

TIGER GRANT APPLICATION

APPENDIX I

WINNEBAGO COUNTY RAIL AUTHORITY LEGISLATION

1 AN ACT concerning local government.

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

4 Section 5. The Airport Authorities Act is amended by
5 changing Sections 1, 14.1, 14.2, and 14.3 and by adding
6 Sections 22.1, 22.2, 22.3, 22.4, 22.6, and 22.7 as follows:

7 (70 ILCS 5/1) (from Ch. 15 1/2, par. 68.1)

8 Sec. 1. Definitions. When used in this Act:

9 "Aeronautics" means the act or practice of the art and
10 science of transportation by aircraft and instruction therein,
11 and establishment, construction, extension, operation,
12 improvement, repair or maintenance of airports and airport
13 facilities and air navigation facilities, and the operation,
14 construction, repair or maintenance of aircraft.

15 "Aircraft" means any contrivance now known or hereafter
16 invented, used or designed for navigation of, or flight in, the
17 air.

18 "Airport" means any locality, either land or water, which
19 is used or designed for the landing and taking off of aircraft,
20 or for the location of runways, landing fields, airdromes,
21 hangars, buildings, structures, airport roadways and other
22 facilities.

23 "Airport hazard" means any structure, or object of natural

1 growth, located on or in the vicinity of an airport, or any use
2 of land near an airport, which is hazardous to the use of such
3 airport for the landing and take-off of aircraft.

4 "Approach" means any path, course or zone defined by an
5 ordinance of an Authority, or by other lawful regulation, on
6 the ground or in the air, or both, for the use of aircraft in
7 landing and taking off from an airport located within an
8 Authority.

9 "Facilities" means and includes real estate and any and all
10 forms of tangible and intangible personal property and services
11 used or useful as an aid, or constituting an advantage or
12 convenience to, the safe landing, taking off and navigation of
13 aircraft, or the safe and efficient operation or maintenance of
14 a public airport. In addition, for all airport authorities,
15 "facilities" means and includes real estate, tangible and
16 intangible personal property, and services used or useful for
17 commercial and recreational purposes.

18 "Board of Commissioners" and "Board" mean the board of
19 commissioners of an established authority or an authority
20 proposed to be established.

21 "Commercial aircraft" means any aircraft other than public
22 aircraft engaged in the business of transporting persons or
23 property.

24 "Airport Authority" means a municipal corporation created
25 and established under Section 2 of this Act, and includes
26 Metropolitan Airport Authorities. "Authority" and "Airport

1 Authority" are synonymous, unless the context requires
2 otherwise.

3 "Metropolitan Airport Authority" and "Metropolitan
4 Authority" mean an airport authority established in the manner
5 provided in Section 2.7 of this Act.

6 "Municipality" means any city, village or incorporated
7 town of the State of Illinois.

8 "Public Agency" means any political subdivision, public
9 corporation, quasi-municipal corporation or municipal
10 corporation of the State of Illinois, excepting public
11 corporations or agencies owning, operating or maintaining a
12 college or university with funds of the State of Illinois.

13 "Private aircraft" means any aircraft other than public and
14 commercial aircraft.

15 "Public aircraft" means an aircraft used exclusively in the
16 governmental service of the United States, or of any state or
17 of any public agency, including military and naval aircraft.

18 "Public airport" means an airport owned by an airport
19 authority or other public agency which is used or is intended
20 for use by public, commercial and private aircraft and by
21 persons owning, managing, operating or desiring to use, inspect
22 or repair any such aircraft or to use any such airport for
23 aeronautical purposes.

24 "Public interest" means the protection, furtherance and
25 advancement of the general welfare and of public health and
26 safety and public necessity and convenience in respect to

1 aeronautics.

2 "Rail Authority" means a Rail Authority established as
3 provided in Section 22.1 of this Act.

4 "Rail facility" has the meaning set forth in Section 22.2
5 of this Act.

6 "Related facility" has the meaning set forth in Section
7 22.2 of this Act.

8 (Source: P.A. 87-854.)

9 (70 ILCS 5/14.1) (from Ch. 15 1/2, par. 68.14a)

10 Sec. 14.1. Bond limitation. An Authority may secure the
11 necessary funds to finance part or all of the cost of (i)
12 acquiring, establishing, constructing, developing, expanding,
13 extending or further improving a public airport, public
14 airports, or airport facilities within or without its corporate
15 limits or within or upon any body of water adjacent thereto;
16 and (ii) studying, designing, acquiring, constructing,
17 developing, expanding, extending, or improving any rail
18 facility or related facility as provided in this Act for a Rail
19 Authority established by the Board of Commissioners of the
20 Authority, upon a determination by the Board of Commissioners,
21 that, in its judgment, the rail or other service to be provided
22 by those rail facilities or related facilities will benefit the
23 airport operated by the Airport Authority, through the issuance
24 of bonds as hereinafter provided in Sections 14.1 to 14.5
25 inclusive, to the principal amount of which at any one time

1 outstanding, together with other outstanding indebtedness of
2 the Authority, shall not exceed 2.3% of the aggregate valuation
3 of all taxable property within the Authority, as equalized or
4 assessed by the Department of Revenue or, until January 1,
5 1983, if greater, the sum that is produced by multiplying the
6 Authority's 1978 equalized assessed valuation by the debt
7 limitation percentage in effect on January 1, 1979. No such
8 airport project shall be financed by the issuance of bonds
9 under this Section unless such proposed airport project has
10 been approved by the Department of Transportation as to
11 location and size and found by the Department to be in the
12 public interest; provided that the approval of the Department
13 of Transportation as provided in Sections 14.1 through 14.5 is
14 not required in the case of airport projects consisting solely
15 of commercial or recreational facilities or rail facilities or
16 related facilities.

17 (Source: P.A. 87-854.)

18 (70 ILCS 5/14.2) (from Ch. 15 1/2, par. 68.14b)

19 Sec. 14.2. General plans and cost estimate to be approved.
20 Before the adoption of any ordinance providing for the issuance
21 of such bonds, the board of commissioners of the authority
22 shall cause a description and general plan for the project to
23 be prepared and submitted to the Department of Transportation,
24 together with an estimate of the cost of the project. The
25 project and the plans and estimate of cost may be changed with

1 the approval of the Department. Prior to undertaking the
2 project, the final plans, specifications and estimate of cost
3 must be approved by the Department. The requirements of this
4 Section do not apply to airport projects consisting solely of
5 commercial or recreational facilities or rail facilities or
6 related facilities.

7 (Source: P.A. 87-854; 87-895.)

8 (70 ILCS 5/14.3) (from Ch. 15 1/2, par. 68.14c)

9 Sec. 14.3. Bond ordinance. Upon the approval of the general
10 plan and cost estimate for any such project by the Department
11 of Transportation, if required, the Board of Commissioners of
12 the authority shall provide by ordinance for the acquisition or
13 undertaking of such project, and for the issuance of bonds of
14 the authority payable from taxes to pay the cost of such
15 project to the authority or for costs with respect to rail
16 facilities or related facilities as provided in Section 14.1.

17 The ordinance shall prescribe all details of the bonds and
18 shall state the time or times when bonds, and the interest
19 thereon, shall become payable and the bonds shall be payable
20 within not more than 20 years from the date thereof. Any
21 authority may agree or contract to sell, issue or deliver bonds
22 payable from taxes at such price and upon such terms as
23 determined by the Board of Commissioners of the Authority and
24 as will not cause the net effective interest rate to be paid by
25 the Authority on the issue of which such bonds are a part to

1 exceed the greater of (i) the maximum rate authorized by the
2 Bond Authorization Act, as amended at the time of the making of
3 the contract, or (ii) the greater of 9% per annum or 125% of
4 the rate for the most recent date shown in the 20 G.O. Bonds
5 Index of average municipal bond yields as published in the most
6 recent edition of The Bond Buyer, published in New York, New
7 York, (or any successor publication or index, or if such
8 publication or index is no longer published, then any index of
9 long term municipal tax-exempt bond yields then selected by the
10 Board of Commissioners of the Authority), at the time the
11 contract is made for such sale of the bonds. Subject to such
12 limitation, the interest rate or rates on such bonds may be
13 established by reference to an index or formula which may be
14 implemented or administered by persons appointed or retained
15 therefor by the Authority. A contract is made with respect to
16 the sale of bonds when an Authority is contractually obligated
17 to issue or deliver such bonds to a purchaser who is
18 contractually obligated to purchase them, and, with respect to
19 bonds bearing interest at a variable rate or subject to payment
20 upon periodic demand or put or otherwise subject to remarketing
21 by or for an Authority, a contract is made on each date of
22 change in the variable rate or such demand, put or remarketing.
23 The ordinance shall provide for the levy and collection of a
24 direct annual tax upon all the taxable property within the
25 corporate limits of such Authority, sufficient to meet the
26 principal and interest of the bonds as same mature, which tax

1 shall be in addition to and in excess of any other tax
2 authorized to be levied by the Authority. The bonds may be
3 issued in part under the authority of, and may be additionally
4 secured as provided in, the Local Government Debt Reform Act.
5 Proceeds of bonds issued with respect to rail facilities or
6 related facilities shall be provided to, or expended by the
7 Authority for the benefit of, the Rail Authority.

8 A certified copy of the ordinance providing for the
9 issuance of bonds authorized by this Section shall be filed
10 with the county clerk of each county in which the authority or
11 any portion thereof is situated and shall constitute the basis
12 for the extension and collection of the tax necessary to pay
13 the principal of and interest and premium, if any, upon the
14 bonds issued under the ordinance as the same mature.

15 The provisions of this amendatory Act of 1985 shall be
16 cumulative and in addition to any powers or authority granted
17 in any other laws of the State, and shall not be deemed to have
18 repealed any provisions of existing laws. This amendatory Act
19 of 1985 shall be construed as a grant of power to public
20 corporations and shall not act as a limitation upon any sale of
21 bonds authorized pursuant to any other law. This amendatory Act
22 of 1985 shall not be construed as a limit upon any home rule
23 unit of government.

24 (Source: P.A. 86-1017; 87-854.)

25 (70 ILCS 5/22.1 new)

1 Sec. 22.1. Establishment of a Rail Authority.

2 (a) The Board of Commissioners of an airport authority in a
3 county with a population of at least 200,000 persons and less
4 than 500,000 persons may, by resolution, establish a Rail
5 Authority as provided in Sections 22.1 through 22.7 of this
6 Act. A certified copy of that resolution shall be filed with
7 the Secretary of State of Illinois. The Board of Commissioners
8 of the airport authority shall not have the power to abolish
9 such a Rail Authority.

10 (b) A Rail Authority established pursuant to this Section
11 shall be a body politic and corporate and a public corporation.

12 (c) A Rail Authority shall be governed by a Board of
13 Directors. Except as provided in paragraph (d) of this Section,
14 the Board of Directors shall consist of the members of the
15 Board of Commissioners of the airport authority that
16 establishes the Rail Authority. The Board of Directors of the
17 Rail Authority shall establish by-laws and procedures for their
18 actions and may elect such officers of the Rail Authority and
19 its Board of Directors as they shall determine, who shall serve
20 terms as set by the by-laws of the Rail Authority, not to
21 exceed 5 years.

22 (d) The composition of the Board of Directors of the Rail
23 Authority may be increased from time to time to include members
24 appointed by the Chairman or President of the County Board of
25 any county that has members on the Board of Directors, all as
26 shall be agreed by the Board of Directors of the Rail

1 Authority, the chairman of the county board of the county in
2 which the establishing airport authority is located, and the
3 county board of the county for which members shall be added;
4 upon such agreement providing for financial contribution to the
5 Rail Authority by the county for which members are added.

6 (e) All non-procedural actions of the Board of Directors of
7 the Rail Authority shall require the concurrence of the
8 majority of members of the Board of Directors. Members of the
9 Board of Directors shall serve for terms as provided in the
10 by-laws of the Rail Authority not to exceed 5 years, and until
11 their successors are appointed and qualified.

12 (f) There shall be no prohibitions on members of the Board
13 of Directors of the Rail Authority holding any other
14 governmental office or position.

15 (70 ILCS 5/22.2 new)

16 Sec. 22.2. Provision of rail and related transportation
17 services. The Rail Authority shall also have the power to
18 provide non-rail transportation services within the Counties,
19 which may consist of shuttle bus service to or from an airport,
20 needed storage facilities, and facilities to load, unload, or
21 transfer freight from one mode of transportation to another
22 such mode related to rail or highway transportation and any
23 needed access roads for that service, as the Board of Directors
24 shall determine are appropriate to advance economic
25 development in the Counties. All property or facilities

1 necessary or useful for such related transportation or economic
2 development services are referred to in this Act as "related
3 facilities". The Authority, in providing rail related
4 facilities, may not operate or perform as a rail carrier.

5 (70 ILCS 5/22.3 new)

6 Sec. 22.3. Further powers of the Rail Authority.

7 (a) Except as otherwise limited by this Act, the Rail
8 Authority shall have all powers to meet its responsibilities
9 and to carry out its purposes, including, but not limited to,
10 the following powers:

11 (i) To sue and be sued.

12 (ii) To invest any funds or any moneys not required for
13 immediate use or disbursement, as provided in the Public
14 Funds Investment Act.

15 (iii) To make, amend, and repeal by-laws, rules and
16 regulations, and resolutions not inconsistent with
17 Sections 22.1 through 22.7 of this Act.

18 (iv) To set and collect fares or other charges for the
19 use of rail or other facilities of the Rail Authority.

20 (v) To conduct or contract for studies as to the
21 feasibility and costs of providing any particular service
22 as authorized by this Act.

23 (vi) To publicize services of the Authority and to
24 enter into cooperative agreements with non-rail
25 transportation service providers, including airport

1 operations.

2 (vii) To hold, sell, sell by installment contract,
3 lease as lessor, transfer, or dispose of such real or
4 personal property of the Rail Authority, including rail
5 facilities or related facilities, as the Board of Directors
6 deems appropriate in the exercise of its powers and to
7 mortgage, pledge, or otherwise grant security interests in
8 any such property.

9 (viii) To enter at reasonable times upon such lands,
10 waters, or premises as, in the judgment of the Board of
11 Directors of the Rail Authority, may be necessary,
12 convenient, or desirable for the purpose of making surveys,
13 soundings, borings, and examinations to accomplish any
14 purpose authorized by Sections 22.1 through 22.7 of this
15 Act after having given reasonable notice of such proposed
16 entry to the owners and occupants of such lands, waters, or
17 premises, the Rail Authority being liable only for actual
18 damage caused by such activity.

19 (ix) To enter into contracts of group insurance for the
20 benefit of its employees and to provide for retirement or
21 pensions or other employee benefit arrangements for such
22 employees, and to assume obligations for pensions or other
23 employee benefit arrangements for employees of
24 transportation agencies, all or part of the facilities of
25 which are acquired by the Rail Authority.

26 (x) To provide for the insurance of any property,

1 directors, officers, employees, or operations of the Rail
2 Authority against any risk or hazard, and to self-insure or
3 participate in joint self-insurance pools or entities to
4 insure against such risk or hazard.

5 (xi) To pass all resolutions and make all rules and
6 regulations proper or necessary to regulate the use,
7 operation, and maintenance of the property and facilities
8 of the Rail Authority and, by resolution, to prescribe
9 finances or penalties for violations of those rules and
10 regulations. No fine or penalty shall exceed \$1,000 per
11 offense. Any resolution providing for any fine or penalty
12 shall be published in a newspaper of general circulation in
13 the metropolitan region. No such resolution shall take
14 effect until 10 days after its publication.

15 (xii) To enter into arbitration arrangements, which
16 may be final and binding.

17 (xiii) To make and execute all contracts and other
18 instruments necessary or convenient to the exercise of its
19 powers.

20 (b) In each case in which this Act gives the Rail Authority
21 the power to construct or acquire rail facilities or related
22 facilities or any other real or personal property, the Rail
23 Authority shall have the power to acquire such property by
24 contract, purchase, gift, grant, exchange for other property or
25 rights in property, lease (or sublease), or installment or
26 conditional purchase contracts, which leases or contracts may

1 provide for consideration to be paid in installments during a
2 period not exceeding 40 years, and to dispose of such property
3 or rights by lease or sale as the Board of Directors shall
4 determine. Property may be acquired subject to such conditions,
5 restrictions, liens, or security or other interests of other
6 parties as the Board of Directors may deem appropriate, and in
7 each case the Rail Authority may acquire a joint, leasehold,
8 easement, license, or other partial interest in such property.
9 Any such acquisition may provide for the assumption of, or
10 agreement to pay, perform, or discharge outstanding or
11 continuing duties, obligations, or liabilities of the seller,
12 lessor, donor, or other transferor of or of the trustee with
13 regard to such property. In connection with the acquisition of
14 Rail Facilities or Related Facilities, including, but not
15 limited to, vehicles, buses, or rapid transit equipment, the
16 Rail Authority may also execute agreements concerning such
17 equipment leases, equipment trust certificates, conditional
18 purchase agreements, and such other security agreements and may
19 make such agreements and covenants as required, in the form
20 customarily used in such cases appropriate to effect such
21 acquisition. The Rail Authority may not acquire property by
22 eminent domain.

23 (70 ILCS 5/22.4 new)

24 Sec. 22.4. Bonds and notes.

25 (a) The Rail Authority shall have the power to borrow money

1 and to issue its negotiable bonds or notes as provided in this
2 Section. Unless otherwise indicated in this Section, the term
3 "notes" also includes bond anticipation notes, which are notes
4 that by their terms provide for their payment from the proceeds
5 of bonds subsequently to be issued. Bonds or notes of the Rail
6 Authority may be issued for any or all of the following
7 purposes: to pay costs to the Rail Authority of constructing or
8 acquiring any rail facilities or related facilities, to pay
9 interest on bonds or notes during any period of construction or
10 acquisition of rail facilities or related facilities, to
11 establish a debt service reserve fund, to pay costs of issuance
12 of the bonds or notes, and to refund its bonds or notes.

13 (b) The issuance of any bonds or notes shall be authorized
14 by a resolution of the Board of Directors of the Rail
15 Authority. The resolution providing for the issuance of any
16 such bonds or notes shall fix their date or dates of maturity,
17 the dates on which interest is payable, any sinking fund
18 account or reserve fund account provisions, and all other
19 details of the bonds or notes and may provide for such
20 covenants or agreements necessary or desirable with regard to
21 the issue, sale, and security of the bonds or notes. The rate
22 or rates of interest on the bonds or notes may be fixed or
23 variable and the Rail Authority shall determine or provide for
24 the determination of the rate or rates of interest of its bonds
25 or notes issued under this Act in a resolution adopted prior to
26 their issuance, none of which rates of interest shall exceed

1 that permitted in the Bond Authorization Act. Bonds and notes
2 issued under this Section may be issued as serial or term
3 obligations, shall be of such denomination or denominations and
4 form, shall be executed in such manner, shall be payable at
5 such place or places and bear such date as the Rail Authority
6 shall fix by the resolution authorizing such bonds or notes and
7 shall mature at such time or times, within a period not to
8 exceed 40 years from their date of issue, and may be redeemable
9 prior to maturity, with or without premium, at the option of
10 the Rail Authority, upon such terms and conditions as the Rail
11 Authority shall fix by the resolution authorizing the issuance
12 of the bonds or notes. In case any officer whose signature
13 appears on any bonds or notes authorized pursuant to this
14 Section shall cease to be an officer before delivery of such
15 bonds or notes, the signature shall nevertheless be valid and
16 sufficient for all purposes, the same as if the officer had
17 remained in office until the delivery.

18 (c) Bonds or notes of the Rail Authority issued pursuant to
19 this Section shall have a claim for payment as to principal and
20 interest from such sources as provided by the resolution
21 authorizing such bonds or notes. Such bonds or notes shall be
22 secured as provided in the authorizing resolution of the Board
23 of Directors of the Rail Authority, which may, notwithstanding
24 any other provision of this Act, include in addition to any
25 other security, a specific pledge or assignment of and lien on
26 or security interest in any or all receipts of the Rail

1 Authority and on any or all other revenues or money of the Rail
2 Authority from whatever source, which may by law be utilized
3 for debt service purposes, as well as any funds or accounts
4 established or provided for the payment of such debt service,
5 by the resolution of the Rail Authority authorizing the
6 issuance of the bonds or notes. Any such pledge, assignment,
7 lien, or security interest for the benefit of holders of bonds
8 or notes of the Rail Authority shall be valid and binding from
9 the time the bonds or notes are issued without any physical
10 delivery or further act and shall be valid and binding as
11 against and prior to the claims of all other parties having
12 claims of any kind against the Rail Authority or any other
13 person irrespective of whether such other parties have notice
14 of such pledge, assignment, lien, or security interest. The
15 resolution of the Board of Directors of the Rail Authority
16 authorizing the issuance of any bonds or notes may provide
17 additional security for such bonds or notes by providing for
18 appointment of a corporate trustee (which may be any trust
19 company or bank having the powers of a trust company within
20 Illinois) with respect to the bonds or notes. The resolution
21 shall prescribe the rights, duties, and powers of the trustee
22 to be exercised for the benefit of the Rail Authority and the
23 protection of the owners of such bonds or notes. The resolution
24 may provide for the trustee to hold in trust, invest, and use
25 amounts in funds and accounts created as provided by the
26 resolution with respect to the bonds or notes.

1 (70 ILCS 5/22.6 new)

2 Sec. 22.6. Exemption from taxation. The Rail Authority and
3 the Rail Corporation shall be exempt from all State and unit of
4 local government taxes and registration and license fees. All
5 property of the Rail Authority or of the Rail Corporation shall
6 be public property devoted to an essential public and
7 governmental function and purpose and shall be exempt from all
8 taxes and special assessments of the State, any subdivision of
9 the State, or any unit of local government.

10 (70 ILCS 5/22.7 new)

11 Sec. 22.7. Federal, State, and other funds. The Rail
12 Authority shall have the power to apply for, receive, and
13 expend grants, loans, or other funds from the State of Illinois
14 or any of its departments or agencies, from any unit of local
15 government, or from the federal government or any of its
16 departments or agencies, for use in connection with any of the
17 powers or purposes of the Rail Authority as set forth in this
18 Act, and to enter into agreements with the lending or granting
19 agency in connection with any such loan or grant.

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