superintendent of Education shall review the
31 suspension prior to the expiration of that period to
32 determine whether the cause for the suspension has been
33 remedied or continues to exist. Upon determining that the
34 cause for suspension has not abated, the State Superintendent

1 of Education may order that the suspension be continued for
2 an appropriate period. Nothing in this Section prohibits the
3 continuance of such a suspension for an indefinite period if
4 the State Superintendent determines that the cause for the
5 suspension remains unabated. Any certificate may be revoked
6 for the same reasons as for suspension by the State
7 Superintendent of Education. No certificate shall be revoked
8 until the teacher has an opportunity for a hearing before the
9 State Teacher Certification Board, which hearing must be held
10 within 60 days from the date the appeal is taken.

11 The State Board may refuse to issue or may suspend the
12 certificate of any person who fails to file a return, or to
13 pay the tax, penalty or interest shown in a filed return, or
14 to pay any final assessment of tax, penalty or interest, as
15 required by any tax Act administered by the Illinois
16 Department of Revenue, until such time as the requirements of
17 any such tax Act are satisfied.

18 (b) Any certificate issued pursuant to this Article may
19 be suspended for an appropriate length of time as determined
20 by either the regional superintendent or State Superintendent
21 of Education upon evidence that the holder of the certificate
22 has been named as a perpetrator in an indicated report filed
23 pursuant to the Abused and Neglected Child Reporting Act,
24 approved June 26, 1975, as amended, and upon proof by clear
25 and convincing evidence that the licensee has caused a child
26 to be an abused child or neglected child as defined in the
27 Abused and Neglected Child Reporting Act.

28 The regional superintendent or State Superintendent of
29 Education shall, upon receipt of evidence that the
30 certificate holder has been named a perpetrator in any
31 indicated report, serve written notice to the individual and
32 afford the individual opportunity for a hearing prior to
33 suspension. If a hearing is requested within 10 days of
34 notice of opportunity for hearing, it shall act as a stay of

1 proceedings not to exceed 30 days. No certificate shall be
2 suspended until the teacher has an opportunity for a hearing
3 at the educational service region. When a certificate is
4 suspended, the right of appeal shall lie to the State Teacher
5 Certification Board. When an appeal is taken within 10 days
6 after notice of suspension it shall act as a stay of
7 proceedings not to exceed 60 days. The State Superintendent
8 may revoke any certificate upon proof at hearing by clear and
9 convincing evidence that the certificate holder has caused a
10 child to be an abused child or neglected child as defined in
11 the Abused and Neglected Child Reporting Act. No certificate
12 shall be revoked until the teacher has an opportunity for a
13 hearing before the State Teacher Certification Board, which
14 hearing must be held within 60 days from the date the appeal
15 is taken.

16 (c) The State Superintendent of Education or a person
17 designated by him shall have the power to administer oaths to
18 witnesses at any hearing conducted before the State Teacher
19 Certification Board pursuant to this Section. The State
20 Superintendent of Education or a person designated by him is
21 authorized to subpoena and bring before the State Teacher
22 Certification Board any person in this State and to take
23 testimony either orally or by deposition or by exhibit, with
24 the same fees and mileage and in the same manner as
25 prescribed by law in judicial proceedings in the civil cases
26 in circuit courts of this State.

27 Any circuit court, upon the application of the State
28 Superintendent of Education, may, by order duly entered,
29 require the attendance of witnesses and the production of
30 relevant books and papers at any hearing the State
31 Superintendent of Education is authorized to conduct pursuant
32 to this Section, and the court may compel obedience to its
33 orders by proceedings for contempt.

34 (d) As used in this Section, "teacher" means any school

1 district employee regularly required to be certified, as
2 provided in this Article, in order to teach or supervise in
3 the public schools.

4 (Source: P.A. 89-610, eff. 8-6-96.)

5 (105 ILCS 5/30-9) (from Ch. 122, par. 30-9)

6 Sec. 30-9. General Assembly scholarship; conditions of
7 admission; award by competitive examination.

8 Each member of the General Assembly may nominate annually
9 2 persons of school age and otherwise eligible, from his
10 district; one shall receive a certificate of scholarship in
11 the University of Illinois and the other shall receive a
12 certificate of scholarship in any other State supported
13 university designated by the member. Any member of the
14 General Assembly in making nominations under this Section may
15 designate that his nominee be granted a 4 year scholarship or
16 may instead designate 2 or 4 nominees for that particular
17 scholarship, each to receive a 2 year or a one year
18 scholarship, respectively. The nominee, if a graduate of a
19 school accredited by the University to which nominated, shall
20 be admitted to the university on the same conditions as to
21 educational qualifications as are other graduates of
22 accredited schools. If the nominee is not a graduate of a
23 school accredited by the university to which nominated, he
24 must, before being entitled to the benefits of the
25 scholarship, pass an examination given by the superintendent
26 of schools of the county where he resides at the time stated
27 in Section 30-7 for the competitive examination. The
28 president of each university shall prescribe the rules
29 governing the examination for scholarship to his university.

30 A member of the General Assembly may award the
31 scholarship by competitive examination conducted under like
32 rules as prescribed in Section 30-7 even though one or more
33 of the applicants are graduates of schools accredited by the

1 university.

2 A member of the General Assembly may delegate to the
3 Illinois State Finance Authority Student---Assistance
4 Commission the authority to nominate persons for General
5 Assembly scholarships which that member would otherwise be
6 entitled to award, or may direct the Authority Commission to
7 evaluate and make recommendations to the member concerning
8 candidates for such scholarships. In the event a member
9 delegates his nominating authority or directs the Authority
10 Commission to evaluate and make recommendations concerning
11 candidates for General Assembly scholarships, the member
12 shall inform the Authority Commission in writing of the
13 criteria which he wishes the Authority Commission to apply in
14 nominating or recommending candidates. Those criteria may
15 include some or all of the criteria provided in Section-25-of
16 the Illinois State Finance Authority Higher-Education-Student
17 Assistance Act. A delegation of authority under this
18 paragraph may be revoked at any time by the member.

19 Failure of a member of the General Assembly to make a
20 nomination in any year shall not cause that scholarship to
21 lapse, but the member may make a nomination for such
22 scholarship at any time thereafter before the expiration of
23 his term, and the person so nominated shall be entitled to
24 the same benefits as holders of other scholarships provided
25 herein. Any such scholarship for which a member has made no
26 nomination prior to the expiration of the term for which he
27 was elected shall lapse upon the expiration of that term.

28 (Source: P.A. 87-997.)

29 (105 ILCS 5/30-12.5)

30 Sec. 30-12.5. Waiver of confidentiality.

31 (a) As a condition of nomination for a General Assembly
32 scholarship under Section 30-9, 30-10, or 30-11, each nominee
33 shall provide to the member of the General Assembly making

1 the nomination a waiver document stating that,
2 notwithstanding any provision of law to the contrary, if the
3 nominee receives a General Assembly scholarship, then the
4 nominee waives all rights to confidentiality with respect to
5 the contents of the waiver document. The waiver document
6 shall state at a minimum the nominee's name, domicile
7 address, attending university, degree program in which the
8 nominee is enrolled, amount of tuition waived by the
9 legislative scholarship and the name of the member of the
10 General Assembly who is making the nomination. The waiver
11 document shall also contain a statement by the nominee that,
12 at the time of the nomination for the legislative
13 scholarship, the domicile of the nominee is within the
14 legislative district of the legislator making the scholarship
15 nomination. The waiver document must be signed by the
16 nominee, and the nominee shall have his or her signature on
17 the waiver document acknowledged before a notary public. The
18 member of the General Assembly making the nomination shall
19 file the signed, notarized waiver document, together with the
20 nomination itself, with the State Superintendent of Education
21 or the president of the University of Illinois as provided in
22 Section 30-10. By so filing the waiver document, the member
23 waives all his or her rights to confidentiality with respect
24 to the contents of the waiver document.

25 (b) The legislative scholarship of any nominee shall be
26 revoked upon a determination by the State Board of Education
27 after a hearing that the nominee knowingly provided false or
28 misleading information on the waiver document. Upon
29 revocation of the legislative scholarship, the scholarship
30 nominee shall reimburse the university for the full amount of
31 any tuition waived prior to revocation of the scholarship.

32 (c) The Illinois State Finance Authority Student
33 ~~Assistance-Commission~~ shall prepare a form waiver document to
34 be used as provided in subsection (a) and shall provide

1 copies of the form upon request.

2 (Source: P.A. 89-681, eff. 12-13-96.)

3 (105 ILCS 5/30-14.8)

4 Sec. 30-14.8. Christa McAuliffe Fellowship Program.

5 (a) The General Assembly finds that the Christa
6 McAuliffe federal fellowship is an award expressly and
7 exclusively for the benefit of one or more elementary or
8 secondary teachers, provides funding for a sabbatical for the
9 recipient of the fellowship, has no express relationship to
10 post-secondary educational benefits under State and federal
11 grant and loan programs administered by the Illinois State
12 Finance Authority Student-Assistance-Commission (hereinafter
13 in this Section sometimes referred to as the "Authority
14 Commission"), and therefore is a program that from and after
15 the effective date of this amendatory Act of 1995 should be
16 administered in this State by the State Board of Education.

17 (b) There is hereby transferred to the State Board of
18 Education from the Illinois State Finance Authority Student
19 Assistance--Commission all authority and responsibility
20 exercised by the Authority Commission before the effective
21 date of this amendatory Act of 1995 with respect to the
22 administration within this State of the Christa McAuliffe
23 federal fellowship program. From and after the effective
24 date of this amendatory Act, the State Board of Education
25 shall administer on behalf of the State of Illinois and in
26 accordance with all applicable rules and regulations the
27 conduct and operation of the Christa McAuliffe federal
28 fellowship program within this State.

29 (c) The Illinois State Finance Authority Student
30 Assistance--Commission shall transfer to the State Board of
31 Education, as successor to the Authority Commission for all
32 purposes of administering the Christa McAuliffe federal
33 fellowship program, all books, accounts, records, papers,

1 documents, contracts, agreements, and pending business in the
2 possession or under the control of the Authority Commission
3 and relating to its administration of the Christa McAuliffe
4 fellowship program in this State. All pending applications
5 made before the effective date of this amendatory Act of 1995
6 for scholarship awards under the Christa McAuliffe fellowship
7 program and all scholarships awarded under that program
8 before the effective date of this amendatory Act of 1995
9 shall be unaffected by the transfer to the State Board of
10 Education of all responsibilities and authority formerly
11 exercised by the Authority Commission with respect to that
12 program. The Authority Commission shall furnish to the State
13 Board of Education such other information as the State Board
14 of Education may request to assist it in administering this
15 Section.

16 (Source: P.A. 89-106, eff. 7-7-95.)

17 (105 ILCS 5/30-17.1) (from Ch. 122, par. 30-17.1)

18 Sec. 30-17.1. Scholarships-Draft Registration. Each
19 applicant for any student financial aid funded in whole or in
20 part by this State, whether granted by the Illinois State
21 Finance Authority Student--Assistance--Commission, granted
22 pursuant to any of Sections 30-1 through 30-16.6 or otherwise
23 granted by any State supported college or university, and
24 whether to be used at a State supported institution of higher
25 learning or at a private institution, shall submit to the
26 institution he or she is attending Selective Service
27 registration compliance documentation as required by Part 668
28 of Title 34 of the Code of Federal Regulations. If an
29 applicant for or holder of any such student financial aid
30 fails to submit documentation in the manner and within the
31 time allowed, any pending application of such person for the
32 award, grant, or renewal of any such student financial aid
33 shall be denied, and any such student financial aid currently

1 held by such person shall be revoked to the extent that no
2 further payments under that student financial aid may be
3 made. Procedures for notification and administrative review
4 shall be consistent with Part 668 of Title 34 of the Code of
5 Federal Regulations.

6 (Source: P.A. 86-169.)

7 Section 918.7. The Board of Higher Education Act is
8 amended by changing Sections 2 and 4 as follows:

9 (110 ILCS 205/2) (from Ch. 144, par. 182)

10 Sec. 2. There is created a Board of Higher Education to
11 consist of 15 members as follows: 10 members appointed by the
12 Governor, by and with the advice and consent of the Senate;
13 one member of a public university governing board, appointed
14 by the Governor without the advice and consent of the Senate;
15 one member of a private college or university board of
16 trustees, appointed by the Governor without the advice and
17 consent of the Senate; the chairman of the Illinois Community
18 College Board; the chairman of the Illinois State Finance
19 Authority ~~Student-Assistance-Commission~~; and a student member
20 selected by the recognized advisory committee of students of
21 the Board of Higher Education. The Governor shall designate
22 the Chairman of the Board to serve until a successor is
23 designated. The chairmen of the Board of Trustees of the
24 University of Illinois, the Board of Trustees of Southern
25 Illinois University, the Board of Governors of State Colleges
26 and Universities, and the Board of Regents of Regency
27 Universities shall cease to be members of the Board of Higher
28 Education on the effective date of this amendatory Act of
29 1995. No more than 7 of the members appointed by the
30 Governor, excluding the Chairman, shall be affiliated with
31 the same political party. The 10 members appointed by the
32 Governor with the advice and consent of the Senate shall be

1 citizens of the State and shall be selected, as far as may be
2 practicable, on the basis of their knowledge of, or interest
3 or experience in, problems of higher education. If the Senate
4 is not in session or is in recess, when appointments subject
5 to its confirmation are made, the Governor shall make
6 temporary appointments which shall be subject to subsequent
7 Senate approval.

8 (Source: P.A. 88-255; 89-4, eff. 1-1-96; 89-703, eff.
9 1-17-97.)

10 (110 ILCS 205/4) (from Ch. 144, par. 184)

11 Sec. 4. The Board shall hold regular meetings at times
12 specified in its rules. Special or additional meetings may
13 be held on call of the Chairman, or upon a call signed by at
14 least 6 members, or upon call of the Governor. A majority of
15 the members of the Board shall constitute a quorum at all its
16 meetings, but the approval of a new unit of instruction,
17 research, or public service for a public institution of
18 higher education, as provided in Section 7 shall require the
19 concurrence of a majority of all the members of the Board.

20 The Chairman ~~Chairmen~~ of the Illinois Community College
21 Board and Director of the Illinois State Finance Authority
22 ~~Student-Assistance-Commission~~ holding membership on the Board
23 each may designate an alternate to attend any meeting of the
24 Board, and an alternate so designated shall have all rights
25 and privileges of regular membership while acting for the
26 Chairman or Director who has so designated him or her.

27 The Board may employ and fix the compensation of
28 professional and clerical staff and other assistants,
29 including specialists and consultants, as it may deem
30 necessary, on a full or part time basis.

31 (Source: P.A. 89-4, eff. 1-1-96; 90-278, eff. 7-31-97.)

32 Section 918.9. The Child Development Teacher Scholarship

1 Act is amended by changing Section 10 as follows:

2 (110 ILCS 922/10)

3 Sec. 10. In order to encourage Illinois students to
4 pursue teaching and professional careers in child
5 development, the Illinois State Finance Authority Student
6 ~~Assistance--Commission~~ shall administer a program designed to
7 provide each qualified student with a child development
8 teacher scholarship to any qualified Illinois institution of
9 higher learning. Each child development teacher scholarship
10 shall be in an amount sufficient to pay the tuition and fees
11 and room and board costs of the qualified Illinois
12 institution of higher learning at which the recipient is
13 enrolled, up to an annual maximum of \$2,000. If the amount
14 of the scholarship awarded to a qualified student exceeds the
15 cost of attendance at the institution at which the student is
16 enrolled, the scholarship shall be reduced by an amount equal
17 to the amount by which the financial assistance available to
18 the student exceeds the cost of attendance.

19 (Source: P.A. 88-432.)

20 Section 918.10. The Illinois Prepaid Tuition Act is
21 amended by changing Sections 10, 15, 20, and 70 as follows:

22 (110 ILCS 979/10)

23 Sec. 10. Definitions. In this Act:

24 "Illinois public university" means the University of
25 Illinois, Illinois State University, Chicago State
26 University, Governors State University, Southern Illinois
27 University, Northern Illinois University, Eastern Illinois
28 University, Western Illinois University, or Northeastern
29 Illinois University.

30 "Illinois community college" means a public community
31 college as defined in Section 1-2 of the Public Community

1 College Act.

2 "MAP-eligible institution" means a public institution of
3 higher education or a nonpublic institution of higher
4 education whose students are eligible to receive need-based
5 student financial assistance through State Monetary Award
6 Program (MAP) grants administered by the Illinois State
7 Finance Authority Student--Assistance--Commission under the
8 Illinois State Finance Authority Higher-Education-Student
9 Assistance Act and whose students also are eligible to
10 receive benefits under Section 529(a) of the Internal Revenue
11 Code of 1986, as specified by the federal Small Business Act
12 of 1996 and subsequent amendments to this federal law.

13 "Illinois prepaid tuition contract" or "contract" means a
14 contract entered into between the State and a Purchaser under
15 Section 45 to provide for the higher education of a qualified
16 beneficiary.

17 "Illinois prepaid tuition program" or "program" means the
18 program created in Section 15.

19 "Purchaser" means a person who makes or has contracted to
20 make payments under an Illinois prepaid tuition contract.

21 "Public institution of higher education" means an
22 Illinois public university or Illinois community college.

23 "Nonpublic institution of higher education" means any
24 MAP-eligible educational organization, other than a public
25 institution of higher education, that provides a minimum of
26 an organized 2-year program at the postsecondary level and
27 that operates in conformity with standards substantially
28 equivalent to those of public institutions of higher
29 education. "Nonpublic institution of higher education" does
30 not include any educational organization used principally for
31 sectarian instruction, as a place of religious teaching or
32 worship, or for any religious denomination for the training
33 of ministers, rabbis, or other professional persons in the
34 field of religion.

1 "Qualified beneficiary" means (i) anyone who has been a
2 resident of this State for at least 12 months prior to the
3 date of the contract, or (ii) a nonresident, so long as the
4 purchaser has been a resident of the State for at least 12
5 months prior to the date of the contract, or (iii) any person
6 less than one year of age whose parent or legal guardian has
7 been a resident of this State for at least 12 months prior to
8 the date of the contract.

9 "Tuition" means the quarter or semester charges imposed
10 on a qualified beneficiary to attend a MAP-eligible
11 institution.

12 "Mandatory Fees" means those quarter or semester fees
13 imposed upon all students enrolled at a MAP-eligible
14 institution.

15 "Registration Fees" means the charges derived by
16 combining tuition and mandatory fees.

17 "Contract Unit" means 15 credit hours of instruction at a
18 MAP-eligible institution.

19 "Panel" means the investment advisory panel created under
20 Section 20.

21 "Authority Commission" means the Illinois State Finance
22 Authority Student-Assistance-Commission.

23 (Source: P.A. 90-546, eff. 12-1-97; 91-669, eff. 1-1-00.)

24 (110 ILCS 979/15)

25 Sec. 15. Creation of Illinois prepaid tuition program.
26 There is created the Illinois prepaid tuition program to be
27 administered by the Illinois State Finance Authority Student
28 Assistance--Commission. This program is to be administered so
29 that the full cost of tuition and mandatory fees at Illinois
30 public universities and Illinois community colleges may be
31 paid in advance of enrollment through the prior purchase of
32 an Illinois prepaid tuition contract. The Authority
33 Commission may enter into contracts as may be necessary to

1 provide for administration of the program and shall develop
2 and implement rules and regulations necessary for the
3 efficient administration of the program.

4 All reasonable charges incidental to the administration
5 of the program by the Authority Commission shall be paid in
6 the initial start-up period for the program's operation from
7 the General Revenue Fund, pursuant to appropriations made for
8 that purpose by the General Assembly. Those charges and
9 expenses in subsequent years shall be paid exclusively from
10 the Illinois Prepaid Tuition Trust Fund established by
11 Section 35 of this Act.

12 (Source: P.A. 90-546, eff. 12-1-97.)

13 (110 ILCS 979/20)

14 Sec. 20. Investment Advisory Panel. The Illinois
15 prepaid tuition program shall be administered by the Illinois
16 State Finance Authority Student-Assistance-Commission, with
17 advice and counsel from an investment advisory panel
18 appointed by the Authority Commission. The Illinois prepaid
19 tuition program shall be administratively housed within the
20 Authority Commission, and the investment advisory panel shall
21 have such duties as are specified in this Act.

22 The investment advisory panel shall consist of 7 members
23 who are appointed by the Authority Commission, including one
24 recommended by the State Treasurer, one recommended by the
25 State Comptroller, one recommended by the Director of the
26 Bureau of the Budget, and one recommended by the Executive
27 Director of the Board of Higher Education. Each panel member
28 shall possess knowledge, skill, and experience in at least
29 one of the following areas of expertise: accounting,
30 actuarial practice, risk management, or investment
31 management. Members shall serve 3-year terms except that, in
32 making the initial appointments, the Authority Commission
33 shall appoint 2 members to serve for 2 years, 2 members to

1 serve for 3 years, and 3 members to serve for 4 years. Any
2 person appointed to fill a vacancy on the panel shall be
3 appointed in a like manner and shall serve for only the
4 unexpired term. Investment advisory panel members shall be
5 eligible for reappointment and shall serve until a successor
6 is appointed and confirmed. Panel members shall serve
7 without compensation but shall be reimbursed for expenses.
8 Before being installed as a member of the investment advisory
9 panel, each nominee shall file verified written statements of
10 economic interest with the Secretary of State as required by
11 the Illinois Governmental Ethics Act and with the Board of
12 Ethics as required by Executive Order of the Governor.

13 The investment advisory panel shall meet at least twice
14 annually. At least once each year the Director of the
15 Illinois State Finance Authority ~~Commission~~-Chairman shall
16 designate a time and place at which the investment advisory
17 panel shall meet publicly with the Illinois State Finance
18 Authority ~~Student-Assistance-Commission~~ to discuss issues and
19 concerns relating to the Illinois prepaid tuition program.

20 (Source: P.A. 90-546, eff. 12-1-97; 91-669, eff. 1-1-00.)

21 (110 ILCS 979/70)

22 Sec. 70. Scholarships, grants, or monetary assistance.
23 No contributions toward the purchase of an Illinois prepaid
24 tuition contract authorized by this Section shall be
25 considered in evaluating the financial situation of the
26 student beneficiary of the contract or be deemed a financial
27 resource of or a form of financial aid or assistance to the
28 student beneficiary, for purposes of determining the
29 eligibility of the student beneficiary for any scholarship,
30 grant or monetary assistance awarded by the Authority
31 ~~Commission~~, the State, or any agency thereof; nor shall
32 contributions toward the purchase of an Illinois prepaid
33 tuition contract reduce the amount of any scholarship, grant,

1 or monetary assistance that the student beneficiary is
2 eligible to be awarded by the Illinois State Finance
3 Authority Student-Assistance-Commission, the State, or any
4 agency thereof in accordance with the provisions of any other
5 Section of this Act or any other law of the State.

6 (Source: P.A. 90-546, eff. 12-1-97.)

7 Section 918.11. The Illinois Insurance Code is amended
8 by changing Section 505.1 as follows:

9 (215 ILCS 5/505.1) (from Ch. 73, par. 1065.52-1)

10 Sec. 505.1. License suspension, revocation, or denial.

11 (a) Any license issued under this Article may be
12 suspended or revoked, and any application for a license may
13 be denied, if the Director finds that the licensee or
14 applicant:

15 (1) has wilfully violated any provision of this
16 Code or any rule or regulation promulgated by the
17 Director;

18 (2) has intentionally made a material misstatement
19 in his application for a license;

20 (3) has obtained or attempted to obtain a license
21 through misrepresentation or fraud;

22 (4) has misappropriated or converted to his own
23 use, or improperly withheld, money required to be held in
24 a fiduciary capacity;

25 (5) has intentionally misrepresented the terms of
26 any actual or proposed insurance policy;

27 (6) has, in the transaction of business under his
28 license, used fraudulent, coercive or dishonest
29 practices, or has demonstrated incompetence,
30 untrustworthiness or financial irresponsibility;

31 (7) has been, within the past 3 years, convicted of
32 a felony, unless the individual demonstrates to the

1 Director sufficient rehabilitation to warrant the public
2 trust;

3 (8) has knowingly accepted insurance business from
4 an individual who is not licensed;

5 (9) has failed to appear without reasonable cause
6 or excuse in response to a subpoena lawfully issued by
7 the Director;

8 (10) has had his license suspended or revoked or
9 his application denied in any other State, district,
10 territory or province on grounds similar to those stated
11 in this Section;

12 (11) (Blank);

13 (12) has failed to meet the education requirements
14 of subsection (c) of Section 494.1;

15 (13) has failed to report a felony conviction, as
16 required by Section 503.1;

17 (14) has knowingly employed, contracted or engaged
18 in any insurance related capacity any person whose
19 license as an insurance producer or limited insurance
20 representative has been revoked within the previous three
21 years or whose request for a license has been refused or
22 suspended pursuant to this Section at the time of such
23 employment, engaging or contracting; or

24 (15) has failed to make satisfactory repayment to
25 the Illinois State Finance Authority Student-Assistance
26 Commission for a delinquent or defaulted student loan.

27 (b) Suspension or revocation of a license or the denial
28 of an application pursuant to this Section shall be by
29 written order sent to the licensee or applicant by certified
30 or registered mail at the address specified in the records of
31 the Department. The licensee or applicant may in writing
32 request a hearing within 30 days from the date of mailing.
33 If no written request is made, such order shall be final upon
34 the expiration of said 30 days.

1 (c) If the licensee or applicant requests a hearing
2 pursuant to this Section the Director shall issue a written
3 notice of hearing sent to the licensee or applicant by
4 certified or registered mail at his address, as specified in
5 the records of the Department, and stating:

6 (1) the grounds, charges or conduct which justifies
7 suspension or revocation or denial under this Section;

8 (2) a specific time for the hearing, which may not
9 be less than 20 nor more than 30 days after the mailing
10 of the notice of hearing; and

11 (3) a specific place for the hearing, which may be
12 either in the City of Springfield or Chicago or in the
13 county where the licensee's principal place of business
14 is located.

15 (d) Upon the suspension or revocation of a license, the
16 licensee or other person having possession or custody of such
17 license shall promptly deliver it to the Director in person
18 or by mail. The Director shall publish all suspensions and
19 revocations after such suspensions or revocations become
20 final in a manner designed to notify interested insurance
21 companies and other persons.

22 (e) Any individual whose license is revoked or whose
23 application is denied pursuant to this Section shall be
24 ineligible to apply for any license for 3 years. No person
25 whose license as an insurance producer or limited
26 representative has been revoked, suspended or denied shall be
27 employed, contracted or engaged in any insurance related
28 capacity during the time the revocation, suspension or denial
29 is in effect. A suspension pursuant to this Section may be
30 for a period of up to 2 years.

31 (f) In addition to or instead of a denial, suspension or
32 revocation of a license pursuant to this Section, the
33 licensee may be subjected to a civil penalty of up to \$1,000
34 for each cause for denial, suspension or revocation. Such

1 penalty is enforceable under Section 403A(5) of this Code.
2 (Source: P.A. 91-234, eff. 1-1-00.)

3 Section 918.12. The Dietetic and Nutrition Services
4 Practice Act is amended by changing Section 95 as follows:

5 (225 ILCS 30/95) (from Ch. 111, par. 8401-95)

6 Sec. 95. Grounds for discipline. The Department may
7 refuse to issue or renew, or may revoke, suspend, place on
8 probation, reprimand, or take other disciplinary action as
9 the Department may deem proper, including fines not to exceed
10 \$1000 for each violation, with regard to any license or
11 certificate for any one or combination of the following
12 causes:

13 (a) Material misstatement in furnishing information
14 to the Department.

15 (b) Violations of this Act or its rules.

16 (c) Conviction of any crime under the laws of the
17 United States or any state or territory thereof that is
18 (i) a felony; (ii) a misdemeanor, an essential element of
19 which is dishonesty; or (iii) a crime that is directly
20 related to the practice of the profession.

21 (d) Making any misrepresentation for the purpose of
22 obtaining licensure or violating any provision of this
23 Act.

24 (e) Professional incompetence or gross negligence.

25 (f) Malpractice.

26 (g) Aiding or assisting another person in violating
27 any provision of this Act or its rules.

28 (h) Failing to provide information within 60 days
29 in response to a written request made by the Department.

30 (i) Engaging in dishonorable, unethical or
31 unprofessional conduct of a character likely to deceive,
32 defraud, or harm the public.

1 (j) Habitual or excessive use or addiction to
2 alcohol, narcotics, stimulants, or any other chemical
3 agent or drug that results in the inability to practice
4 with reasonable judgment, skill, or safety.

5 (k) Discipline by another state, territory, or
6 country if at least one of the grounds for the discipline
7 is the same or substantially equivalent to those set
8 forth in this Act.

9 (l) Directly or indirectly giving to or receiving
10 from any person, firm, corporation, partnership, or
11 association any fee, commission, rebate, or other form of
12 compensation for any professional services not actually
13 or personally rendered.

14 (m) A finding by the Department that the licensee,
15 after having his or her license placed on probationary
16 status, has violated the terms of probation.

17 (n) Conviction by any court of competent
18 jurisdiction, either within or outside this State, of any
19 violation of any law governing the practice of dietetics
20 or nutrition counseling, if the Department determines,
21 after investigation, that the person has not been
22 sufficiently rehabilitated to warrant the public trust.

23 (o) A finding that licensure has been applied for
24 or obtained by fraudulent means.

25 (p) Practicing or attempting to practice under a
26 name other than the full name as shown on the license or
27 any other legally authorized name.

28 (q) Gross and willful overcharging for professional
29 services including filing statements for collection of
30 fees or monies for which services are not rendered.

31 (r) Failure to (i) file a return, (ii) pay the tax,
32 penalty or interest shown in a filed return, or (iii) pay
33 any final assessment of tax, penalty or interest, as
34 required by any tax Act administered by the Illinois

1 Department of Revenue, until the requirements of any such
2 tax Act are satisfied.

3 (s) Willfully failing to report an instance of
4 suspected child abuse or neglect as required by the
5 Abused and Neglected Child Reporting Act.

6 The Department shall deny any license or renewal under
7 this Act to any person who has defaulted on an educational
8 loan guaranteed by the Illinois State Finance Authority
9 ~~Student-Assistance-Commission~~; however, the Department may
10 issue a license or renewal if the person in default has
11 established a satisfactory repayment record as determined by
12 the Illinois State Finance Authority ~~Student--Assistance~~
13 ~~Commission~~.

14 The determination by a circuit court that a registrant is
15 subject to involuntary admission or judicial admission as
16 provided in the Mental Health and Developmental Disabilities
17 Code operates as an automatic suspension. This suspension
18 will end only upon a finding by a court that the patient is
19 no longer subject to involuntary admission or judicial
20 admission, the issuance of an order so finding and
21 discharging the patient, and the recommendation of the Board
22 to the Director that the registrant be allowed to resume
23 practice.

24 (Source: P.A. 87-784; 87-1000.)

25 Section 918.13. The Environmental Health Practitioner
26 Licensing Act is amended by changing Section 35 as follows:

27 (225 ILCS 37/35)

28 Sec. 35. Grounds for discipline.

29 (a) The Department may refuse to issue or renew, or may
30 revoke, suspend, place on probation, reprimand, or take other
31 disciplinary action with regard to any license issued under
32 this Act as the Department may consider proper, including the

1 imposition of fines not to exceed \$5,000 for each violation,
2 for any one or combination of the following causes:

3 (1) Material misstatement in furnishing information
4 to the Department.

5 (2) Violations of this Act or its rules.

6 (3) Conviction of any felony under the laws of any
7 U.S. jurisdiction, any misdemeanor an essential element
8 of which is dishonesty, or any crime that is directly
9 related to the practice of the profession.

10 (4) Making any misrepresentation for the purpose of
11 obtaining a certificate of registration.

12 (5) Professional incompetence.

13 (6) Aiding or assisting another person in violating
14 any provision of this Act or its rules.

15 (7) Failing to provide information within 60 days
16 in response to a written request made by the Department.

17 (8) Engaging in dishonorable, unethical, or
18 unprofessional conduct of a character likely to deceive,
19 defraud, or harm the public as defined by rules of the
20 Department.

21 (9) Habitual or excessive use or addiction to
22 alcohol, narcotics, stimulants, or any other chemical
23 agent or drug that results in an environmental health
24 practitioner's inability to practice with reasonable
25 judgment, skill, or safety.

26 (10) Discipline by another U.S. jurisdiction or
27 foreign nation, if at least one of the grounds for a
28 discipline is the same or substantially equivalent to
29 those set forth in this Act.

30 (11) A finding by the Department that the
31 registrant, after having his or her license placed on
32 probationary status, has violated the terms of probation.

33 (12) Willfully making or filing false records or
34 reports in his or her practice, including, but not

1 limited to, false records filed with State agencies or
2 departments.

3 (13) Physical illness, including, but not limited
4 to, deterioration through the aging process or loss of
5 motor skills that result in the inability to practice the
6 profession with reasonable judgment, skill, or safety.

7 (14) Failure to comply with rules promulgated by
8 the Illinois Department of Public Health or other State
9 agencies related to the practice of environmental health.

10 (15) The Department shall deny any application for
11 a license or renewal of a license under this Act, without
12 hearing, to a person who has defaulted on an educational
13 loan guaranteed by the Illinois State Finance Authority
14 Student--Assistance--Commission; however, the Department
15 may issue a license or renewal of a license if the person
16 in default has established a satisfactory repayment
17 record as determined by the Illinois State Finance
18 Authority Student-Assistance-Commission.

19 (16) Solicitation of professional services by using
20 false or misleading advertising.

21 (17) A finding that the license has been applied
22 for or obtained by fraudulent means.

23 (18) Practicing or attempting to practice under a
24 name other than the full name as shown on the license or
25 any other legally authorized name.

26 (19) Gross overcharging for professional services
27 including filing statements for collection of fees or
28 moneys for which services are not rendered.

29 (b) The Department may refuse to issue or may suspend
30 the license of any person who fails to (i) file a return,
31 (ii) pay the tax, penalty, or interest shown in a filed
32 return; or (iii) pay any final assessment of the tax,
33 penalty, or interest as required by any tax Act administered
34 by the Illinois Department of Revenue until the requirements

1 of the tax Act are satisfied.

2 (c) The determination by a circuit court that a licensee
3 is subject to involuntary admission or judicial admission to
4 a mental health facility as provided in the Mental Health and
5 Developmental Disabilities Code operates as an automatic
6 suspension. The suspension may end only upon a finding by a
7 court that the licensee is no longer subject to involuntary
8 admission or judicial admission, the issuance of an order so
9 finding and discharging the patient, and the recommendation
10 of the Board to the Director that the licensee be allowed to
11 resume practice.

12 (Source: P.A. 89-61, eff. 6-30-95.)

13 Section 918.14. The Marriage and Family Therapy
14 Licensing Act is amended by changing Section 85 as follows:

15 (225 ILCS 55/85) (from Ch. 111, par. 8351-85)

16 Sec. 85. Refusal, revocation, or suspension.

17 (a) The Department may refuse to issue or renew, or may
18 revoke a license, or may suspend, place on probation, fine,
19 or take any disciplinary action as the Department may deem
20 proper, including fines not to exceed \$1000 for each
21 violation, with regard to any licensee for any one or
22 combination of the following causes:

23 (1) Material misstatement in furnishing information
24 to the Department.

25 (2) Violations of this Act or its rules.

26 (3) Conviction of any crime under the laws of the
27 United States or any state or territory thereof that is
28 (i) a felony, (ii) a misdemeanor, an essential element of
29 which is dishonesty, or (iii) a crime that is related to
30 the practice of the profession.

31 (4) Making any misrepresentation for the purpose of
32 obtaining a license or violating any provision of this

1 Act or its rules.

2 (5) Professional incompetence or gross negligence.

3 (6) Malpractice.

4 (7) Aiding or assisting another person in violating
5 any provision of this Act or its rules.

6 (8) Failing, within 60 days, to provide information
7 in response to a written request made by the Department.

8 (9) Engaging in dishonorable, unethical, or
9 unprofessional conduct of a character likely to deceive,
10 defraud or harm the public as defined by the rules of the
11 Department, or violating the rules of professional
12 conduct adopted by the Board and published by the
13 Department.

14 (10) Habitual or excessive use or addiction to
15 alcohol, narcotics, stimulants, or any other chemical
16 agent or drug that results in the inability to practice
17 with reasonable judgment, skill, or safety.

18 (11) Discipline by another state, territory, or
19 country if at least one of the grounds for the discipline
20 is the same or substantially equivalent to those set
21 forth in this Act.

22 (12) Directly or indirectly giving to or receiving
23 from any person, firm, corporation, partnership or
24 association any fee, commission, rebate, or other form of
25 compensation for any professional services not actually
26 or personally rendered.

27 (13) A finding by the Department that the licensee,
28 after having his or her license placed on probationary
29 status, has violated the terms of probation.

30 (14) Abandonment of a patient without cause.

31 (15) Willfully making or filing false records or
32 reports relating to a licensee's practice, including but
33 not limited to false records filed with State agencies or
34 departments.

1 (16) Wilfully failing to report an instance of
2 suspected child abuse or neglect as required by the
3 Abused and Neglected Child Reporting Act.

4 (17) Being named as a perpetrator in an indicated
5 report by the Department of Children and Family Services
6 under the Abused and Neglected Child Reporting Act and
7 upon proof by clear and convincing evidence that the
8 licensee has caused a child to be an abused child or
9 neglected child as defined in the Abused and Neglected
10 Child Reporting Act.

11 (18) Physical or mental disability, including
12 deterioration through the aging process, or loss of
13 abilities and skills that results in the inability to
14 practice the profession with reasonable judgment, skill,
15 or safety.

16 (19) Solicitation of professional services by using
17 false or misleading advertising.

18 (20) A finding that licensure has been applied for
19 or obtained by fraudulent means.

20 (21) Practicing or attempting to practice under a
21 name other than the full name as shown on the license or
22 any other legally authorized name.

23 (22) Gross overcharging for professional services
24 including filing statements for collection of fees or
25 moneys for which services are not rendered.

26 (b) The Department shall deny any application for a
27 license, without hearing, or renewal under this Act to any
28 person who has defaulted on an educational loan guaranteed by
29 the Illinois State Finance Authority Student--Assistance
30 Commission; however, the Department may issue a license or
31 renewal if the person in default has established a
32 satisfactory repayment record as determined by the Illinois
33 State Finance Authority Student-Assistance-Commission.

34 (c) The determination by a circuit court that a licensee

1 is subject to involuntary admission or judicial admission, as
2 provided in the Mental Health and Developmental Disabilities
3 Code, operates as an automatic suspension. The suspension
4 will terminate only upon a finding by a court that the
5 patient is no longer subject to involuntary admission or
6 judicial admission and the issuance of an order so finding
7 and discharging the patient, and upon the recommendation of
8 the Board to the Director that the licensee be allowed to
9 resume his or her practice as a licensed marriage and family
10 therapist or an associate marriage and family therapist.

11 (d) The Department may refuse to issue or may suspend
12 the license of any person who fails to file a return, pay the
13 tax, penalty, or interest shown in a filed return or pay any
14 final assessment of tax, penalty, or interest, as required by
15 any tax Act administered by the Illinois Department of
16 Revenue, until the time the requirements of the tax Act are
17 satisfied.

18 (e) In enforcing this Section, the Department or Board
19 upon a showing of a possible violation may compel an
20 individual licensed to practice under this Act, or who has
21 applied for licensure under this Act, to submit to a mental
22 or physical examination, or both, as required by and at the
23 expense of the Department. The Department or Board may order
24 the examining physician to present testimony concerning the
25 mental or physical examination of the licensee or applicant.
26 No information shall be excluded by reason of any common law
27 or statutory privilege relating to communications between the
28 licensee or applicant and the examining physician. The
29 examining physicians shall be specifically designated by the
30 Board or Department. The individual to be examined may have,
31 at his or her own expense, another physician of his or her
32 choice present during all aspects of this examination.
33 Failure of an individual to submit to a mental or physical
34 examination, when directed, shall be grounds for suspension

1 of his or her license until the individual submits to the
2 examination if the Department finds, after notice and
3 hearing, that the refusal to submit to the examination was
4 without reasonable cause.

5 If the Department or Board finds an individual unable to
6 practice because of the reasons set forth in this Section,
7 the Department or Board may require that individual to submit
8 to care, counseling, or treatment by physicians approved or
9 designated by the Department or Board, as a condition, term,
10 or restriction for continued, reinstated, or renewed
11 licensure to practice; or, in lieu of care, counseling, or
12 treatment, the Department may file, or the Board may
13 recommend to the Department to file, a complaint to
14 immediately suspend, revoke, or otherwise discipline the
15 license of the individual. An individual whose license was
16 granted, continued, reinstated, renewed, disciplined or
17 supervised subject to such terms, conditions, or
18 restrictions, and who fails to comply with such terms,
19 conditions, or restrictions, shall be referred to the
20 Director for a determination as to whether the individual
21 shall have his or her license suspended immediately, pending
22 a hearing by the Department.

23 In instances in which the Director immediately suspends a
24 person's license under this Section, a hearing on that
25 person's license must be convened by the Department within 15
26 days after the suspension and completed without appreciable
27 delay. The Department and Board shall have the authority to
28 review the subject individual's record of treatment and
29 counseling regarding the impairment to the extent permitted
30 by applicable federal statutes and regulations safeguarding
31 the confidentiality of medical records.

32 An individual licensed under this Act and affected under
33 this Section shall be afforded an opportunity to demonstrate
34 to the Department or Board that he or she can resume practice

1 in compliance with acceptable and prevailing standards under
2 the provisions of his or her license.

3 (Source: P.A. 90-61, eff. 12-30-97; 91-362, eff. 1-1-00.)

4 Section 918.15. The Professional Counselor and Clinical
5 Professional Counselor Licensing Act is amended by changing
6 Section 80 as follows:

7 (225 ILCS 107/80)

8 Sec. 80. Grounds for discipline.

9 (a) The Department may refuse to issue, renew, or may
10 revoke, suspend, place on probation, reprimand, or take other
11 disciplinary action as the Department deems appropriate,
12 including the issuance of fines not to exceed \$1000 for each
13 violation, with regard to any license for any one or more of
14 the following:

15 (1) Material misstatement in furnishing information
16 to the Department or to any other State agency.

17 (2) Violations or negligent or intentional
18 disregard of this Act, or any of its rules.

19 (3) Conviction of any crime under the laws of the
20 United States or any state or territory thereof that is a
21 felony, or that is a misdemeanor, an essential element of
22 which is dishonesty, or of any crime which is directly
23 related to the practice of the profession.

24 (4) Making any misrepresentation for the purpose of
25 obtaining a license, or violating any provision of this
26 Act or its rules.

27 (5) Professional incompetence or gross negligence
28 in the rendering of professional counseling or clinical
29 professional counseling services.

30 (6) Malpractice.

31 (7) Aiding or assisting another person in violating
32 any provision of this Act or any rules.

1 (8) Failing to provide information within 60 days
2 in response to a written request made by the Department.

3 (9) Engaging in dishonorable, unethical, or
4 unprofessional conduct of a character likely to deceive,
5 defraud, or harm the public and violating the rules of
6 professional conduct adopted by the Department.

7 (10) Habitual or excessive use or addiction to
8 alcohol, narcotics, stimulants, or any other chemical
9 agent or drug which results in inability to practice with
10 reasonable skill, judgment, or safety.

11 (11) Discipline by another jurisdiction, if at
12 least one of the grounds for the discipline is the same
13 or substantially equivalent to those set forth in this
14 Section.

15 (12) Directly or indirectly giving to or receiving
16 from any person, firm, corporation, partnership or
17 association any fee, commission, rebate or other form of
18 compensation for any professional service not actually
19 rendered.

20 (13) A finding by the Board that the licensee,
21 after having the license placed on probationary status,
22 has violated the terms of probation.

23 (14) Abandonment of a client.

24 (15) Willfully filing false reports relating to a
25 licensee's practice, including but not limited to false
26 records filed with federal or State agencies or
27 departments.

28 (16) Willfully failing to report an instance of
29 suspected child abuse or neglect as required by the
30 Abused and Neglected Child Reporting Act.

31 (17) Being named as a perpetrator in an indicated
32 report by the Department of Children and Family Services
33 pursuant to the Abused and Neglected Child Reporting Act,
34 and upon proof by clear and convincing evidence that the

1 licensee has caused a child to be an abused child or
2 neglected child as defined in the Abused and Neglected
3 Child Reporting Act.

4 (18) Physical or mental disability, including
5 deterioration through the aging process or loss of
6 abilities and skills which results in the inability to
7 practice the profession with reasonable judgment, skill,
8 or safety.

9 (19) Solicitation of professional services by using
10 false or misleading advertising.

11 (20) Failure to file a return, or to pay the tax,
12 penalty or interest shown in a filed return, or to pay
13 any final assessment of tax, penalty or interest, as
14 required by any tax Act administered by the Illinois
15 Department of Revenue or any successor agency or the
16 Internal Revenue Service or any successor agency.

17 (21) A finding that licensure has been applied for
18 or obtained by fraudulent means.

19 (22) Practicing or attempting to practice under a
20 name other than the full name as shown on the license or
21 any other legally authorized name.

22 (23) Gross overcharging for professional services
23 including filing statements for collection of fees or
24 monies for which services are not rendered.

25 (b) The Department shall deny, without hearing, any
26 application or renewal for a license under this Act to any
27 person who has defaulted on an educational loan guaranteed by
28 the Illinois State Finance Authority ~~Assistance--Commission~~;
29 however, the Department may issue a license or renewal if the
30 person in default has established a satisfactory repayment
31 record as determined by the Illinois State Finance Authority
32 ~~Student-Assistance-Commission~~.

33 (c) The determination by a court that a licensee is
34 subject to involuntary admission or judicial admission as

1 provided in the Mental Health and Developmental Disabilities
2 Code will result in an automatic suspension of his or her
3 license. The suspension will end upon a finding by a court
4 that the licensee is no longer subject to involuntary
5 admission or judicial admission, the issuance of an order so
6 finding and discharging the patient, and the recommendation
7 of the Board to the Director that the licensee be allowed to
8 resume professional practice.

9 (Source: P.A. 87-1011; 87-1269.)

10 Section 918.16. The Interior Design Profession Title Act
11 is amended by changing Section 13 as follows:

12 (225 ILCS 310/13) (from Ch. 111, par. 8213)

13 Sec. 13. Refusal, revocation or suspension of
14 registration. The Department may refuse to issue, renew, or
15 restore or may revoke, suspend, place on probation, reprimand
16 or take other disciplinary action as the Department may deem
17 proper, including fines not to exceed \$5,000 for each
18 violation, with regard to any registration for any one or
19 combination of the following causes:

20 (a) Fraud in procuring the certificate of
21 registration.

22 (b) Habitual intoxication or addiction to the use
23 of drugs.

24 (c) Making any misrepresentations or false
25 promises, directly or indirectly, to influence, persuade,
26 or induce patronage.

27 (d) Professional connection or association with, or
28 lending his name, to another for illegal use of the title
29 "interior designer" or "residential interior designer",
30 or professional connection or association with any
31 person, firm, or corporation holding itself out in any
32 manner contrary to this Act.

1 (e) Obtaining or seeking to obtain checks, money,
2 or any other items of value by false or fraudulent
3 representations.

4 (f) Use of the title under a name other than his
5 own.

6 (g) Improper, unprofessional, or dishonorable
7 conduct of a character likely to deceive, defraud, or
8 harm the public.

9 (h) Conviction in this or another state, or federal
10 court, of any crime which is a felony, if the Department
11 determines, after investigation, that such person has not
12 been sufficiently rehabilitated to warrant the public
13 trust.

14 (i) A violation of any provision of this Act or its
15 rules.

16 (j) Revocation by another state, the District of
17 Columbia, territory, or foreign nation of an interior
18 design or residential interior design registration if at
19 least one of the grounds for that revocation is the same
20 as or the equivalent of one of the grounds for revocation
21 set forth in this Act.

22 (k) Mental incompetence as declared by a court of
23 competent jurisdiction.

24 (l) Being named as a perpetrator in an indicated
25 report by the Department of Children and Family Services
26 pursuant to the Abused and Neglected Child Reporting Act,
27 and upon proof by clear and convincing evidence that the
28 registrant has caused a child to be an abused child or
29 neglected child as defined in the Abused and Neglected
30 Child Reporting Act.

31 The Department shall deny a registration or renewal
32 authorized by this Act to any person who has defaulted on an
33 educational loan guaranteed by the Illinois State Finance
34 Authority Student---Assistance---Commission; however, the

1 Department may issue a certificate of registration or renewal
2 if such person has established a satisfactory repayment
3 record as determined by the Illinois State Finance Authority
4 Student-Assistance-Commission.

5 The Department may refuse to issue or may suspend the
6 registration of any person who fails to file a return, or to
7 pay the tax, penalty, or interest showing in a filed return,
8 or to pay any final assessment of tax, penalty, or interest,
9 as required by any tax Act administered by the Illinois
10 Department of Revenue, until such time as the requirements of
11 any such tax Act are satisfied.

12 The entry of a decree by any circuit court establishing
13 that any person holding a certificate of registration under
14 this Act is a person subject to involuntary admission under
15 the Mental Health and Developmental Disabilities Code shall
16 operate as a suspension of that registration. That person
17 may resume using the title "interior designer" or
18 "residential interior designer" only upon a finding by the
19 Board that he has been determined to be no longer subject to
20 involuntary admission by the court and upon the Board's
21 recommendation to the Director that he be permitted to resume
22 using the title "interior designer" or "residential interior
23 designer".

24 (Source: P.A. 91-357, eff. 7-29-99.)

25 Section 918.17. The Auction License Act is amended by
26 changing Section 20-20 as follows:

27 (225 ILCS 407/20-20)

28 Sec. 20-20. Termination without hearing for failure to
29 pay taxes, child support, or a student loan. OBRE may
30 terminate or otherwise discipline any license issued under
31 this Act without hearing if the appropriate administering
32 agency provides adequate information and proof that the

1 licensee has:

2 (1) failed to file a return, to pay the tax,
3 penalty, or interest shown in a filed return, or to pay
4 any final assessment of tax, penalty, or interest, as
5 required by any tax act administered by the Illinois
6 Department of Revenue until the requirements of the tax
7 act are satisfied;

8 (2) failed to pay any court ordered child support
9 as determined by a court order or by referral from the
10 Illinois Department of Public Aid; or

11 (3) failed to repay any student loan or assistance
12 as determined by the Illinois State Finance Authority
13 Student--Assistance--Commission. If a license is
14 terminated or otherwise disciplined pursuant to this
15 Section, the licensee may request a hearing as provided
16 by this Act within 30 days of notice of termination or
17 discipline.

18 (Source: P.A. 91-603, eff. 1-1-00.)

19 Section 918.18. The Barber, Cosmetology, Esthetics, and
20 Nail Technology Act of 1985 is amended by changing Section
21 4-7 as follows:

22 (225 ILCS 410/4-7) (from Ch. 111, par. 1704-7)

23 Sec. 4-7. Refusal, suspension and revocation of
24 licenses; causes; disciplinary action.

25 (1) The Department may refuse to issue or renew, and may
26 suspend, revoke, place on probation, reprimand or take any
27 other disciplinary action as the Department may deem proper,
28 including civil penalties not to exceed \$500 for each
29 violation, with regard to any license for any one, or any
30 combination, of the following causes:

31 a. Conviction of any crime under the laws of the
32 United States or any state or territory thereof that is

1 (i) a felony, (ii) a misdemeanor, an essential element of
2 which is dishonesty, or (iii) a crime which is related to
3 the practice of the profession.

4 b. Conviction of any of the violations listed in
5 Section 4-20.

6 c. Material misstatement in furnishing information
7 to the Department.

8 d. Making any misrepresentation for the purpose of
9 obtaining a license or violating any provision of this
10 Act or its rules.

11 e. Aiding or assisting another person in violating
12 any provision of this Act or its rules.

13 f. Failing, within 60 days, to provide information
14 in response to a written request made by the Department.

15 g. Discipline by another state, territory, or
16 country if at least one of the grounds for the discipline
17 is the same as or substantially equivalent to those set
18 forth in this Act.

19 h. Practice in the barber, nail technology,
20 esthetics, or cosmetology profession, or an attempt to
21 practice in those professions, by fraudulent
22 misrepresentation.

23 i. Gross malpractice or gross incompetency.

24 j. Continued practice by a person knowingly having
25 an infectious or contagious disease.

26 k. Solicitation of professional services by using
27 false or misleading advertising.

28 l. A finding by the Department that the licensee,
29 after having his or her license placed on probationary
30 status, has violated the terms of probation.

31 m. Directly or indirectly giving to or receiving
32 from any person, firm, corporation, partnership or
33 association any fee, commission, rebate, or other form of
34 compensation for any professional services not actually

1 or personally rendered.

2 n. Violating any of the provisions of this Act or
3 rules adopted pursuant to this Act.

4 o. Willfully making or filing false records or
5 reports relating to a licensee's practice, including but
6 not limited to, false records filed with State agencies
7 or departments.

8 p. Habitual or excessive use addiction to alcohol,
9 narcotics, stimulants, or any other chemical agent or
10 drug that results in the inability to practice with
11 reasonable judgment, skill or safety.

12 q. Engaging in dishonorable, unethical or
13 unprofessional conduct of a character likely to deceive,
14 defraud, or harm the public as may be defined by rules of
15 the Department, or violating the rules of professional
16 conduct which may be adopted by the Department.

17 r. Permitting any person to use for any unlawful or
18 fraudulent purpose one's diploma or license or
19 certificate of registration as a cosmetologist, nail
20 technician, esthetician, or barber or cosmetology, nail
21 technology, esthetics, or barbering teacher or salon or
22 shop or cosmetology, esthetics, or nail technology clinic
23 teacher.

24 s. Being named as a perpetrator in an indicated
25 report by the Department of Children and Family Services
26 under the Abused and Neglected Child Reporting Act and
27 upon proof by clear and convincing evidence that the
28 licensee has caused a child to be an abused child or
29 neglected child as defined in the Abused and Neglected
30 Child Reporting Act.

31 (2) In rendering an order, the Director shall take into
32 consideration the facts and circumstances involving the type
33 of acts or omissions in paragraph (1) of this Section
34 including, but not limited to:

1 (a) the extent to which public confidence in the
2 cosmetology, nail technology, esthetics, or barbering
3 profession was, might have been, or may be, injured;

4 (b) the degree of trust and dependence among the
5 involved parties;

6 (c) the character and degree of harm which did
7 result or might have resulted;

8 (d) the intent or mental state of the licensee at
9 the time of the acts or omissions.

10 (3) The Department shall reissue the license or
11 registration upon certification by the Committee that the
12 disciplined licensee or registrant has complied with all of
13 the terms and conditions set forth in the final order or has
14 been sufficiently rehabilitated to warrant the public trust.

15 (4) The Department may refuse to issue or may suspend
16 the license or certificate of registration of any person who
17 fails to file a return, or to pay the tax, penalty or
18 interest shown in a filed return, or to pay any final
19 assessment of tax, penalty or interest, as required by any
20 tax Act administered by the Illinois Department of Revenue,
21 until such time as the requirements of any such tax Act are
22 satisfied.

23 (5) The Department shall deny without hearing any
24 application for a license or renewal of a license under this
25 Act by a person who has defaulted on an educational loan
26 guaranteed by the Illinois State Finance Authority Student
27 Assistance--Commission; however, the Department may issue or
28 renew a license if the person in default has established a
29 satisfactory repayment record as determined by the Illinois
30 State Finance Authority Student-Assistance-Commission.

31 (Source: P.A. 89-387, eff. 1-1-96; 90-302, eff. 8-1-97.)

32 Section 918.19. The Illinois Public Accounting Act is
33 amended by changing Section 20-01 as follows:

1 (225 ILCS 450/20.01) (from Ch. 111, par. 5521.01)

2 Sec. 20.01. Grounds for discipline.

3 (a) The Department may refuse to issue or renew, or may
4 revoke, suspend, or reprimand any license or licensee, place
5 a licensee on probation for a period of time subject to any
6 conditions the Committee may specify including requiring the
7 licensee to attend continuing education courses or to work
8 under the supervision of another licensee, impose a fine not
9 to exceed \$5,000 for each violation, restrict the authorized
10 scope of practice, or require a licensee to undergo a peer
11 review program, for any one or more of the following:

12 (1) Violation of any provision of this Act.

13 (2) Attempting to procure a license to practice
14 public accounting by bribery or fraudulent
15 misrepresentations.

16 (3) Having a license to practice public accounting
17 revoked, suspended, or otherwise acted against, including
18 the denial of licensure, by the licensing authority of
19 another state, territory, or country. No disciplinary
20 action shall be taken in Illinois if the action taken in
21 another jurisdiction was based upon failure to meet the
22 continuing professional education requirements of that
23 jurisdiction and the applicable Illinois continuing
24 professional education requirements are met.

25 (4) Being convicted or found guilty, regardless of
26 adjudication, of a crime in any jurisdiction which
27 directly relates to the practice of public accounting or
28 the ability to practice public accounting.

29 (5) Making or filing a report or record which the
30 registrant knows to be false, willfully failing to file a
31 report or record required by state or federal law,
32 willfully impeding or obstructing the filing, or inducing
33 another person to impede or obstruct the filing. The
34 reports or records shall include only those that are

1 signed in the capacity of a public accountant.

2 (6) Conviction in this or another State or the
3 District of Columbia, or any United States Territory, of
4 any crime that is punishable by one year or more in
5 prison or conviction of a crime in a federal court that
6 is punishable by one year or more in prison.

7 (7) Proof that the licensee is guilty of fraud or
8 deceit, or of gross negligence, incompetency, or
9 misconduct, in the practice of public accounting.

10 (8) Violation of any rule adopted under this Act.

11 (9) Practicing on a revoked, suspended, or inactive
12 license.

13 (10) Suspension or revocation of the right to
14 practice before any State.

15 (11) Conviction of any crime under the laws of the
16 United States or any state or territory of the United
17 States that is a felony or misdemeanor and has dishonesty
18 as essential element, or of any crime that is directly
19 related to the practice of the profession.

20 (12) Making any misrepresentation for the purpose
21 of obtaining a license, or material misstatement in
22 furnishing information to the Department.

23 (13) Aiding or assisting another person in
24 violating any provision of this Act or rules promulgated
25 hereunder.

26 (14) Engaging in dishonorable, unethical, or
27 unprofessional conduct of a character likely to deceive,
28 defraud, or harm the public and violating the rules of
29 professional conduct adopted by the Department.

30 (15) Habitual or excessive use or addiction to
31 alcohol, narcotics, stimulants, or any other chemical
32 agent or drug that results in the inability to practice
33 with reasonable skill, judgment, or safety.

34 (16) Directly or indirectly giving to or receiving

1 from any person, firm, corporation, partnership, or
2 association any fee, commission, rebate, or other form of
3 compensation for any professional service not actually
4 rendered.

5 (17) Physical or mental disability, including
6 deterioration through the aging process or loss of
7 abilities and skills that results in the inability to
8 practice the profession with reasonable judgment, skill
9 or safety.

10 (18) Solicitation of professional services by using
11 false or misleading advertising.

12 (19) Failure to file a return, or pay the tax,
13 penalty or interest shown in a filed return, or to pay
14 any final assessment of tax, penalty or interest, as
15 required by any tax Act administered by the Illinois
16 Department of Revenue or any successor agency or the
17 Internal Revenue Service or any successor agency.

18 (20) Practicing or attempting to practice under a
19 name other than the full name as shown on the license or
20 any other legally authorized name.

21 (21) A finding by the Department that a licensee
22 has not complied with a provision of any lawful order
23 issued by the Department.

24 (22) Making a false statement to the Department
25 regarding compliance with continuing professional
26 education requirements.

27 (23) Failing to make a substantive response to a
28 request for information by the Department within 30 days
29 of the request.

30 (b) (Blank).

31 (c) In rendering an order, the Director shall take into
32 consideration the facts and circumstances involving the type
33 of acts or omissions in subsection (a) including, but not
34 limited to:

1 (1) the extent to which public confidence in the
2 public accounting profession was, might have been, or may
3 be injured;

4 (2) the degree of trust and dependence among the
5 involved parties;

6 (3) the character and degree of financial or
7 economic harm which did or might have resulted; and

8 (4) the intent or mental state of the person
9 charged at the time of the acts or omissions.

10 (d) The Department shall reissue the license upon
11 certification by the Committee that the disciplined licensee
12 has complied with all of the terms and conditions set forth
13 in the final order.

14 (e) The Department shall deny any application for a
15 license or renewal, without hearing, to any person who has
16 defaulted on an educational loan guaranteed by the Illinois
17 State Finance Authority Student--Assistance--Commission;
18 however, the Department may issue a license or renewal if the
19 person in default has established a satisfactory repayment
20 record as determined by the Illinois State Finance Authority
21 Student-Assistance-Commission.

22 (f) The determination by a court that a licensee is
23 subject to involuntary admission or judicial admission as
24 provided in the Mental Health and Developmental Disabilities
25 Code will result in the automatic suspension of his or her
26 license. The suspension will end upon a finding by a court
27 that the licensee is no longer subject to involuntary
28 admission or judicial admission, the issuance of an order so
29 finding and discharging the patient, and the recommendation
30 of the Committee to the Director that the licensee be allowed
31 to resume professional practice.

32 (Source: P.A. 90-655, eff. 7-30-98.)

33 Section 918.20. The Real Estate License Act of 2000 is

1 amended by changing Section 20-40 as follows:

2 (225 ILCS 454/20-40)

3 Sec. 20-40. Disciplinary action for educational loan
4 defaults. OBRE shall deny a license or renewal authorized by
5 this Act to a person who has defaulted on an educational loan
6 or scholarship provided or guaranteed by the Illinois State
7 Finance Authority Student--Assistance--Commission or any
8 governmental agency of this State; however, OBRE may issue a
9 license or renewal if the person has established a
10 satisfactory repayment record as determined by the Illinois
11 State Finance Authority Student--Assistance--Commission or
12 other appropriate governmental agency of this State.
13 Additionally, a license issued by OBRE may be suspended or
14 revoked if the Commissioner, after the opportunity for a
15 hearing under this Article, finds that the licensee has
16 failed to make satisfactory repayment to the Illinois State
17 Finance Authority Student--Assistance--Commission for a
18 delinquent or defaulted loan.

19 (Source: P.A. 91-245, eff. 12-31-99.)

20 Section 918.21. The Illinois Vehicle Code is amended by
21 changing Section 3-629 as follows:

22 (625 ILCS 5/3-629)

23 Sec. 3-629. Collegiate license plates; scholarship fund.

24 (a) In addition to any other special license plate, the
25 Secretary, upon receipt of all applicable fees and
26 applications made in the form prescribed by the Secretary of
27 State, may issue collegiate license plates. The collegiate
28 plates issued under this Section shall be affixed only to
29 passenger vehicles of the first division and motor vehicles
30 of the second division weighing not more than 8,000 pounds
31 and subject to the staggered registration system. Plates

1 issued under this Section shall expire according to the
2 staggered multi-year procedure established under Section
3 3-414.1 of this Code.

4 (b) The design, color, and format of the plates shall be
5 wholly within the discretion of the Secretary of State. The
6 Secretary of State may, at his or her discretion, issue the
7 plates for any public or degree-granting, not-for-profit
8 private college or university located in this State. The
9 Secretary may, in his or her discretion, allow the plates to
10 be issued as vanity plates or personalized in accordance with
11 Section 3-405.1 of this Code. The plates are not required to
12 designate "Land Of Lincoln", as prescribed in subsection (b)
13 of Section 3-412 of this Code. The Secretary shall prescribe
14 the eligibility requirements including a minimum level of
15 specialized license plates requests and, in his or her
16 discretion, shall approve and prescribe stickers or decals as
17 provided under Section 3-412.

18 (c) An applicant shall be charged a \$40 fee for original
19 issuance in addition to the applicable registration fee. Of
20 the original issuance fee in the case of a public university
21 or college, \$25 shall be deposited into the State College and
22 University Trust Fund and \$15 shall be deposited into the
23 Secretary of State Special License Plate Fund to be used by
24 the Secretary of State, subject to appropriation, to help
25 defray the administrative costs of issuing the plate. Of the
26 original issuance fee in the case of a degree-granting,
27 not-for-profit private college or university, \$25 shall be
28 deposited into the University Grant Fund and \$15 shall be
29 deposited into the Secretary of State Special License Plate
30 Fund to be used by the Secretary of State, subject to
31 appropriation, to help defray the administrative cost of
32 issuing the plate. In addition to the regular renewal fee,
33 an applicant shall be charged \$27 for the renewal of each set
34 of license plates issued under this Section; \$25 shall be

1 deposited into the State College and University Trust Fund in
2 the case of a public university or college or into the
3 University Grant Fund in the case of a degree-granting,
4 not-for-profit private college or university, and \$2 shall be
5 deposited into the Secretary of State Special License Plate
6 Fund plates for all collegiate plates.

7 (d) The State College and University Trust Fund is
8 created as a special fund in the State treasury. The State
9 Treasurer shall create separate accounts within the State
10 College and University Trust Fund for each public university
11 or college for which collegiate license plates have been
12 issued. Moneys in the State College and University Trust
13 Fund shall be allocated to each account in proportion to the
14 number of plates sold in regard to each public university or
15 college. Moneys deposited into the State College and
16 University Trust Fund during the preceding calendar year
17 shall be distributed, subject to appropriation, to each
18 participating public university or college. This revenue
19 shall be used for the sole purpose of scholarship grant
20 awards.

21 (e) The University Grant Fund is created as a special
22 fund in the State treasury. All moneys in the University
23 Grant Fund shall be appropriated to the Illinois State
24 Finance Authority ~~Student--Assistance--Commission~~ to make
25 reimbursements to participating private colleges and
26 universities under the Higher Education License Plate Grant
27 Program.

28 (Source: P.A. 90-14, eff. 7-1-97; 90-278, eff. 7-31-97;
29 90-774, eff. 8-14-98; 91-83, eff. 1-1-00.)

30 Section 918.22. The Attorney Act is amended by changing
31 Section 1 as follows:

32 (705 ILCS 205/1) (from Ch. 13, par. 1)

1 Sec. 1. No person shall be permitted to practice as an
2 attorney or counselor at law within this State without having
3 previously obtained a license for that purpose from the
4 Supreme Court of this State.

5 No person shall receive any compensation directly or
6 indirectly for any legal services other than a regularly
7 licensed attorney.

8 A license, as provided for herein, constitutes the person
9 receiving the same an attorney and counselor at law,
10 according to the law and customs thereof, for and during his
11 good behavior in the practice and authorizes him to demand
12 and receive fees for any services which he may render as an
13 attorney and counselor at law in this State. No person shall
14 be granted a license or renewal authorized by this Act who
15 has defaulted on an educational loan guaranteed by the
16 Illinois State Finance Authority Student---Assistance
17 Commission; however, a license or renewal may be issued to
18 the aforementioned persons who have established a
19 satisfactory repayment record as determined by the Illinois
20 State Finance Authority Student-Assistance--Commission. No
21 person shall be granted a license or renewal authorized by
22 this Act who is more than 30 days delinquent in complying
23 with a child support order; a license or renewal may be
24 issued, however, if the person has established a satisfactory
25 repayment record as determined (i) by the Illinois Department
26 of Public Aid for cases being enforced under Article X of the
27 Illinois Public Aid Code or (ii) in all other cases by order
28 of court or by written agreement between the custodial parent
29 and non-custodial parent. No person shall be refused a
30 license under this Act on account of sex.

31 Any person practicing, charging or receiving fees for
32 legal services within this State, either directly or
33 indirectly, without being licensed to practice as herein
34 required, is guilty of contempt of court and shall be

1 punished accordingly, upon complaint being filed in any
2 Circuit Court of this State. Such proceedings shall be
3 conducted in the Courts of the respective counties where the
4 alleged contempt has been committed in the same manner as in
5 cases of indirect contempt and with the right of review by
6 the parties thereto.

7 The provisions of this Act shall be in addition to other
8 remedies permitted by law and shall not be construed to
9 deprive courts of this State of their inherent right to
10 punish for contempt or to restrain the unauthorized practice
11 of law.

12 Nothing in this Act shall be construed to prohibit
13 representation of a party by a person who is not an attorney
14 in a proceeding before either panel of the Illinois Labor
15 Relations Board under the Illinois Public Labor Relations
16 Act, as now or hereafter amended, the Illinois Educational
17 Labor Relations Board under the Illinois Educational Labor
18 Relations Act, as now or hereafter amended, the State Civil
19 Service Commission, the local Civil Service Commissions, or
20 the University Civil Service Merit Board, to the extent
21 allowed pursuant to rules and regulations promulgated by
22 those Boards and Commissions.

23 (Source: P.A. 91-798, eff. 7-9-00.)

24 Section 918.23. The Illinois Securities Law of 1953 is
25 amended by changing Section 8 as follows:

26 (815 ILCS 5/8) (from Ch. 121 1/2, par. 137.8)

27 Sec. 8. Registration of dealers, limited Canadian
28 dealers, salespersons, investment advisers, and investment
29 adviser representatives.

30 A. Except as otherwise provided in this subsection A,
31 every dealer, limited Canadian dealer, salesperson,
32 investment adviser, and investment adviser representative

1 shall be registered as such with the Secretary of State. No
2 dealer or salesperson need be registered as such when
3 offering or selling securities in transactions believed in
4 good faith to be exempted by subsection A, B, C, D, E, G, H,
5 I, J, K, M, O, P, Q, R or S of Section 4 of this Act,
6 provided that such dealer or salesperson is not regularly
7 engaged in the business of offering or selling securities in
8 reliance upon the exemption set forth in subsection G or M of
9 Section 4 of this Act. No dealer, issuer or controlling
10 person shall employ a salesperson unless such salesperson is
11 registered as such with the Secretary of State or is employed
12 for the purpose of offering or selling securities solely in
13 transactions believed in good faith to be exempted by
14 subsection A, B, C, D, E, G, H, I, J, K, L, M, O, P, Q, R or
15 S of Section 4 of this Act; provided that such salesperson
16 need not be registered when effecting transactions in this
17 State limited to those transactions described in Section
18 15(h)(2) of the Federal 1934 Act or engaging in the offer or
19 sale of securities in respect of which he or she has
20 beneficial ownership and is a controlling person. The
21 Secretary of State may, by rule, regulation or order and
22 subject to such terms, conditions as fees as may be
23 prescribed in such rule, regulation or order, exempt from the
24 registration requirements of this Section 8 any investment
25 adviser, if the Secretary of State shall find that such
26 registration is not necessary in the public interest by
27 reason of the small number of clients or otherwise limited
28 character of operation of such investment adviser.

29 B. An application for registration as a dealer or
30 limited Canadian dealer, executed, verified, or authenticated
31 by or on behalf of the applicant, shall be filed with the
32 Secretary of State, in such form as the Secretary of State
33 may by rule, regulation or order prescribe, setting forth or
34 accompanied by:

1 (1) The name and address of the applicant, the
2 location of its principal business office and all branch
3 offices, if any, and the date of its organization;

4 (2) A statement of any other Federal or state
5 licenses or registrations which have been granted the
6 applicant and whether any such licenses or registrations
7 have ever been refused, cancelled, suspended, revoked or
8 withdrawn;

9 (3) The assets and all liabilities, including
10 contingent liabilities of the applicant, as of a date not
11 more than 60 days prior to the filing of the application;

12 (4) (a) A brief description of any civil or
13 criminal proceeding of which fraud is an essential
14 element pending against the applicant and whether the
15 applicant has ever been convicted of a felony, or of any
16 misdemeanor of which fraud is an essential element;

17 (b) A list setting forth the name, residence and
18 business address and a 10 year occupational statement of
19 each principal of the applicant and a statement
20 describing briefly any civil or criminal proceedings of
21 which fraud is an essential element pending against any
22 such principal and the facts concerning any conviction of
23 any such principal of a felony, or of any misdemeanor of
24 which fraud is an essential element;

25 (5) If the applicant is a corporation: a list of
26 its officers and directors setting forth the residence
27 and business address of each; a 10-year occupational
28 statement of each such officer or director; and a
29 statement describing briefly any civil or criminal
30 proceedings of which fraud is an essential element
31 pending against each such officer or director and the
32 facts concerning any conviction of any officer or
33 director of a felony, or of any misdemeanor of which
34 fraud is an essential element;

1 (6) If the applicant is a sole proprietorship, a
2 partnership, limited liability company, an unincorporated
3 association or any similar form of business organization:
4 the name, residence and business address of the
5 proprietor or of each partner, member, officer, director,
6 trustee or manager; the limitations, if any, of the
7 liability of each such individual; a 10-year occupational
8 statement of each such individual; a statement describing
9 briefly any civil or criminal proceedings of which fraud
10 is an essential element pending against each such
11 individual and the facts concerning any conviction of any
12 such individual of a felony, or of any misdemeanor of
13 which fraud is an essential element;

14 (7) Such additional information as the Secretary of
15 State may by rule or regulation prescribe as necessary to
16 determine the applicant's financial responsibility,
17 business repute and qualification to act as a dealer.

18 (8) (a) No applicant shall be registered or
19 re-registered as a dealer or limited Canadian dealer
20 under this Section unless and until each principal of the
21 dealer has passed an examination conducted by the
22 Secretary of State or a self-regulatory organization of
23 securities dealers or similar person, which examination
24 has been designated by the Secretary of State by rule,
25 regulation or order to be satisfactory for purposes of
26 determining whether the applicant has sufficient
27 knowledge of the securities business and laws relating
28 thereto to act as a registered dealer. Any dealer who was
29 registered on September 30, 1963, and has continued to be
30 so registered; and any principal of any registered
31 dealer, who was acting in such capacity on and
32 continuously since September 30, 1963; and any individual
33 who has previously passed a securities dealer examination
34 administered by the Secretary of State or any examination

1 designated by the Secretary of State to be satisfactory
2 for purposes of determining whether the applicant has
3 sufficient knowledge of the securities business and laws
4 relating thereto to act as a registered dealer by rule,
5 regulation or order, shall not be required to pass an
6 examination in order to continue to act in such capacity.
7 The Secretary of State may by order waive the examination
8 requirement for any principal of an applicant for
9 registration under this subsection B who has had such
10 experience or education relating to the securities
11 business as may be determined by the Secretary of State
12 to be the equivalent of such examination. Any request
13 for such a waiver shall be filed with the Secretary of
14 State in such form as may be prescribed by rule or
15 regulation.

16 (b) Unless an applicant is a member of the body
17 corporate known as the Securities Investor Protection
18 Corporation established pursuant to the Act of Congress
19 of the United States known as the Securities Investor
20 Protection Act of 1970, as amended, a member of an
21 association of dealers registered as a national
22 securities association pursuant to Section 15A of the
23 Federal 1934 Act, or a member of a self-regulatory
24 organization or stock exchange in Canada which the
25 Secretary of State has designated by rule or order, an
26 applicant shall not be registered or re-registered unless
27 and until there is filed with the Secretary of State
28 evidence that such applicant has in effect insurance or
29 other equivalent protection for each client's cash or
30 securities held by such applicant, and an undertaking
31 that such applicant will continually maintain such
32 insurance or other protection during the period of
33 registration or re-registration. Such insurance or other
34 protection shall be in a form and amount reasonably

1 prescribed by the Secretary of State by rule or
2 regulation.

3 (9) The application for the registration of a
4 dealer or limited Canadian dealer shall be accompanied
5 by a filing fee and a fee for each branch office in this
6 State, in each case in the amount established pursuant to
7 Section 11a of this Act, which fees shall not be
8 returnable in any event.

9 (10) The Secretary of State shall notify the dealer
10 or limited Canadian dealer by written notice (which may
11 be by electronic or facsimile transmission) of the
12 effectiveness of the registration as a dealer in this
13 State.

14 (11) Any change which renders no longer accurate
15 any information contained in any application for
16 registration or re-registration of a dealer or limited
17 Canadian dealer shall be reported to the Secretary of
18 State within 10 business days after the occurrence of
19 such change; but in respect to assets and liabilities
20 only materially adverse changes need be reported.

21 C. Any registered dealer, limited Canadian dealer,
22 issuer, or controlling person desiring to register a
23 salesperson shall file an application with the Secretary of
24 State, in such form as the Secretary of State may by rule or
25 regulation prescribe, which the salesperson is required by
26 this Section to provide to the dealer, issuer, or controlling
27 person, executed, verified, or authenticated by the
28 salesperson setting forth or accompanied by:

29 (1) The name, residence and business address of the
30 salesperson;

31 (2) Whether any federal or State license or
32 registration as dealer, limited Canadian dealer, or
33 salesperson has ever been refused the salesperson or
34 cancelled, suspended, revoked, or withdrawn;

1 (3) The nature of employment with, and names and
2 addresses of, employers of the salesperson for the 10
3 years immediately preceding the date of application;

4 (4) A brief description of any civil or criminal
5 proceedings of which fraud is an essential element
6 pending against the salesperson, and whether the
7 salesperson has ever been convicted of a felony, or of
8 any misdemeanor of which fraud is an essential element;

9 (5) Such additional information as the Secretary of
10 State may by rule, regulation or order prescribe as
11 necessary to determine the salesperson's business repute
12 and qualification to act as a salesperson; and

13 (6) No individual shall be registered or
14 re-registered as a salesperson under this Section unless
15 and until such individual has passed an examination
16 conducted by the Secretary of State or a self-regulatory
17 organization of securities dealers or similar person,
18 which examination has been designated by the Secretary of
19 State by rule, regulation or order to be satisfactory for
20 purposes of determining whether the applicant has
21 sufficient knowledge of the securities business and laws
22 relating thereto to act as a registered salesperson.

23 Any salesperson who was registered prior to
24 September 30, 1963, and has continued to be so
25 registered, and any individual who has passed a
26 securities salesperson examination administered by the
27 Secretary of State or an examination designated by the
28 Secretary of State by rule, regulation or order to be
29 satisfactory for purposes of determining whether the
30 applicant has sufficient knowledge of the securities
31 business and laws relating thereto to act as a registered
32 salesperson, shall not be required to pass an examination
33 in order to continue to act as a salesperson. The
34 Secretary of State may by order waive the examination

1 requirement for any applicant for registration under this
2 subsection C who has had such experience or education
3 relating to the securities business as may be determined
4 by the Secretary of State to be the equivalent of such
5 examination. Any request for such a waiver shall be
6 filed with the Secretary of State in such form as may be
7 prescribed by rule, regulation or order.

8 (7) The application for registration of a
9 salesperson shall be accompanied by a filing fee and a
10 Securities Audit and Enforcement Fund fee, each in the
11 amount established pursuant to Section 11a of this Act,
12 which shall not be returnable in any event.

13 (8) Any change which renders no longer accurate any
14 information contained in any application for registration
15 or re-registration as a salesperson shall be reported to
16 the Secretary of State within 10 business days after the
17 occurrence of such change. If the activities are
18 terminated which rendered an individual a salesperson for
19 the dealer, issuer or controlling person, the dealer,
20 issuer or controlling person, as the case may be, shall
21 notify the Secretary of State, in writing, within 30 days
22 of the salesperson's cessation of activities, using the
23 appropriate termination notice form.

24 (9) A registered salesperson may transfer his or
25 her registration under this Section 8 for the unexpired
26 term thereof from one registered dealer or limited
27 Canadian dealer to another by the giving of notice of the
28 transfer by the new registered dealer or limited Canadian
29 dealer to the Secretary of State in such form and subject
30 to such conditions as the Secretary of State shall by
31 rule or regulation prescribe. The new registered dealer
32 or limited Canadian dealer shall promptly file an
33 application for registration of such salesperson as
34 provided in this subsection C, accompanied by the filing

1 fee prescribed by paragraph (7) of this subsection C.

2 C-5. Except with respect to federal covered investment
3 advisers whose only clients are investment companies as
4 defined in the Federal 1940 Act, other investment advisers,
5 federal covered investment advisers, or any similar person
6 which the Secretary of State may prescribe by rule or order,
7 a federal covered investment adviser shall file with the
8 Secretary of State, prior to acting as a federal covered
9 investment adviser in this State, such documents as have been
10 filed with the Securities and Exchange Commission as the
11 Secretary of State by rule or order may prescribe. The
12 notification of a federal covered investment adviser shall be
13 accompanied by a notification filing fee established pursuant
14 to Section 11a of this Act, which shall not be returnable in
15 any event. Every person acting as a federal covered
16 investment adviser in this State shall file a notification
17 filing and pay an annual notification filing fee established
18 pursuant to Section 11a of this Act, which is not returnable
19 in any event. The failure to file any such notification
20 shall constitute a violation of subsection D of Section 12 of
21 this Act, subject to the penalties enumerated in Section 14
22 of this Act. Until October 10, 1999 or other date as may be
23 legally permissible, a federal covered investment adviser who
24 fails to file the notification or refuses to pay the fees as
25 required by this subsection shall register as an investment
26 adviser with the Secretary of State under Section 8 of this
27 Act. The civil remedies provided for in subsection A of
28 Section 13 of this Act and the civil remedies of rescission
29 and appointment of receiver, conservator, ancillary receiver,
30 or ancillary conservator provided for in subsection F of
31 Section 13 of this Act shall not be available against any
32 person by reason of the failure to file any such notification
33 or to pay the notification fee or on account of the contents
34 of any such notification.

1 D. An application for registration as an investment
2 adviser, executed, verified, or authenticated by or on behalf
3 of the applicant, shall be filed with the Secretary of State,
4 in such form as the Secretary of State may by rule or
5 regulation prescribe, setting forth or accompanied by:

6 (1) The name and form of organization under which
7 the investment adviser engages or intends to engage in
8 business; the state or country and date of its
9 organization; the location of the adviser's principal
10 business office and branch offices, if any; the names and
11 addresses of the adviser's principal, partners, officers,
12 directors, and persons performing similar functions or,
13 if the investment adviser is an individual, of the
14 individual; and the number of the adviser's employees who
15 perform investment advisory functions;

16 (2) The education, the business affiliations for
17 the past 10 years, and the present business affiliations
18 of the investment adviser and of the adviser's principal,
19 partners, officers, directors, and persons performing
20 similar functions and of any person controlling the
21 investment adviser;

22 (3) The nature of the business of the investment
23 adviser, including the manner of giving advice and
24 rendering analyses or reports;

25 (4) The nature and scope of the authority of the
26 investment adviser with respect to clients' funds and
27 accounts;

28 (5) The basis or bases upon which the investment
29 adviser is compensated;

30 (6) Whether the investment adviser or any
31 principal, partner, officer, director, person performing
32 similar functions or person controlling the investment
33 adviser (i) within 10 years of the filing of the
34 application has been convicted of a felony, or of any

1 misdemeanor of which fraud is an essential element, or
2 (ii) is permanently or temporarily enjoined by order or
3 judgment from acting as an investment adviser,
4 underwriter, dealer, principal or salesperson, or from
5 engaging in or continuing any conduct or practice in
6 connection with any such activity or in connection with
7 the purchase or sale of any security, and in each case
8 the facts relating to the conviction, order or judgment;

9 (7) (a) A statement as to whether the investment
10 adviser is engaged or is to engage primarily in the
11 business of rendering investment supervisory services;
12 and

13 (b) A statement that the investment adviser will
14 furnish his, her, or its clients with such information as
15 the Secretary of State deems necessary in the form
16 prescribed by the Secretary of State by rule or
17 regulation;

18 (8) Such additional information as the Secretary of
19 State may, by rule, regulation or order prescribe as
20 necessary to determine the applicant's financial
21 responsibility, business repute and qualification to act
22 as an investment adviser.

23 (9) No applicant shall be registered or
24 re-registered as an investment adviser under this Section
25 unless and until each principal of the applicant who is
26 actively engaged in the conduct and management of the
27 applicant's advisory business in this State has passed an
28 examination or completed an educational program conducted
29 by the Secretary of State or an association of investment
30 advisers or similar person, which examination or
31 educational program has been designated by the Secretary
32 of State by rule, regulation or order to be satisfactory
33 for purposes of determining whether the applicant has
34 sufficient knowledge of the securities business and laws

1 relating thereto to conduct the business of a registered
2 investment adviser.

3 Any person who was a registered investment adviser
4 prior to September 30, 1963, and has continued to be so
5 registered, and any individual who has passed an
6 investment adviser examination administered by the
7 Secretary of State, or passed an examination or completed
8 an educational program designated by the Secretary of
9 State by rule, regulation or order to be satisfactory for
10 purposes of determining whether the applicant has
11 sufficient knowledge of the securities business and laws
12 relating thereto to conduct the business of a registered
13 investment adviser, shall not be required to pass an
14 examination or complete an educational program in order
15 to continue to act as an investment adviser. The
16 Secretary of State may by order waive the examination or
17 educational program requirement for any applicant for
18 registration under this subsection D if the principal of
19 the applicant who is actively engaged in the conduct and
20 management of the applicant's advisory business in this
21 State has had such experience or education relating to
22 the securities business as may be determined by the
23 Secretary of State to be the equivalent of the
24 examination or educational program. Any request for a
25 waiver shall be filed with the Secretary of State in such
26 form as may be prescribed by rule or regulation.

27 (10) No applicant shall be registered or
28 re-registered as an investment adviser under this Section
29 8 unless the application for registration or
30 re-registration is accompanied by an application for
31 registration or re-registration for each person acting as
32 an investment adviser representative on behalf of the
33 adviser and a Securities Audit and Enforcement Fund fee
34 that shall not be returnable in any event is paid with

1 respect to each investment adviser representative.

2 (11) The application for registration of an
3 investment adviser shall be accompanied by a filing fee
4 and a fee for each branch office in this State, in each
5 case in the amount established pursuant to Section 11a of
6 this Act, which fees shall not be returnable in any
7 event.

8 (12) The Secretary of State shall notify the
9 investment adviser by written notice (which may be by
10 electronic or facsimile transmission) of the
11 effectiveness of the registration as an investment
12 adviser in this State.

13 (13) Any change which renders no longer accurate
14 any information contained in any application for
15 registration or re-registration of an investment adviser
16 shall be reported to the Secretary of State within 10
17 business days after the occurrence of the change. In
18 respect to assets and liabilities of an investment
19 adviser that retains custody of clients' cash or
20 securities or accepts pre-payment of fees in excess of
21 \$500 per client and 6 or more months in advance only
22 materially adverse changes need be reported by written
23 notice (which may be by electronic or facsimile
24 transmission) no later than the close of business on the
25 second business day following the discovery thereof.

26 (14) Each application for registration as an
27 investment adviser shall become effective automatically
28 on the 45th day following the filing of the application,
29 required documents or information, and payment of the
30 required fee unless (i) the Secretary of State has
31 registered the investment adviser prior to that date or
32 (ii) an action with respect to the applicant is pending
33 under Section 11 of this Act.

34 D-5. A registered investment adviser or federal covered

1 investment adviser desiring to register an investment
2 adviser representative shall file an application with the
3 Secretary of State, in the form as the Secretary of State may
4 by rule or order prescribe, which the investment adviser
5 representative is required by this Section to provide to the
6 investment adviser, executed, verified, or authenticated by
7 the investment adviser representative and setting forth or
8 accompanied by:

9 (1) The name, residence, and business address of
10 the investment adviser representative;

11 (2) A statement whether any federal or state
12 license or registration as a dealer, salesperson,
13 investment adviser, or investment adviser representative
14 has ever been refused, canceled, suspended, revoked or
15 withdrawn;

16 (3) The nature of employment with, and names and
17 addresses of, employers of the investment adviser
18 representative for the 10 years immediately preceding the
19 date of application;

20 (4) A brief description of any civil or criminal
21 proceedings, of which fraud is an essential element,
22 pending against the investment adviser representative and
23 whether the investment adviser representative has ever
24 been convicted of a felony or of any misdemeanor of which
25 fraud is an essential element;

26 (5) Such additional information as the Secretary of
27 State may by rule or order prescribe as necessary to
28 determine the investment adviser representative's
29 business repute or qualification to act as an investment
30 adviser representative;

31 (6) Documentation that the individual has passed an
32 examination conducted by the Secretary of State, an
33 organization of investment advisers, or similar person,
34 which examination has been designated by the Secretary of

1 State by rule or order to be satisfactory for purposes of
2 determining whether the applicant has sufficient
3 knowledge of the investment advisory or securities
4 business and laws relating to that business to act as a
5 registered investment adviser representative; and

6 (7) A Securities Audit and Enforcement Fund fee
7 established under Section 11a of this Act, which shall
8 not be returnable in any event.

9 The Secretary of State may by order waive the examination
10 requirement for an applicant for registration under this
11 subsection D-5 who has had the experience or education
12 relating to the investment advisory or securities business as
13 may be determined by the Secretary of State to be the
14 equivalent of the examination. A request for a waiver shall
15 be filed with the Secretary of State in the form as may be
16 prescribed by rule or order.

17 A change that renders no longer accurate any information
18 contained in any application for registration or
19 re-registration as an investment adviser representative must
20 be reported to the Secretary of State within 10 business days
21 after the occurrence of the change. If the activities that
22 rendered an individual an investment adviser representative
23 for the investment adviser are terminated, the investment
24 adviser shall notify the Secretary of State in writing (which
25 may be by electronic or facsimile transmission), within 30
26 days of the investment adviser representative's termination,
27 using the appropriate termination notice form as the
28 Secretary of State may prescribe by rule or order.

29 A registered investment adviser representative may
30 transfer his or her registration under this Section 8 for the
31 unexpired term of the registration from one registered
32 investment adviser to another by the giving of notice of the
33 transfer by the new investment adviser to the Secretary of
34 State in the form and subject to the conditions as the

1 Secretary of State shall prescribe. The new registered
2 investment adviser shall promptly file an application for
3 registration of the investment adviser representative as
4 provided in this subsection, accompanied by the Securities
5 Audit and Enforcement Fund fee prescribed by paragraph (7) of
6 this subsection D-5.

7 E. (1) Subject to the provisions of subsection F of
8 Section 11 of this Act, the registration of a dealer, limited
9 Canadian dealer, salesperson, investment adviser, or
10 investment adviser representative may be denied, suspended or
11 revoked if the Secretary of State finds that the dealer,
12 limited Canadian dealer, salesperson, investment adviser, or
13 investment adviser representative or any principal officer,
14 director, partner, member, trustee, manager or any person who
15 performs a similar function of the dealer, limited Canadian
16 dealer, or investment adviser:

17 (a) Has been convicted of any felony during the 10
18 year period preceding the date of filing of any
19 application for registration or at any time thereafter,
20 or of any misdemeanor of which fraud is an essential
21 element;

22 (b) Has engaged in any unethical practice in the
23 offer or sale of securities or in any fraudulent business
24 practice;

25 (c) Has failed to account for any money or
26 property, or has failed to deliver any security, to any
27 person entitled thereto when due or within a reasonable
28 time thereafter;

29 (d) In the case of a dealer, limited Canadian
30 dealer, or investment adviser, is insolvent;

31 (e) In the case of a dealer, limited Canadian
32 dealer, salesperson, or registered principal of a dealer
33 or limited Canadian dealer (i) has failed reasonably to
34 supervise the securities activities of any of its

1 salespersons and the failure has permitted or facilitated
2 a violation of Section 12 of this Act or (ii) is offering
3 or selling or has offered or sold securities in this
4 State through a salesperson other than a registered
5 salesperson, or, in the case of a salesperson, is selling
6 or has sold securities in this State for a dealer,
7 limited Canadian dealer, issuer or controlling person
8 with knowledge that the dealer, limited Canadian dealer,
9 issuer or controlling person has not complied with the
10 provisions of this Act or (iii) has failed reasonably to
11 supervise the implementation of compliance measures
12 following notice by the Secretary of State of
13 noncompliance with the Act or with the regulations
14 promulgated thereunder or both;

15 (f) In the case of an investment adviser, has
16 failed reasonably to supervise the advisory activities of
17 any of its investment adviser representatives or
18 employees and the failure has permitted or facilitated a
19 violation of Section 12 of this Act;

20 (g) Has violated any of the provisions of this Act;

21 (h) Has made any material misrepresentation to the
22 Secretary of State in connection with any information
23 deemed necessary by the Secretary of State to determine a
24 dealer's, limited Canadian dealer's, or investment
25 adviser's financial responsibility or a dealer's, limited
26 Canadian dealer's, investment adviser's, salesperson's,
27 or investment adviser representative's business repute or
28 qualifications, or has refused to furnish any such
29 information requested by the Secretary of State;

30 (i) Has had a license or registration under any
31 Federal or State law regulating the offer or sale of
32 securities or commodity futures contracts, refused,
33 cancelled, suspended or withdrawn;

34 (j) Has been suspended or expelled from or refused

1 membership in or association with or limited in any
2 capacity by any self-regulatory organization registered
3 under the Federal 1934 Act or the Federal 1974 Act
4 arising from any fraudulent or deceptive act or a
5 practice in violation of any rule, regulation or standard
6 duly promulgated by the self-regulatory organization;

7 (k) Has had any order entered against it after
8 notice and opportunity for hearing by a securities agency
9 of any state, any foreign government or agency thereof,
10 the Securities and Exchange Commission, or the Federal
11 Commodities Futures Trading Commission arising from any
12 fraudulent or deceptive act or a practice in violation of
13 any statute, rule or regulation administered or
14 promulgated by the agency or commission;

15 (l) In the case of a dealer or limited Canadian
16 dealer, fails to maintain a minimum net capital in an
17 amount which the Secretary of State may by rule or
18 regulation require;

19 (m) Has conducted a continuing course of dealing of
20 such nature as to demonstrate an inability to properly
21 conduct the business of the dealer, limited Canadian
22 dealer, salesperson, investment adviser, or investment
23 adviser representative;

24 (n) Has had, after notice and opportunity for
25 hearing, any injunction or order entered against it or
26 license or registration refused, cancelled, suspended,
27 revoked, withdrawn or limited by any state or federal
28 body, agency or commission regulating banking, insurance,
29 finance or small loan companies, real estate or mortgage
30 brokers or companies, if the action resulted from any act
31 found by the body, agency or commission to be a
32 fraudulent or deceptive act or practice in violation of
33 any statute, rule or regulation administered or
34 promulgated by the body, agency or commission;

1 (o) Has failed to file a return, or to pay the tax,
2 penalty or interest shown in a filed return, or to pay
3 any final assessment of tax, penalty or interest, as
4 required by any tax Act administered by the Illinois
5 Department of Revenue, until such time as the
6 requirements of that tax Act are satisfied;

7 (p) In the case of a natural person who is a
8 dealer, limited Canadian dealer, salesperson, investment
9 adviser, or investment adviser representative, has
10 defaulted on an educational loan guaranteed by the
11 Illinois State Finance Authority Student---Assistance
12 Commission, until the natural person has established a
13 satisfactory repayment record as determined by the
14 Illinois State Finance Authority Student--Assistance
15 Commission;

16 (q) Has failed to maintain the books and records
17 required under this Act or rules or regulations
18 promulgated under this Act within a reasonable time after
19 receiving notice of any deficiency;

20 (r) Has refused to allow or otherwise impeded
21 designees of the Secretary of State from conducting an
22 audit, examination, inspection, or investigation provided
23 for under Section 8 or 11 of this Act;

24 (s) Has failed to maintain any minimum net capital
25 or bond requirement set forth in this Act or any rule or
26 regulation promulgated under this Act;

27 (t) Has refused the Secretary of State or his or
28 her designee access to any office or location within an
29 office to conduct an investigation, audit, examination,
30 or inspection;

31 (u) Has advised or caused a public pension fund or
32 retirement system established under the Illinois Pension
33 Code to make an investment or engage in a transaction not
34 authorized by that Code.

1 (2) If the Secretary of State finds that any registrant
2 or applicant for registration is no longer in existence or
3 has ceased to do business as a dealer, limited Canadian
4 dealer, salesperson, investment adviser, or investment
5 adviser representative, or is subject to an adjudication as a
6 person under legal disability or to the control of a
7 guardian, or cannot be located after reasonable search, or
8 has failed after written notice to pay to the Secretary of
9 State any additional fee prescribed by this Section or
10 specified by rule or regulation, or if a natural person, has
11 defaulted on an educational loan guaranteed by the Illinois
12 State Finance Authority Student-Assistance-Commission, the
13 Secretary of State may by order cancel the registration or
14 application.

15 (3) Withdrawal of an application for registration or
16 withdrawal from registration as a dealer, limited Canadian
17 dealer, salesperson, investment adviser, or investment
18 adviser representative becomes effective 30 days after
19 receipt of an application to withdraw or within such shorter
20 period of time as the Secretary of State may determine,
21 unless any proceeding is pending under Section 11 of this Act
22 when the application is filed or a proceeding is instituted
23 within 30 days after the application is filed. If a
24 proceeding is pending or instituted, withdrawal becomes
25 effective at such time and upon such conditions as the
26 Secretary of State by order determines. If no proceeding is
27 pending or instituted and withdrawal automatically becomes
28 effective, the Secretary of State may nevertheless institute
29 a revocation or suspension proceeding within 2 years after
30 withdrawal became effective and enter a revocation or
31 suspension order as of the last date on which registration
32 was effective.

33 F. The Secretary of State shall make available upon
34 request the date that each dealer, investment adviser,

1 salesperson, or investment adviser representative was granted
2 registration, together with the name and address of the
3 dealer, limited Canadian dealer, or issuer on whose behalf
4 the salesperson is registered, and all orders of the
5 Secretary of State denying or abandoning an application, or
6 suspending or revoking registration, or censuring the
7 persons. The Secretary of State may designate by rule,
8 regulation or order the statements, information or reports
9 submitted to or filed with him or her pursuant to this
10 Section 8 which the Secretary of State determines are of a
11 sensitive nature and therefore should be exempt from public
12 disclosure. Any such statement, information or report shall
13 be deemed confidential and shall not be disclosed to the
14 public except upon the consent of the person filing or
15 submitting the statement, information or report or by order
16 of court or in court proceedings.

17 G. The registration or re-registration of a dealer or
18 limited Canadian dealer and of all salespersons registered
19 upon application of the dealer or limited Canadian dealer
20 shall expire on the next succeeding anniversary date of the
21 registration or re-registration of the dealer; and the
22 registration or re-registration of an investment adviser and
23 of all investment adviser representatives registered upon
24 application of the investment adviser shall expire on the
25 next succeeding anniversary date of the registration of the
26 investment adviser; provided, that the Secretary of State may
27 by rule or regulation prescribe an alternate date which any
28 dealer registered under the Federal 1934 Act or a member of
29 any self-regulatory association approved pursuant thereto, a
30 member of a self-regulatory organization or stock exchange in
31 Canada, or any investment adviser may elect as the expiration
32 date of its dealer or limited Canadian dealer and salesperson
33 registrations, or the expiration date of its investment
34 adviser registration, as the case may be. A registration of

1 a salesperson registered upon application of an issuer or
2 controlling person shall expire on the next succeeding
3 anniversary date of the registration, or upon termination or
4 expiration of the registration of the securities, if any,
5 designated in the application for his or her registration or
6 the alternative date as the Secretary may prescribe by rule
7 or regulation. Subject to paragraph (9) of subsection C of
8 this Section 8, a salesperson's registration also shall
9 terminate upon cessation of his or her employment, or
10 termination of his or her appointment or authorization, in
11 each case by the person who applied for the salesperson's
12 registration, provided that the Secretary of State may by
13 rule or regulation prescribe an alternate date for the
14 expiration of the registration.

15 H. Applications for re-registration of dealers, limited
16 Canadian dealers, salespersons, investment advisers, and
17 investment adviser representatives shall be filed with the
18 Secretary of State prior to the expiration of the then
19 current registration and shall contain such information as
20 may be required by the Secretary of State upon initial
21 application with such omission therefrom or addition thereto
22 as the Secretary of State may authorize or prescribe. Each
23 application for re-registration of a dealer, limited Canadian
24 dealer, or investment adviser shall be accompanied by a
25 filing fee, each application for re-registration as a
26 salesperson shall be accompanied by a filing fee and a
27 Securities Audit and Enforcement Fund fee established
28 pursuant to Section 11a of this Act, and each application for
29 re-registration as an investment adviser representative shall
30 be accompanied by a Securities Audit and Enforcement Fund fee
31 established under Section 11a of this Act, which shall not be
32 returnable in any event. Notwithstanding the foregoing,
33 applications for re-registration of dealers, limited Canadian
34 dealers, and investment advisers may be filed within 30 days

1 following the expiration of the registration provided that
2 the applicant pays the annual registration fee together with
3 an additional amount equal to the annual registration fee and
4 files any other information or documents that the Secretary
5 of State may prescribe by rule or regulation or order. Any
6 application filed within 30 days following the expiration of
7 the registration shall be automatically effective as of the
8 time of the earlier expiration provided that the proper fee
9 has been paid to the Secretary of State.

10 Each registered dealer, limited Canadian dealer, or
11 investment adviser shall continue to be registered if the
12 registrant changes his, her, or its form of organization
13 provided that the dealer or investment adviser files an
14 amendment to his, her, or its application not later than 30
15 days following the occurrence of the change and pays the
16 Secretary of State a fee in the amount established under
17 Section 11a of this Act.

18 I. (1) Every registered dealer, limited Canadian dealer,
19 and investment adviser shall make and keep for such periods,
20 such accounts, correspondence, memoranda, papers, books and
21 records as the Secretary of State may by rule or regulation
22 prescribe. All records so required shall be preserved for 3
23 years unless the Secretary of State by rule, regulation or
24 order prescribes otherwise for particular types of records.

25 (2) Every registered dealer, limited Canadian dealer,
26 and investment adviser shall file such financial reports as
27 the Secretary of State may by rule or regulation prescribe.

28 (3) All the books and records referred to in paragraph
29 (1) of this subsection I are subject at any time or from time
30 to time to such reasonable periodic, special or other audits,
31 examinations, or inspections by representatives of the
32 Secretary of State, within or without this State, as the
33 Secretary of State deems necessary or appropriate in the
34 public interest or for the protection of investors.

1 (4) At the time of an audit, examination, or inspection,
2 the Secretary of State, by his or her designees, may conduct
3 an interview of any person employed or appointed by or
4 affiliated with a registered dealer, limited Canadian dealer,
5 or investment advisor, provided that the dealer, limited
6 Canadian dealer, or investment advisor shall be given
7 reasonable notice of the time and place for the interview.
8 At the option of the dealer, limited Canadian dealer, or
9 investment advisor, a representative of the dealer or
10 investment advisor with supervisory responsibility over the
11 individual being interviewed may be present at the interview.

12 J. The Secretary of State may require by rule or
13 regulation the payment of an additional fee for the filing of
14 information or documents required to be filed by this Section
15 which have not been filed in a timely manner. The Secretary
16 of State may also require by rule or regulation the payment
17 of an examination fee for administering any examination which
18 it may conduct pursuant to subsection B, C, D, or D-5 of this
19 Section 8.

20 K. The Secretary of State may declare any application
21 for registration or limited registration under this Section 8
22 abandoned by order if the applicant fails to pay any fee or
23 file any information or document required under this Section
24 8 or by rule or regulation for more than 30 days after the
25 required payment or filing date. The applicant may petition
26 the Secretary of State for a hearing within 15 days after the
27 applicant's receipt of the order of abandonment, provided
28 that the petition sets forth the grounds upon which the
29 applicant seeks a hearing.

30 L. Any document being filed pursuant to this Section 8
31 shall be deemed filed, and any fee being paid pursuant to
32 this Section 8 shall be deemed paid, upon the date of actual
33 receipt thereof by the Secretary of State or his or her

1 designee.

2 M. The Secretary of State shall provide to the Illinois
3 State Finance Authority Student--Assistance--Commission
4 annually or at mutually agreed periodic intervals the names
5 and social security numbers of natural persons registered
6 under subsections B, C, D, and D-5 of this Section. The
7 Illinois State Finance Authority Student---Assistance
8 Commission shall determine if any student loan defaulter is
9 registered as a dealer, limited Canadian dealer, salesperson,
10 or investment adviser under this Act and report its
11 determination to the Secretary of State or his or her
12 designee.

13 (Source: P.A. 90-70, eff. 7-8-97; 90-507, eff. 8-22-97;
14 90-655, eff. 7-30-98; 91-809, eff. 1-1-01.)

15 Section 918.24. The Unemployment Insurance Act is
16 amended by changing Section 1900 as follows:

17 (820 ILCS 405/1900) (from Ch. 48, par. 640)

18 Sec. 1900. Disclosure of information.

19 A. Except as provided in this Section, information
20 obtained from any individual or employing unit during the
21 administration of this Act shall:

- 22 1. be confidential,
- 23 2. not be published or open to public inspection,
- 24 3. not be used in any court in any pending action
25 or proceeding,
- 26 4. not be admissible in evidence in any action or
27 proceeding other than one arising out of this Act.

28 B. No finding, determination, decision, ruling or order
29 (including any finding of fact, statement or conclusion made
30 therein) issued pursuant to this Act shall be admissible or
31 used in evidence in any action other than one arising out of
32 this Act, nor shall it be binding or conclusive except as

1 provided in this Act, nor shall it constitute res judicata,
2 regardless of whether the actions were between the same or
3 related parties or involved the same facts.

4 C. Any officer or employee of this State, any officer or
5 employee of any entity authorized to obtain information
6 pursuant to this Section, and any agent of this State or of
7 such entity who, except with authority of the Director under
8 this Section, shall disclose information shall be guilty of a
9 Class B misdemeanor and shall be disqualified from holding
10 any appointment or employment by the State.

11 D. An individual or his duly authorized agent may be
12 supplied with information from records only to the extent
13 necessary for the proper presentation of his claim for
14 benefits or with his existing or prospective rights to
15 benefits. Discretion to disclose this information belongs
16 solely to the Director and is not subject to a release or
17 waiver by the individual. Notwithstanding any other provision
18 to the contrary, an individual or his or her duly authorized
19 agent may be supplied with a statement of the amount of
20 benefits paid to the individual during the 18 months
21 preceding the date of his or her request.

22 E. An employing unit may be furnished with information,
23 only if deemed by the Director as necessary to enable it to
24 fully discharge its obligations or safeguard its rights under
25 the Act. Discretion to disclose this information belongs
26 solely to the Director and is not subject to a release or
27 waiver by the employing unit.

28 F. The Director may furnish any information that he may
29 deem proper to any public officer or public agency of this or
30 any other State or of the federal government dealing with:

- 31 1. the administration of relief,
- 32 2. public assistance,
- 33 3. unemployment compensation,
- 34 4. a system of public employment offices,

- 1 5. wages and hours of employment, or
- 2 6. a public works program.

3 The Director may make available to the Illinois
4 Industrial Commission information regarding employers for the
5 purpose of verifying the insurance coverage required under
6 the Workers' Compensation Act and Workers' Occupational
7 Diseases Act.

8 G. The Director may disclose information submitted by
9 the State or any of its political subdivisions, municipal
10 corporations, instrumentalities, or school or community
11 college districts, except for information which specifically
12 identifies an individual claimant.

13 H. The Director shall disclose only that information
14 required to be disclosed under Section 303 of the Social
15 Security Act, as amended, including:

16 1. any information required to be given the United
17 States Department of Labor under Section 303(a)(6); and

18 2. the making available upon request to any agency
19 of the United States charged with the administration of
20 public works or assistance through public employment, the
21 name, address, ordinary occupation and employment status
22 of each recipient of unemployment compensation, and a
23 statement of such recipient's right to further
24 compensation under such law as required by Section
25 303(a)(7); and

26 3. records to make available to the Railroad
27 Retirement Board as required by Section 303(c)(1); and

28 4. information that will assure reasonable
29 cooperation with every agency of the United States
30 charged with the administration of any unemployment
31 compensation law as required by Section 303(c)(2); and

32 5. information upon request and on a reimbursable
33 basis to the United States Department of Agriculture and
34 to any State food stamp agency concerning any information

1 required to be furnished by Section 303(d); and

2 6. any wage information upon request and on a
3 reimbursable basis to any State or local child support
4 enforcement agency required by Section 303(e); and

5 7. any information required under the income
6 eligibility and verification system as required by
7 Section 303(f); and

8 8. information that might be useful in locating an
9 absent parent or that parent's employer, establishing
10 paternity or establishing, modifying, or enforcing child
11 support orders for the purpose of a child support
12 enforcement program under Title IV of the Social Security
13 Act upon the request of and on a reimbursable basis to
14 the public agency administering the Federal Parent
15 Locator Service as required by Section 303(h); and

16 9. information, upon request, to representatives of
17 any federal, State or local governmental public housing
18 agency with respect to individuals who have signed the
19 appropriate consent form approved by the Secretary of
20 Housing and Urban Development and who are applying for or
21 participating in any housing assistance program
22 administered by the United States Department of Housing
23 and Urban Development as required by Section 303(i).

24 I. The Director, upon the request of a public agency of
25 Illinois, of the federal government or of any other state
26 charged with the investigation or enforcement of Section 10-5
27 of the Criminal Code of 1961 (or a similar federal law or
28 similar law of another State), may furnish the public agency
29 information regarding the individual specified in the request
30 as to:

31 1. the current or most recent home address of the
32 individual, and

33 2. the names and addresses of the individual's
34 employers.

1 J. Nothing in this Section shall be deemed to interfere
2 with the disclosure of certain records as provided for in
3 Section 1706 or with the right to make available to the
4 Internal Revenue Service of the United States Department of
5 the Treasury, or the Department of Revenue of the State of
6 Illinois, information obtained under this Act.

7 K. The Department shall make available to the Illinois
8 State Finance Authority Student-Assistance-Commission, upon
9 request, information in the possession of the Department that
10 may be necessary or useful to the Authority Commission in the
11 collection of defaulted or delinquent student loans which the
12 Authority Commission administers.

13 L. The Department shall make available to the State
14 Employees' Retirement System, the State Universities
15 Retirement System, and the Teachers' Retirement System of the
16 State of Illinois, upon request, information in the
17 possession of the Department that may be necessary or useful
18 to the System for the purpose of determining whether any
19 recipient of a disability benefit from the System is
20 gainfully employed.

21 M. This Section shall be applicable to the information
22 obtained in the administration of the State employment
23 service, except that the Director may publish or release
24 general labor market information and may furnish information
25 that he may deem proper to an individual, public officer or
26 public agency of this or any other State or the federal
27 government (in addition to those public officers or public
28 agencies specified in this Section) as he prescribes by Rule.

29 N. The Director may require such safeguards as he deems
30 proper to insure that information disclosed pursuant to this
31 Section is used only for the purposes set forth in this
32 Section.

33 O. (Blank).

34 P. Within 30 days after the effective date of this

1 amendatory Act of 1993 and annually thereafter, the
2 Department shall provide to the Department of Financial
3 Institutions a list of individuals or entities that, for the
4 most recently completed calendar year, report to the
5 Department as paying wages to workers. The lists shall be
6 deemed confidential and may not be disclosed to any other
7 person.

8 Q. The Director shall make available to an elected
9 federal official the name and address of an individual or
10 entity that is located within the jurisdiction from which the
11 official was elected and that, for the most recently
12 completed calendar year, has reported to the Department as
13 paying wages to workers, where the information will be used
14 in connection with the official duties of the official and
15 the official requests the information in writing, specifying
16 the purposes for which it will be used. For purposes of this
17 subsection, the use of information in connection with the
18 official duties of an official does not include use of the
19 information in connection with the solicitation of
20 contributions or expenditures, in money or in kind, to or on
21 behalf of a candidate for public or political office or a
22 political party or with respect to a public question, as
23 defined in Section 1-3 of the Election Code, or in connection
24 with any commercial solicitation. Any elected federal
25 official who, in submitting a request for information covered
26 by this subsection, knowingly makes a false statement or
27 fails to disclose a material fact, with the intent to obtain
28 the information for a purpose not authorized by this
29 subsection, shall be guilty of a Class B misdemeanor.

30 R. The Director may provide to any State or local child
31 support agency, upon request and on a reimbursable basis,
32 information that might be useful in locating an absent parent
33 or that parent's employer, establishing paternity, or
34 establishing, modifying, or enforcing child support orders.

1 (Source: P.A. 90-425, eff. 8-15-97; 90-488, eff. 8-17-97;
2 90-655, eff. 7-30-98; 91-342, eff. 1-1-00.)

3 Section 918.25. The School Code is amended by changing
4 Section 30-9 as follows:

5 (105 ILCS 5/30-9) (from Ch. 122, par. 30-9)

6 Sec. 30-9. General Assembly scholarship; conditions of
7 admission; award by competitive examination.

8 Each member of the General Assembly may nominate annually
9 2 persons of school age and otherwise eligible, from his
10 district; one shall receive a certificate of scholarship in
11 the University of Illinois and the other shall receive a
12 certificate of scholarship in any other State supported
13 university designated by the member. Any member of the
14 General Assembly in making nominations under this Section may
15 designate that his nominee be granted a 4 year scholarship or
16 may instead designate 2 or 4 nominees for that particular
17 scholarship, each to receive a 2 year or a one year
18 scholarship, respectively. The nominee, if a graduate of a
19 school accredited by the University to which nominated, shall
20 be admitted to the university on the same conditions as to
21 educational qualifications as are other graduates of
22 accredited schools. If the nominee is not a graduate of a
23 school accredited by the university to which nominated, he
24 must, before being entitled to the benefits of the
25 scholarship, pass an examination given by the superintendent
26 of schools of the county where he resides at the time stated
27 in Section 30-7 for the competitive examination. The
28 president of each university shall prescribe the rules
29 governing the examination for scholarship to his university.

30 A member of the General Assembly may award the
31 scholarship by competitive examination conducted under like
32 rules as prescribed in Section 30-7 even though one or more

1 of the applicants are graduates of schools accredited by the
2 university.

3 A member of the General Assembly may delegate to the
4 Illinois State Finance Authority Student---Assistance
5 Commission the authority to nominate persons for General
6 Assembly scholarships which that member would otherwise be
7 entitled to award, or may direct the Commission to evaluate
8 and make recommendations to the member concerning candidates
9 for such scholarships. In the event a member delegates his
10 nominating authority or directs the Commission to evaluate
11 and make recommendations concerning candidates for General
12 Assembly scholarships, the member shall inform the Commission
13 in writing of the criteria which he wishes the Commission to
14 apply in nominating or recommending candidates. Those
15 criteria may include some or all of the criteria provided in
16 Section-25-of the Illinois State Finance Authority Higher
17 Education--Student--Assistance Act. A delegation of authority
18 under this paragraph may be revoked at any time by the
19 member.

20 Failure of a member of the General Assembly to make a
21 nomination in any year shall not cause that scholarship to
22 lapse, but the member may make a nomination for such
23 scholarship at any time thereafter before the expiration of
24 his term, and the person so nominated shall be entitled to
25 the same benefits as holders of other scholarships provided
26 herein. Any such scholarship for which a member has made no
27 nomination prior to the expiration of the term for which he
28 was elected shall lapse upon the expiration of that term.

29 (Source: P.A. 87-997.)

30 Section 918.26. The Youth Crime Prevention Consortium
31 Act is amended by changing Sections 5 and 6-4 as follows:

32 (110 ILCS 125/5)

1 Sec. 5. Educational consortium; formation.
2 Notwithstanding any other law of this State, a university,
3 college, or community college that is an "institution of
4 higher learning" (as that term is defined in ~~Section--10--of~~
5 the Illinois State Finance Authority Higher-Education-Student
6 ~~Assistance~~ Act) and that has a campus located in the same
7 county as a campus of one or more other such institutions of
8 higher learning may join with any of such other institutions
9 of higher learning to form a consortium that operates to
10 supply an educational component to a youth crime prevention
11 program or programs organized by local communities in the
12 county in which the institutions of higher learning that form
13 the consortium are located.

14 (Source: P.A. 90-129, eff. 1-1-98.)

15 (110 ILCS 805/6-4) (from Ch. 122, par. 106-4)

16 Sec. 6-4. Variable rates and fees. Any community
17 college district, by resolution of the board, may establish
18 variable tuition rates and fees for students attending its
19 college in an amount not to exceed 1/3 of the per capita cost
20 as defined in Section 6-2, provided that voluntary
21 contributions, as defined in ~~Section-65-of~~ the Illinois State
22 Finance Authority Higher-Education--Student--Assistance Act,
23 shall not be included in any calculation of community college
24 tuition and fee rates for the purpose of this Section.

25 (Source: P.A. 90-14, eff. 7-1-97.)

26 Section 921.1. The Economic Development Project Area Tax
27 Increment Allocation Act of 1995 is amended by changing
28 Section 5 as follows:

29 (65 ILCS 110/5)

30 Sec. 5. Legislative Declaration.

31 (a) The General Assembly finds, determines, and declares

1 the following:

2 (1) Actions taken by the Secretary of Defense to
3 close military installations under Title II of the
4 Defense Authorization Amendments and Base Closure and
5 Realignment Act (Public Law 100-526; 10 U.S.C. 2687
6 note), the Defense Base Closure and Realignment Act of
7 1990 (part A of Title XXIX of Public Law 101-510; 10
8 U.S.C. 2687 note), Section 2687 of Title 10 of the United
9 States Code (10 U.S.C. 2687), and actions taken by the
10 Secretary of the Army to transfer the military
11 installation, described in subsection (b) of Section 15
12 of the Joliet Arsenal Development Authority Act as it
13 existed before the effective date of this amendatory Act
14 of the 92nd General Assembly, pursuant to the Illinois
15 Land Conservation Act (Title XXIX of Public Law 104-106;
16 16 U.S.C. 1609), as supplemented and amended, have an
17 adverse socioeconomic impact upon the State residents due
18 to the loss of civilian job opportunities, the transfer
19 of permanently stationed military personnel, the decline
20 in population, the vacancy of existing buildings,
21 structures, residential housing units and other
22 facilities, the burden of assuming and maintaining
23 existing utility systems, and the erosion of the State's
24 economic base.

25 (2) The redevelopment and reuse by the public and
26 private sectors of any military installation closed by
27 the Secretary of Defense and converted to civilian use is
28 impaired due to little or no platting of any of the land,
29 deleterious land use and layout, lack of community
30 planning, depreciation of physical maintenance, presence
31 of structures below minimum code standards, excessive
32 vacancies, lack of adequate utility services and need to
33 improve transportation facilities.

34 (3) The closing of military installations within

1 the State is a serious menace to the health, safety,
2 morals, and general welfare of the people of the entire
3 State.

4 (4) Protection against the economic burdens
5 associated with the closing of military installations,
6 the consequent spread of economic stagnation, the
7 impairments to redevelopment and reuse, and the resulting
8 harm to the tax base of the State can best be provided by
9 promoting, attracting and stimulating commerce, industry,
10 manufacturing and other public and private sector
11 investment within the State.

12 (5) The continual encouragement, redevelopment,
13 reuse, growth, and expansion of commercial businesses,
14 industrial and manufacturing facilities and other public
15 and private investment on closed military installations
16 within the State requires a cooperative and continuous
17 partnership between government and the private sector.

18 (6) The State has a responsibility to create a
19 favorable climate for new and improved job opportunities
20 for its citizens and to increase the tax base of the
21 State and its political subdivisions by encouraging the
22 redevelopment and reuse by the public and private sectors
23 of new commercial businesses, industrial and
24 manufacturing facilities, and other civilian uses with
25 respect to the vacant buildings, structures, residential
26 housing units, and other facilities on closed military
27 installations within the State.

28 (7) The lack of redevelopment and reuse of closed
29 military installations within the State has persisted,
30 despite efforts of State and local authorities and
31 private organizations to attract new commercial
32 businesses, industrial and manufacturing facilities and
33 other public and private sector investment for civilian
34 use to closed military installations within the State.

1 (8) The economic burdens associated with the
2 closing of military installations within the State may
3 continue and worsen if the State and its political
4 subdivisions are not able to provide additional
5 incentives to commercial businesses, industrial and
6 manufacturing facilities, and other public and private
7 investment for civilian use to locate on closed military
8 installations within the State.

9 (9) The provision of additional incentives by the
10 State and its political subdivisions is intended to
11 relieve conditions of unemployment, create new job
12 opportunities, increase industry and commerce, increase
13 the tax base of the State and its political subdivisions,
14 and alleviate vacancies and conditions leading to
15 deterioration and blight on closed military installations
16 within the State, thereby creating job opportunities and
17 eradicating deteriorating and blighting conditions for
18 the residents of the State and reducing the evils
19 attendant upon unemployment and blight.

20 (b) It is hereby declared to be the policy of the State,
21 in the interest of promoting the health, safety, morals, and
22 general welfare of all the people of the State, to provide
23 incentives that will create new job opportunities and
24 eradicate potentially blighted conditions on closed military
25 installations within the State, and it is further declared
26 that the relief of conditions of unemployment, the creation
27 of new job opportunities, the increase of industry and
28 commerce within the State, the alleviation of vacancies and
29 conditions leading to deterioration and blight, the reduction
30 of the evils of unemployment, and the increase of the tax
31 base of the State and its political subdivisions are public
32 purposes and for the public safety, benefit, and welfare of
33 the residents of this State.

34 (Source: P.A. 90-655, eff. 7-30-98; 91-642, eff. 8-20-99.)

1 Section 921.2. The Economic Development Project Area Tax
2 Increment Allocation Act of 1995 is amended by changing
3 Section 10 as follows:

4 (65 ILCS 110/10)

5 Sec. 10. Definitions. In this Act, words or terms have
6 the following meanings:

7 (a) "Closed military installation" means a former base,
8 camp, post, station, yard, center, homeport facility for any
9 ship, or other activity under the jurisdiction of the United
10 States Department of the Defense which is not less in the
11 aggregate than 500 acres and which is closed or in the
12 process of being closed by the Secretary of Defense under and
13 pursuant to Title II of the Defense Base Closure and
14 Realignment Act (Public Law 100-526; 10 U.S.C. 2687 note),
15 The Defense Base Closure and Realignment Act of 1990 (part A
16 of title XXIX of Public Law 101-510; 10 U.S.C. 2687 note),
17 Section 2687 of Title 10 of the United States Code (10 U.S.C.
18 2687), or an installation, described in subsection (b) of
19 Section 15 of the Joliet Arsenal Development Authority Act as
20 it existed before the effective date of this amendatory Act
21 of the 92nd General Assembly, that has been transferred or is
22 in the process of being transferred by the Secretary of the
23 Army pursuant to the Illinois Land Conservation Act (Title
24 XXIX of Public Law 104-106; 16 U.S.C. 1609), as each may be
25 further supplemented or amended.

26 (b) "Economic development plan" means the written plan
27 of a municipality that sets forth an economic development
28 program for an economic development project area. Each
29 economic development plan shall include but not be limited to
30 (i) estimated economic development project costs, (ii) the
31 sources of funds to pay those costs, (iii) the nature and
32 term of any obligations to be issued by the municipality to
33 pay those costs, (iv) the most recent equalized assessed

1 valuation of the economic development project area, (v) an
2 estimate of the equalized assessed valuation of the economic
3 development project area after completion of an economic
4 development project, (vi) the estimated date of completion of
5 any economic development project proposed to be undertaken,
6 (vii) a general description of the types of any proposed
7 developers, users, or tenants of any property to be located
8 or improved within the economic development project area,
9 (viii) a description of the type, structure, and general
10 character of the facilities to be developed or improved, (ix)
11 a description of the general land uses to apply in the
12 economic development project area, (x) a general description
13 or an estimate of the type, class, and number of employees to
14 be employed in the operation of the facilities to be
15 developed or improved, and (xi) a commitment by the
16 municipality to fair employment practices and an affirmative
17 action plan regarding any economic development program to be
18 undertaken by the municipality.

19 (c) "Economic development project" means any development
20 project furthering the objectives of this Act.

21 (d) "Economic development project area" means any
22 improved or vacant area that (i) is within or partially
23 within and contiguous to the boundaries of a closed military
24 installation as defined in subsection (a) of this Section
25 (except the installation described in Section 15 of the
26 Joliet Arsenal Development Authority Act as it existed before
27 the effective date of this amendatory Act of the 92nd General
28 Assembly) or, only in the case of the installation described
29 in Section 15 of the Joliet Arsenal Development Authority Act
30 as it existed before the effective date of this amendatory
31 Act of the 92nd General Assembly, is within or contiguous to
32 the closed military installation, (ii) is located entirely
33 within the territorial limits of a municipality, (iii) is
34 contiguous, (iv) is not less in the aggregate than 1 1/2

1 acres, (v) is suitable for siting by a commercial,
2 manufacturing, industrial, research, transportation or
3 residential housing enterprise or facilities to include but
4 not be limited to commercial businesses, offices, factories,
5 mills, processing plants, industrial or commercial
6 distribution centers, warehouses, repair overhaul or service
7 facilities, freight terminals, research facilities, test
8 facilities, transportation facilities or single or
9 multi-family residential housing units, regardless of whether
10 the area has been used at any time for those facilities and
11 regardless of whether the area has been used or is suitable
12 for other uses and (vi) has been approved and certified by
13 the corporate authorities of the municipality pursuant to
14 this Act.

15 (e) "Economic development project costs" means and
16 includes the total of all reasonable or necessary costs
17 incurred or to be incurred under an economic development
18 project, including, without limitation, the following:

19 (1) Costs of studies, surveys, development of plans
20 and specifications, and implementation and administration
21 of an economic development plan and personnel and
22 professional service costs for architectural,
23 engineering, legal, marketing, financial planning,
24 police, fire, public works, public utility, or other
25 services. No charges for professional services, however,
26 may be based on a percentage of incremental tax revenues.

27 (2) Property assembly costs within an economic
28 development project area, including but not limited to
29 acquisition of land and other real or personal property
30 or rights or interests in property.

31 (3) Site preparation costs, including but not
32 limited to clearance of any area within an economic
33 development project area by demolition or removal of any
34 existing buildings, structures, fixtures, utilities, and

1 improvements and clearing and grading; and including
2 installation, repair, construction, reconstruction,
3 extension or relocation of public streets, public
4 utilities, and other public site improvements located
5 outside the boundaries of an economic development project
6 area that are essential to the preparation of the
7 economic development project area for use with an
8 economic development plan.

9 (4) Costs of renovation, rehabilitation,
10 reconstruction, relocation, repair, or remodeling of any
11 existing buildings, improvements, equipment, and fixtures
12 within an economic development project area.

13 (5) Costs of installation or construction within an
14 economic development project area of any buildings,
15 structures, works, streets, improvements, equipment,
16 utilities, or fixtures, whether publicly or privately
17 owned or operated.

18 (6) Financing costs, including but not limited to
19 all necessary and incidental expenses related to the
20 issuance of obligations, payment of any interest on any
21 obligations issued under this Act that accrues during the
22 estimated period of construction of any economic
23 development project for which the obligations are issued
24 and for not more than 36 months after that period, and
25 any reasonable reserves related to the issuance of the
26 obligations.

27 (7) All or a portion of a taxing district's capital
28 or operating costs resulting from an economic development
29 project necessarily incurred or estimated to be incurred
30 by a taxing district in the furtherance of the objectives
31 of an economic development project, to the extent that
32 the municipality, by written agreement, accepts and
33 approves those costs.

34 (8) Relocation costs to the extent that a

1 municipality determines that relocation costs shall be
2 paid or is required to pay relocation costs by federal or
3 State law.

4 (9) The estimated tax revenues from real property
5 in an economic development project area acquired by a
6 municipality in furtherance of an economic development
7 project under this Act that, according to the economic
8 development plan, is to be used for a private use (i)
9 that any taxing district would have received had the
10 municipality not adopted tax increment allocation
11 financing for an economic development project area and
12 (ii) that would result from the taxing district's levies
13 made after the time of the adoption by the municipality
14 of tax increment allocation financing to the time the
15 current equalized assessed value of real property in the
16 economic development project area exceeds the total
17 initial equalized value of real property.

18 (10) Costs of rebating ad valorem taxes paid by any
19 developer or other nongovernmental person in whose name
20 the general taxes were paid for the last preceding year
21 on any lot, block, tract, or parcel of land in the
22 economic development project area, provided that:

23 (A) the economic development project area is
24 located in an enterprise zone created under the
25 Illinois Enterprise Zone Act;

26 (B) the ad valorem taxes shall be rebated only
27 in amounts and for a tax year or years as the
28 municipality and any one or more affected taxing
29 districts have agreed by prior written agreement;

30 (C) any amount of rebate of taxes shall not
31 exceed the portion, if any, of taxes levied by the
32 municipality or taxing district or districts that is
33 attributable to the increase in the current
34 equalized assessed valuation of each taxable lot,

1 block, tract, or parcel of real property in the
2 economic development project area over and above the
3 initial equalized assessed value of each property
4 existing at the time property tax allocation
5 financing was adopted for the economic development
6 project area; and

7 (D) costs of rebating ad valorem taxes shall
8 be paid by a municipality solely from the special
9 tax allocation fund established under this Act and
10 shall not be paid from the proceeds of any
11 obligations issued by a municipality.

12 (11) Costs of job training or advanced vocational
13 or career education, including but not limited to courses
14 in occupational, semi-technical, or technical fields
15 leading directly to employment, incurred by one or more
16 taxing districts, but only if the costs are related to
17 the establishment and maintenance of additional job
18 training, advanced vocational education, or career
19 education programs for persons employed or to be employed
20 by employers located in the economic development project
21 area and only if, when the costs are incurred by a taxing
22 district or taxing districts other than the municipality,
23 they shall be set forth in a written agreement by or
24 among the municipality and the taxing district or taxing
25 districts that describes the program to be undertaken,
26 including without limitation the number of employees to
27 be trained, a description of the training and services to
28 be provided, the number and type of positions available
29 or to be available, itemized costs of the program and
30 sources of funds to pay the costs, and the term of the
31 agreement. These costs include, specifically, the
32 payment by community college districts of costs pursuant
33 to Sections 3-37, 3-38, 3-40 and 3-40.1 of the Public
34 Community College Act and by school districts of costs

1 pursuant to Sections 10-22.20 and 10-23.3a of the School
2 Code.

3 (12) Private financing costs incurred by a
4 developer or other nongovernmental person in connection
5 with an economic development project, provided that:

6 (A) private financing costs shall be paid or
7 reimbursed by a municipality only pursuant to the
8 prior official action of the municipality evidencing
9 an intent to pay or reimburse such private financing
10 costs;

11 (B) except as provided in subparagraph (D),
12 the aggregate amount of the costs paid or reimbursed
13 by a municipality in any one year shall not exceed
14 30% of the costs paid or incurred by the developer
15 or other nongovernmental person in that year;

16 (C) private financing costs shall be paid or
17 reimbursed by a municipality solely from the special
18 tax allocation fund established under this Act and
19 shall not be paid from the proceeds of any
20 obligations issued by a municipality; and

21 (D) if there are not sufficient funds
22 available in the special tax allocation fund in any
23 year to make the payment or reimbursement in full,
24 any amount of the interest costs remaining to be
25 paid or reimbursed by a municipality shall accrue
26 and be payable when funds are available in the
27 special tax allocation fund to make the payment.

28 If a special service area has been established under the
29 Special Service Area Tax Act, then any tax increment revenues
30 derived from the tax imposed pursuant to the Special Service
31 Area Tax Act may be used within the economic development
32 project area for the purposes permitted by that Act as well
33 as the purposes permitted by this Act.

34 (f) "Municipality" means a city, village, or

1 incorporated town.

2 (g) "Obligations" means any instrument evidencing the
3 obligation of a municipality to pay money, including without
4 limitation bonds, notes, installment or financing contracts,
5 certificates, tax anticipation warrants or notes, vouchers,
6 and any other evidences of indebtedness.

7 (h) "Taxing districts" means counties, townships, and
8 school, road, park, sanitary, mosquito abatement, forest
9 preserve, public health, fire protection, river conservancy,
10 tuberculosis sanitarium, and any other districts or other
11 municipal corporations with the power to levy taxes.

12 (Source: P.A. 91-642, eff. 8-20-99.)

13 Section 924.1. The Code of Civil Procedure is amended by
14 changing Section 7-103.7 as follows:

15 (735 ILCS 5/7-103.7)

16 Sec. 7-103.7. Quick-take; Illinois State Finance Quad
17 Cities--Regional--Economic--Development Authority purposes.
18 Quick-take proceedings under Section 7-103 may be used for a
19 period of 3 years after December 30, 1987, by the Illinois
20 State Finance Quad--Cities--Regional--Economic--Development
21 Authority (except for the acquisition of land or interests
22 therein that is farmland, or upon which is situated a farm
23 dwelling and appurtenant structures, or upon which is
24 situated a residence, or which is wholly within an area that
25 is zoned for residential use) pursuant to the Illinois State
26 Finance Quad-Cities-Regional-Economic--Development Authority
27 Act.

28 (Source: P.A. 91-357, eff. 7-29-99.)

29 Section 927.1. The Department of Natural Resources
30 (Conservation) Law of the Civil Administrative Code of
31 Illinois is amended by changing Section 805-310 as follows:

1 (20 ILCS 805/805-310) (was 20 ILCS 805/63a24)
 2 Sec. 805-310. Lease of campsite facilities from Illinois
 3 State Finance Authority Parks-Revenue-Bond-Commission. The
 4 Department has the power to lease from the Illinois State
 5 Finance Authority Parks---Revenue---Bond---Commission any
 6 facilities for overnight tent and trailer campsites
 7 constructed by the Authority Commission that the Department
 8 may consider desirable or necessary for the efficient
 9 operation of the State Parks System. The income collected
 10 from these operations shall be deposited in the State Parks
 11 Revenue Bond Fund.

12 (Source: P.A. 91-239, eff. 1-1-00.)

13 Section 927.2. The State Officers and Employees Money
 14 Disposition Act is amended by changing Section 1 as follows:

15 (30 ILCS 230/1) (from Ch. 127, par. 170)

16 Sec. 1. Application of Act; exemptions. The officers of
 17 the Executive Department of the State Government, the Clerk
 18 of the Supreme Court, the Clerks of the Appellate Courts, the
 19 Departments of the State government created by the Civil
 20 Administrative Code of Illinois, and all other officers,
 21 boards, commissions, commissioners, departments,
 22 institutions, arms or agencies, or agents of the Executive
 23 Department of the State government except the University of
 24 Illinois, Southern Illinois University, Chicago State
 25 University, Eastern Illinois University, Governors State
 26 University, Illinois State University, Northeastern Illinois
 27 University, Northern Illinois University, Western Illinois
 28 University, the Cooperative Computer Center, and the Board of
 29 Trustees of the Illinois Bank Examiners' Education Foundation
 30 for moneys collected pursuant to subsection (11) of Section
 31 48 of the Illinois Banking Act for purposes of the Illinois
 32 Bank Examiners' Education Program are subject to this Act.

1 This Act shall not apply, however, to any of the following:
2 (i) the receipt by any such officer of federal funds made
3 available under such conditions as precluded the payment
4 thereof into the State Treasury, (ii) income derived from the
5 operation of State parks which is required to be deposited in
6 the State Parks Revenue Bond Fund pursuant to the State Parks
7 Revenue Bond Act as it existed before the effective date of
8 this amendatory Act of the 92nd General Assembly, (iii) the
9 Director of Insurance in his capacity as rehabilitator or
10 liquidator under Article XIII of the Illinois Insurance Code,
11 (iv) funds received by the Illinois State Scholarship
12 Commission from private firms employed by the State to
13 collect delinquent amounts due and owing from a borrower on
14 any loans guaranteed by such Commission under the Higher
15 Education Student Assistance Law or on any "eligible loans"
16 as that term is defined under the Education Loan Purchase
17 Program Law, or (v) moneys collected on behalf of lessees of
18 facilities of the Department of Agriculture located on the
19 Illinois State Fairgrounds at Springfield and DuQuoin. This
20 Section 1 shall not apply to the receipt of funds required to
21 be deposited in the Industrial Project Fund pursuant to
22 Section 12 of the Disabled Persons Rehabilitation Act.

23 (Source: P.A. 88-571, eff. 8-11-94; 89-4, eff. 1-1-96.)

24 (735 ILCS 5/7-103.6 rep.)

25 (735 ILCS 5/7-103.70 rep.)

26 Section 930.1. The Code of Civil Procedure is amended by
27 repealing Sections 7-103.6 and 7-103.70.

28 Section 933.1. The Illinois Literacy Act is amended by
29 changing Section 20 as follows:

30 (15 ILCS 322/20)

31 Sec. 20. Illinois Literacy Council.

1 (a) The Council shall facilitate the improvement of
2 literacy levels of Illinois citizens by providing a forum
3 from which representatives from throughout the State can
4 promote literacy, share expertise, and recommend policy.

5 (b) The Council shall be appointed by and be responsible
6 to the Governor. The Secretary of State shall serve as
7 chairman. The Council shall advise the Governor and other
8 agencies on strategies that address the literacy needs of the
9 State, especially with respect to the needs of workplace
10 literacy, family literacy, program evaluation, public
11 awareness, and public and private partnerships.

12 (c) The Council will determine its own procedures and
13 the number, time, place, and conduct of its meetings. It
14 shall meet at least 4 times a year. The Council may be
15 assisted in its activities by the Literacy Office. Council
16 members shall not receive compensation for their services.

17 (d) The Council's membership shall consist of
18 representatives of public education, public and private
19 sector employment, labor organizations, community literacy
20 organizations, libraries, volunteer organizations, the Office
21 of the Secretary of State, the Department of Commerce and
22 Community Affairs, the Illinois Community College Board, the
23 Department of Employment Security, the Department of Human
24 Services, the State Board of Education, and the Department of
25 Corrections, ~~and the Prairie State 2000 Authority.~~

26 (e) The Council members representing State agencies
27 shall act as an interagency coordinating committee to improve
28 the system for delivery of literacy services, provide
29 pertinent information and agency comments to Council members,
30 and implement the recommendations forwarded by the Council
31 and approved by the Governor.

32 (f) The Secretary of State, in consultation with the
33 Council, shall expend moneys to perform Council functions as
34 authorized by this Act from the Literacy Advancement Fund, a

1 special fund hereby created in the State Treasury. All
2 moneys received from an income tax checkoff for the Literacy
3 Advancement Fund as provided in Section 507I of the Illinois
4 Income Tax Act shall be deposited into the Fund.

5 (Source: P.A. 89-507, eff. 7-1-97.)

6 Section 933.2. The Illinois Manufacturing Technology
7 Alliance Act is amended by changing Sections 4 and 15 as
8 follows:

9 (20 ILCS 3990/4) (from Ch. 48, par. 2604)

10 Sec. 4. Board of Directors. (a) The Illinois
11 Manufacturing Technology Alliance shall be governed and
12 operated by a Board of Directors consisting of 10 ~~11~~ members:
13 5 public members who shall be representative of industries to
14 be served by the Alliance; 2 public members who shall be
15 researchers in manufacturing technologies; and 3 ~~4~~ ex officio
16 members who shall be the Director of the Department of
17 Commerce and Community Affairs, ~~the Chief Executive Officer~~
18 ~~of the Prairie State 2000 Authority~~, the Executive Director
19 of the Board of Higher Education and the Executive Director
20 of the Illinois Community College Board. An ex officio
21 member may designate a representative to serve as a
22 substitute when such member is unable to attend a meeting of
23 the Board.

24 (b) The Governor, by and with the advice and consent of
25 the Senate, shall appoint the 5 public members who are
26 representative of industries to be served by the Alliance and
27 the 2 public members who are researchers in manufacturing
28 technologies. To the extent possible, 4 members of the 5
29 public members who are representatives of industries to be
30 served by the Alliance shall be members of trade associations
31 that are Alliance Partners.

32 A vacancy in the position of Board member shall occur

1 upon resignation, death, conviction of a felony, or removal
2 from office of a Director. The Governor may remove any
3 public member from office on a formal finding of
4 incompetence, neglect of duty or malfeasance in office.
5 Within 30 days after the office of any appointed member
6 becomes vacant for any reason, the Governor shall fill the
7 vacancy for the unexpired term in the same manner as that in
8 which appointments are made. If the Senate is not in session
9 when the first appointments are made or when the Governor
10 fills a vacancy, the Governor shall make temporary
11 appointments until the next meeting of the Senate, when he
12 shall nominate persons to be confirmed by the Senate.

13 (c) No more than 4 public members shall be of the same
14 political party.

15 (d) Of those public members initially appointed to the
16 Board, 4 Directors, no more than 2 of the same political
17 party, shall be appointed to serve until July 1, 1993, and 3
18 Directors, not more than 2 of the same political party, shall
19 be appointed to serve until July 1, 1991. Thereafter, each
20 public member shall be appointed for a 4 year term, or until
21 his successor is appointed and qualified. The terms of the
22 public members initially appointed shall commence upon the
23 appointment of all 7 public members.

24 (e) No public member may serve as a Director for an
25 aggregate of more than 10 years.

26 (Source: P.A. 86-1015.)

27 (20 ILCS 3990/15) (from Ch. 48, par. 2615)

28 Sec. 15. Relationship with other Agencies. The Alliance
29 shall cooperate with the Department of Commerce and Community
30 Affairs, the Board of Higher Education, the Illinois
31 Community College Board, the-Prairie-State-2000-Authority and
32 any other agency or authority of the State on any project or
33 program that improves the competitiveness of small and medium

1 size Illinois manufacturers. The policies and programs of
2 the Alliance shall be consistent with economic development
3 policies of this State.

4 (Source: P.A. 86-1015.)

5 Section 933.3. The Workplace Literacy Act is amended by
6 changing Section 3 as follows:

7 (820 ILCS 50/3) (from Ch. 48, par. 2803)

8 Sec. 3. Definitions. As used in this Act:

9 "Authority" means the Department of Commerce and
10 Community Affairs ~~Prairie-State-2000-Autherity~~.

11 "Employer" has the meaning ascribed to that term in the
12 Unemployment Insurance Act.

13 "Eligible agency" means labor organizations or their
14 federations, or employers or associations of employers that
15 have been approved by the Department of Commerce and
16 Community Affairs ~~Chief--Executive--Offficer--of--the--Prairie~~
17 ~~State-2000-Autherity~~, upon application therefor, to conduct
18 workplace literacy and basic skills education programs.

19 "Labor organization" means organizations of workers
20 established to bargain collectively on behalf of their member
21 workers.

22 "Workplace literacy and basic skills education" means
23 those common branch skills and English-as-a-second-language
24 skills that are directly related to the ability to perform
25 occupational tasks.

26 (Source: P.A. 87-661.)

27 Section 990. The following Acts are repealed:

28 (20 ILCS 3505/Act rep.)

29 The Illinois Development Finance Authority Act.

1 (20 ILCS 3605/Act rep.)

2 The Illinois Farm Development Act.

3 (20 ILCS 3705/Act rep.)

4 The Illinois Health Facilities Authority Act.

5 (20 ILCS 3805/Act rep.)

6 The Illinois Housing Development Act.

7 (20 ILCS 3850/Act rep.)

8 The Illinois Research Park Authority Act.

9 (20 ILCS 4020/Act rep.)

10 The Prairie State 2000 Authority Act.

11 (30 ILCS 360/Act rep.)

12 The Rural Bond Bank Act.

13 (30 ILCS 380/Act rep.)

14 The State Parks Revenue Bond Act.

15 (70 ILCS 508/Act rep.)

16 The Joliet Arsenal Development Authority Act.

17 (70 ILCS 510/Act rep.)

18 The Quad Cities Regional Economic Development Authority
19 Act, approved September 22, 1987.

20 (70 ILCS 515/Act rep.)

21 The Quad Cities Regional Economic Development Authority
22 Act, certified December 30, 1987.

23 (70 ILCS 520/Act rep.)

24 The Southwestern Illinois Development Authority Act.

1 (70 ILCS 525/Act rep.)
2 The Tri-County River Valley Development Authority Act.

3 (70 ILCS 530/Act rep.)
4 The Upper Illinois River Valley Development Authority
5 Act.

6 (70 ILCS 535/Act rep.)
7 The Will-Kankakee Regional Development Authority Law.

8 (110 ILCS 947/Act rep.)
9 The Higher Education Student Assistance Act.

10 (110 ILCS 1015/Act rep.)
11 The Illinois Educational Facilities Authority Act.

12 (315 ILCS 15/Act rep.)
13 The Illinois Community Development Finance Corporation
14 Act.

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INDEX

Statutes amended in order of appearance

- 20 ILCS 605/605-455 new
- 5 ILCS 70/8 from Ch. 1, par. 1107
- 20 ILCS 605/605-450 was 20 ILCS 605/46.19g
- 20 ILCS 605/605-675 was 20 ILCS 605/46.66
- 20 ILCS 605/605-915 was 20 ILCS 605/46.45
- 20 ILCS 605/605-920 was 20 ILCS 605/46.47
- 20 ILCS 605/605-925 was 20 ILCS 605/46.48
- 20 ILCS 655/7 from Ch. 67 1/2, par. 611
- 20 ILCS 695/20-10
- 20 ILCS 1105/15 from Ch. 96 1/2, par. 7415
- 20 ILCS 2310/2310-200 was 20 ILCS 2310/55.53
- 20 ILCS 3510/2 from Ch. 111 1/2, par. 8102
- 20 ILCS 3510/3 from Ch. 111 1/2, par. 8103
- 20 ILCS 3515/3 from Ch. 127, par. 723
- 20 ILCS 3515/4 from Ch. 127, par. 724
- 20 ILCS 3515/7 from Ch. 127, par. 727
- 30 ILCS 305/2 from Ch. 17, par. 6602
- 30 ILCS 435/10
- 30 ILCS 750/1-3 from Ch. 127, par. 2701-3
- 30 ILCS 750/8-3 from Ch. 127, par. 2708-3
- 40 ILCS 5/14-103.04 from Ch. 108 1/2, par. 14-103.04
- 40 ILCS 5/14-104.11
- 50 ILCS 320/4 from Ch. 85, par. 7204
- 50 ILCS 320/5 from Ch. 85, par. 7205
- 55 ILCS 5/5-1050 from Ch. 34, par. 5-1050
- 60 ILCS 1/85-10
- 65 ILCS 5/8-12-2 from Ch. 24, par. 8-12-2
- 65 ILCS 5/8-12-3 from Ch. 24, par. 8-12-3
- 65 ILCS 5/8-12-6 from Ch. 24, par. 8-12-6
- 65 ILCS 5/8-12-19 from Ch. 24, par. 8-12-19
- 65 ILCS 5/8-12-21 from Ch. 24, par. 8-12-21
- 65 ILCS 5/8-12-22 from Ch. 24, par. 8-12-22

- 1 65 ILCS 5/11-74.1-1 from Ch. 24, par. 11-74.1-1
- 2 65 ILCS 5/11-113.1-1 from Ch. 24, par. 11-113.1-1
- 3 65 ILCS 5/11-119-2 from Ch. 24, par. 11-119-2
- 4 65 ILCS 5/11-129-3 from Ch. 24, par. 11-129-3
- 5 65 ILCS 5/11-139-7 from Ch. 24, par. 11-139-7
- 6 65 ILCS 5/11-141-5 from Ch. 24, par. 11-141-5
- 7 70 ILCS 2205/17.1 from Ch. 42, par. 263.1
- 8 110 ILCS 935/10 from Ch. 144, par. 1460
- 9 305 ILCS 5/11-3 from Ch. 23, par. 11-3
- 10 305 ILCS 5/11-3.3 from Ch. 23, par. 11-3.3
- 11 310 ILCS 65/6 from Ch. 67 1/2, par. 1256
- 12 410 ILCS 65/4 from Ch. 111 1/2, par. 8054
- 13 820 ILCS 130/2 from Ch. 48, par. 39s-2
- 14 5 ILCS 225/2 from Ch. 111 2/3, par. 602
- 15 110 ILCS 945/Act title
- 16 110 ILCS 945/3 from Ch. 144, par. 1603
- 17 110 ILCS 945/3.01 from Ch. 144, par. 1603.01
- 18 110 ILCS 945/5 from Ch. 144, par. 1605
- 19 20 ILCS 690/2 from Ch. 5, par. 2252
- 20 20 ILCS 690/3 from Ch. 5, par. 2253
- 21 20 ILCS 690/4 from Ch. 5, par. 2254
- 22 20 ILCS 690/5 from Ch. 5, par. 2255
- 23 20 ILCS 3610/3 from Ch. 5, par. 1253
- 24 20 ILCS 3610/4 from Ch. 5, par. 1254
- 25 30 ILCS 750/8-3 from Ch. 127, par. 2708-3
- 26 510 ILCS 77/17
- 27 525 ILCS 15/4 from Ch. 96 1/2, par. 9104
- 28 525 ILCS 15/6a from Ch. 96 1/2, par. 9106a
- 29 30 ILCS 235/6 from Ch. 85, par. 906
- 30 5 ILCS 420/4A-101 from Ch. 127, par. 604A-101
- 31 15 ILCS 520/1.2
- 32 15 ILCS 520/11 from Ch. 130, par. 30
- 33 15 ILCS 520/22.5 from Ch. 130, par. 41a
- 34 20 ILCS 105/8.01 from Ch. 23, par. 6108.01

1	20 ILCS 605/605-450	was 20 ILCS 605/46.19g
2	20 ILCS 1110/12	from Ch. 96 1/2, par. 4112
3	20 ILCS 3105/3	from Ch. 127, par. 773
4	25 ILCS 82/10	
5	25 ILCS 82/30	
6	30 ILCS 10/1003	from Ch. 15, par. 1003
7	30 ILCS 235/2	from Ch. 85, par. 902
8	30 ILCS 305/5	from Ch. 17, par. 6605
9	30 ILCS 390/8	from Ch. 122, par. 1208
10	30 ILCS 420/8	from Ch. 127, par. 758
11	30 ILCS 750/8-3	from Ch. 127, par. 2708-3
12	60 ILCS 1/35-50.2	
13	210 ILCS 9/125	
14	305 ILCS 5/12-4.5	from Ch. 23, par. 12-4.5
15	310 ILCS 5/3	from Ch. 67 1/2, par. 153
16	310 ILCS 5/5	from Ch. 67 1/2, par. 155
17	310 ILCS 5/6	from Ch. 67 1/2, par. 156
18	310 ILCS 5/7	from Ch. 67 1/2, par. 157
19	310 ILCS 5/9	from Ch. 67 1/2, par. 159
20	310 ILCS 5/10	from Ch. 67 1/2, par. 160
21	310 ILCS 5/11	from Ch. 67 1/2, par. 161
22	310 ILCS 5/12	from Ch. 67 1/2, par. 162
23	310 ILCS 5/13	from Ch. 67 1/2, par. 163
24	310 ILCS 5/22	from Ch. 67 1/2, par. 172
25	310 ILCS 5/23	from Ch. 67 1/2, par. 173
26	310 ILCS 5/24	from Ch. 67 1/2, par. 174
27	310 ILCS 5/25	from Ch. 67 1/2, par. 175
28	310 ILCS 5/26	from Ch. 67 1/2, par. 176
29	310 ILCS 5/27	from Ch. 67 1/2, par. 177
30	310 ILCS 5/28	from Ch. 67 1/2, par. 178
31	310 ILCS 5/30	from Ch. 67 1/2, par. 180
32	310 ILCS 5/31	from Ch. 67 1/2, par. 181
33	310 ILCS 5/32	from Ch. 67 1/2, par. 182
34	310 ILCS 5/33	from Ch. 67 1/2, par. 183

1	310 ILCS 5/34	from Ch. 67 1/2, par. 184
2	310 ILCS 5/35	from Ch. 67 1/2, par. 185
3	310 ILCS 5/36	from Ch. 67 1/2, par. 186
4	310 ILCS 5/37	from Ch. 67 1/2, par. 187
5	310 ILCS 5/38	from Ch. 67 1/2, par. 188
6	310 ILCS 5/39	from Ch. 67 1/2, par. 189
7	310 ILCS 5/40	from Ch. 67 1/2, par. 190
8	310 ILCS 50/2	from Ch. 67 1/2, par. 852
9	310 ILCS 55/7.1	from Ch. 67 1/2, par. 1107.1
10	310 ILCS 60/3	from Ch. 67 1/2, par. 1153
11	310 ILCS 60/4	from Ch. 67 1/2, par. 1154
12	310 ILCS 65/3	from Ch. 67 1/2, par. 1253
13	310 ILCS 65/6	from Ch. 67 1/2, par. 1256
14	310 ILCS 65/7	from Ch. 67 1/2, par. 1257
15	310 ILCS 65/8	from Ch. 67 1/2, par. 1258
16	310 ILCS 65/9	from Ch. 67 1/2, par. 1259
17	310 ILCS 75/3	from Ch. 67 1/2, par. 1353
18	310 ILCS 90/5	
19	310 ILCS 95/5	
20	415 ILCS 5/22.2	from Ch. 111 1/2, par. 1022.2
21	415 ILCS 5/58.9	
22	415 ILCS 5/58.10	
23	605 ILCS 5/5-903	from Ch. 121, par. 5-903
24	735 ILCS 5/9-119	
25	765 ILCS 925/3	from Ch. 67 1/2, par. 903
26	765 ILCS 925/4	from Ch. 67 1/2, par. 904
27	765 ILCS 925/5	from Ch. 67 1/2, par. 905
28	765 ILCS 925/6	from Ch. 67 1/2, par. 906
29	40 ILCS 5/2-117.1	from Ch. 108 1/2, par. 2-117.1
30	20 ILCS 505/22.4	from Ch. 23, par. 5022.4
31	20 ILCS 1105/15	from Ch. 96 1/2, par. 7415
32	305 ILCS 5/11-3	from Ch. 23, par. 11-3
33	305 ILCS 5/11-3.3	from Ch. 23, par. 11-3.3
34	410 ILCS 305/3	from Ch. 111 1/2, par. 7303

1	5 ILCS 375/3	from Ch. 127, par. 523
2	30 ILCS 750/8-3	from Ch. 127, par. 2708-3
3	40 ILCS 5/14-103.04	from Ch. 108 1/2, par. 14-103.04
4	5 ILCS 220/3	from Ch. 127, par. 743
5	15 ILCS 405/10.05b	from Ch. 15, par. 210.05b
6	15 ILCS 505/16.5	
7	20 ILCS 2005/2005-85	was 20 ILCS 2005/71 in part
8	20 ILCS 2105/2105-15	was 20 ILCS 2105/60
9	105 ILCS 5/21-23	from Ch. 122, par. 21-23
10	105 ILCS 5/30-9	from Ch. 122, par. 30-9
11	105 ILCS 5/30-12.5	
12	105 ILCS 5/30-14.8	
13	105 ILCS 5/30-17.1	from Ch. 122, par. 30-17.1
14	110 ILCS 205/2	from Ch. 144, par. 182
15	110 ILCS 205/4	from Ch. 144, par. 184
16	110 ILCS 922/10	
17	110 ILCS 979/10	
18	110 ILCS 979/15	
19	110 ILCS 979/20	
20	110 ILCS 979/70	
21	215 ILCS 5/505.1	from Ch. 73, par. 1065.52-1
22	225 ILCS 30/95	from Ch. 111, par. 8401-95
23	225 ILCS 37/35	
24	225 ILCS 55/85	from Ch. 111, par. 8351-85
25	225 ILCS 107/80	
26	225 ILCS 310/13	from Ch. 111, par. 8213
27	225 ILCS 407/20-20	
28	225 ILCS 410/4-7	from Ch. 111, par. 1704-7
29	225 ILCS 450/20.01	from Ch. 111, par. 5521.01
30	225 ILCS 454/20-40	
31	625 ILCS 5/3-629	
32	705 ILCS 205/1	from Ch. 13, par. 1
33	815 ILCS 5/8	from Ch. 121 1/2, par. 137.8
34	820 ILCS 405/1900	from Ch. 48, par. 640

1 105 ILCS 5/30-9 from Ch. 122, par. 30-9
2 110 ILCS 125/5
3 110 ILCS 805/6-4 from Ch. 122, par. 106-4
4 65 ILCS 110/5
5 65 ILCS 110/10
6 735 ILCS 5/7-103.7
7 20 ILCS 805/805-310 was 20 ILCS 805/63a24
8 30 ILCS 230/1 from Ch. 127, par. 170
9 735 ILCS 5/7-103.6 rep.
10 735 ILCS 5/7-103.70 rep.
11 15 ILCS 322/20
12 20 ILCS 3990/4 from Ch. 48, par. 2604
13 20 ILCS 3990/15 from Ch. 48, par. 2615
14 820 ILCS 50/3 from Ch. 48, par. 2803
15 20 ILCS 3505/Act rep.
16 20 ILCS 3605/Act rep.
17 20 ILCS 3705/Act rep.
18 20 ILCS 3805/Act rep.
19 20 ILCS 3850/Act rep.
20 20 ILCS 4020/Act rep.
21 30 ILCS 360/Act rep.
22 30 ILCS 380/Act rep.
23 70 ILCS 508/Act rep.
24 70 ILCS 510/Act rep.
25 70 ILCS 515/Act rep.
26 70 ILCS 520/Act rep.
27 70 ILCS 525/Act rep.
28 70 ILCS 530/Act rep.
29 70 ILCS 535/Act rep.
30 110 ILCS 947/Act rep.
31 110 ILCS 1015/Act rep.
32 315 ILCS 15/Act rep.