



103RD GENERAL ASSEMBLY

State of Illinois

2023 and 2024

HB5838

Introduced 5/8/2024, by Rep. Fred Crespo

SYNOPSIS AS INTRODUCED:

30 ILCS 105/5.1015 new

70 ILCS 3205/8

70 ILCS 3205/9

from Ch. 85, par. 6008

from Ch. 85, par. 6009

Amends the Illinois Sports Facilities Authority Act. Creates the Illinois Minor League Stadium Fund as a special fund in the State treasury. Allows moneys in the Fund to be used by the Illinois Sports Facilities Authority for capital improvements at facilities that host professional sporting events for teams that are not in the National Basketball Association, National Football League, National Hockey League, or Major League Baseball. If new stadiums or arenas for Illinois teams in the National Basketball Association, National Football League, National Hockey League, or Major League Baseball are approved by the Authority, requires the Authority to include, in the final agreement for those facilities, funding for the Illinois Minor League Stadium Fund for stadiums and arenas that do not host professional sporting events for teams that play in the National Football League, the National Hockey League, National Basketball Association, or Major League Baseball. Amends the State Finance Act to make a conforming change. Effective July 1, 2024.

LRB103 40544 AWJ 73069 b

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 State Finance Act is amended by adding
5 Section 5.1015 as follows:

6 (30 ILCS 105/5.1015 new)

7 Sec. 5.1015. The Illinois Minor League Stadium Fund.

8 Section 10. The Illinois Sports Facilities Authority Act
9 is amended by changing Sections 8 and 9 as follows:

10 (70 ILCS 3205/8) (from Ch. 85, par. 6008)

11 Sec. 8. Powers. In addition to the powers set forth
12 elsewhere in this Act, the Authority may:

13 (1) Adopt and alter an official seal;

14 (2) Sue and be sued, plead and be impleaded, all in its
15 own name, and agree to binding arbitration of any dispute
16 to which it is a party;

17 (3) Adopt bylaws, rules, and regulations to carry out
18 the provisions of this Section;

19 (4) Maintain an office or offices at such place as the
20 Authority may designate;

21 (5) Employ, either as regular employees or independent

1 contractors, consultants, engineers, architects,
2 accountants, attorneys, financial experts, construction
3 experts and personnel, superintendents, managers and other
4 professional personnel, and such other personnel as may be
5 necessary in the judgment of the Authority, and fix their
6 compensation;

7 (6) Determine the locations of, develop, design,
8 establish, construct, erect, acquire, own, repair,
9 reconstruct, renovate, remodel, add to, extend, improve,
10 equip, operate, regulate and maintain facilities, and
11 provide financial assistance to governmental owners or
12 their tenants, or both, pursuant to an assistance
13 agreement to do the foregoing, in each case to the extent
14 necessary to accomplish the purposes of the Authority;

15 (7) Acquire, hold, lease as lessor or as lessee, use,
16 encumber, transfer, or dispose of real and personal
17 property, including the alteration of or demolition of
18 improvements to real estate;

19 (8) Enter into contracts of any kind;

20 (9) Regulate the use and operation of facilities that
21 are developed under the provisions of this Act;

22 (10) Enter into one or more management agreements
23 which conform to the requirements of this Act and which
24 may contain such provisions as the Authority shall
25 determine, including, without limitation, (i) provisions
26 allocating receipts from rents, rates, fees and charges

1 for use of the facility or for services rendered in
2 connection with the facility between the Authority and the
3 tenant of the facility; (ii) provisions providing for or
4 limiting payments to the Authority for use of the facility
5 based on levels of attendance or receipts, or both
6 attendance and receipts, of the tenant from admission
7 charges, parking concessions, advertising, radio and
8 television and other sources; (iii) provisions obligating
9 the Authority to make payments to the tenant with respect
10 to expenses of routine maintenance and operation of any
11 facility and operating expenses of the tenant with respect
12 to use of the facility; (iv) provisions requiring the
13 Authority to pay liquidated damages to the tenant for
14 failure of timely completion of construction of any new
15 facility; (v) provisions permitting the Authority to grant
16 rent-free occupancy of an existing facility pending
17 completion of construction of any new facility and
18 requiring the Authority to pay certain incremental costs
19 of maintenance, repair, replacement and operation of an
20 existing facility in the event of failure of timely
21 completion of construction of any new facility; (vi)
22 provisions requiring the Authority to reimburse the tenant
23 for certain State and local taxes and provisions
24 permitting reductions of payments due the Authority by the
25 tenant or reimbursement of the tenant by the Authority in
26 the event of imposition of certain new State and local

1 taxes, or the increase above specified levels of certain
2 existing State and local taxes, or both; (vii) provisions
3 obligating the Authority to purchase tickets to events
4 conducted by the tenant based upon specified attendance
5 levels; (viii) provisions granting the tenant the right
6 and option to extend the term of the management agreement;
7 (ix) provisions creating an assignment and pledge by the
8 Authority of certain of the Authority's revenues and
9 receipts to be received under Section 19 of this Act for
10 the benefit of the tenant of the facility as further
11 security for performance by the Authority of its
12 obligations under the management agreement; and (x)
13 provisions requiring the establishment of reserves by the
14 Authority or by the tenant, or both, as further security
15 for the performance of their respective obligations under
16 the management agreement;

17 (11) Enter into one or more assistance agreements that
18 conform to the requirements of this Act and that may
19 contain such provisions as the Authority shall determine
20 establishing the rights and obligations of the Authority
21 and the governmental owner or a tenant, or both, with
22 respect to the facility for which the Authority is to
23 provide financial assistance including, without
24 limitation, such provisions as are described in paragraph
25 (10) of this Section;

26 (12) Borrow money from any source for any corporate

1 purpose, including working capital for its operations,
2 reserve funds, or interest, and to mortgage, pledge or
3 otherwise encumber the property or funds of the Authority
4 and to contract with or engage the services of any person
5 in connection with any financing, including financial
6 institutions, issuers of letters of credit, or insurers
7 and enter into reimbursement agreements with this person
8 which may be secured as if money were borrowed from the
9 person;

10 (13) Issue bonds or notes under Section 13 of this
11 Act;

12 (14) Receive and accept from any source, private or
13 public, contributions, gifts, or grants of money or
14 property;

15 (15) Make loans from proceeds or funds otherwise
16 available to the extent necessary or appropriate to
17 accomplish the purposes of the Authority;

18 (16) Provide for the insurance of any property,
19 operations, officers, agents or employees of the Authority
20 against any risk or hazard and to provide for the
21 indemnification of its members, employees, contractors or
22 agents against any and all risks;

23 (17) Provide relocation assistance and compensation
24 for landowners and their lessees displaced by any land
25 acquisition of the Authority, including the acquisition of
26 land and construction of replacement housing thereon as

1 the Authority shall determine;

2 (18) Sell, convey, lease, or grant a permit or license
3 with respect to, or by agreement authorize another person
4 on its behalf to sell, convey, lease, or grant a permit or
5 license with respect to (A) the right to use or the right
6 to purchase tickets to use, or any other interest in, any
7 seat or area within a facility, (B) the right to name or
8 place advertising in all or any part of a facility, or (C)
9 any intangible personal property rights, including
10 intellectual property rights, appurtenant to any facility,
11 the proceeds of which are used for the purpose of carrying
12 out the powers granted by the Act;

13 (18.5) Provide capital grants from the Illinois Minor
14 League Stadium Fund;

15 (19) Adopt such rules as are necessary to carry out
16 those powers conferred and perform those duties required
17 by this Act;

18 (20) Exercise all the corporate powers granted
19 Illinois corporations under the Business Corporation Act
20 of 1983, except to the extent that powers are inconsistent
21 with those of a body politic and corporate of the State;
22 and

23 (21) Do all things necessary or convenient to carry
24 out the powers granted by this Act.

25 The Authority may not construct or enter into a contract
26 to construct more than one new stadium facility and may not

1 enter into assistance agreements providing for the
2 reconstruction, renovation, remodeling, extension, or
3 improvement of all or substantially all of more than one
4 existing facility unless authorized by law.

5 The Authority may adopt such rules pursuant to the
6 Illinois Administrative Procedure Act as are necessary to
7 carry out those powers and duties conferred by this Act. The
8 Authority may initially adopt, by January 1, 1989, such rules
9 as emergency rules in accordance with the provisions of
10 Section 5-45 of the Illinois Administrative Procedure Act. For
11 purposes of the Illinois Administrative Procedure Act, the
12 adoption of the initial rules shall be deemed to be an
13 emergency and necessary for the public interest, safety and
14 welfare.

15 (Source: P.A. 91-935, eff. 6-1-01.)

16 (70 ILCS 3205/9) (from Ch. 85, par. 6009)

17 Sec. 9. Duties. In addition to the powers set forth
18 elsewhere in this Act, subject to the terms of any agreements
19 with the holders of the Authority's bonds or notes, the
20 Authority shall:

21 (1) Comply with all zoning, building, and land use
22 controls of the municipality within which is located any
23 stadium facility owned by the Authority or for which the
24 Authority provides financial assistance.

25 (2) With respect to a facility owned or to be owned by

1 the Authority, enter or have entered into a management
2 agreement with a tenant of the Authority to operate the
3 facility that requires the tenant to operate the facility
4 for a period at least as long as the term of any bonds
5 issued to finance the development, establishment,
6 construction, erection, acquisition, repair,
7 reconstruction, remodeling, adding to, extension,
8 improvement, equipping, operation, and maintenance of the
9 facility. Such agreement shall contain appropriate and
10 reasonable provisions with respect to termination, default
11 and legal remedies.

12 (3) With respect to a facility owned or to be owned by
13 a governmental owner other than the Authority, enter into
14 an assistance agreement with either a governmental owner
15 of a facility or its tenant, or both, that requires the
16 tenant, or if the tenant is not a party to the assistance
17 agreement requires the governmental owner to enter into an
18 agreement with the tenant that requires the tenant to use
19 the facility for a period at least as long as the term of
20 any bonds issued to finance the reconstruction,
21 renovation, remodeling, extension or improvement of all or
22 substantially all of the facility.

23 (4) Create and maintain a separate financial reserve
24 for repair and replacement of capital assets of any
25 facility owned by the Authority or for which the Authority
26 provides financial assistance and deposit into this

1 reserve not less than \$1,000,000 per year for each such
2 facility beginning at such time as the Authority and the
3 tenant, or the Authority and a governmental owner of a
4 facility, as applicable, shall agree.

5 (5) In connection with prequalification of general
6 contractors for the construction of a new stadium facility
7 or the reconstruction, renovation, remodeling, extension,
8 or improvement of all or substantially all of an existing
9 facility, the Authority shall require submission of a
10 commitment detailing how the general contractor will
11 expend 25% or more of the dollar value of the general
12 contract with one or more minority-owned businesses and 5%
13 or more of the dollar value with one or more women-owned
14 businesses. This commitment may be met by contractor's
15 status as a minority-owned businesses or women-owned
16 businesses, by a joint venture or by subcontracting a
17 portion of the work with or by purchasing materials for
18 the work from one or more such businesses, or by any
19 combination thereof. Any contract with the general
20 contractor for construction of the new stadium facility
21 and any contract for the reconstruction, renovation,
22 remodeling, adding to, extension or improvement of all or
23 substantially all of an existing facility shall require
24 the general contractor to meet the foregoing obligations
25 and shall require monthly reporting to the Authority with
26 respect to the status of the implementation of the

1 contractor's affirmative action plan and compliance with
2 that plan. This report shall be filed with the General
3 Assembly. The Authority shall establish and maintain an
4 affirmative action program designed to promote equal
5 employment opportunity which specifies the goals and
6 methods for increasing participation by minorities and
7 women in a representative mix of job classifications
8 required to perform the respective contracts. The
9 Authority shall file a report before March 1 of each year
10 with the General Assembly detailing its implementation of
11 this paragraph. The terms "minority-owned businesses",
12 "women-owned businesses", and "business owned by a person
13 with a disability" have the meanings given to those terms
14 in the Business Enterprise for Minorities, Women, and
15 Persons with Disabilities Act.

16 (6) Provide for the construction of any new facility
17 pursuant to one or more contracts which require delivery
18 of a completed facility at a fixed maximum price to be
19 insured or guaranteed by a third party determined by the
20 Authority to be financially capable of causing completion
21 of such construction of the new facility.

22 In connection with any assistance agreement with a
23 governmental owner that provides financial assistance for a
24 facility to be used by a National Football League team, the
25 assistance agreement shall provide that the Authority or its
26 agent shall enter into the contract or contracts for the

1 design and construction services or design/build services for
2 such facility and thereafter transfer its rights and
3 obligations under the contract or contracts to the
4 governmental owner of the facility. In seeking parties to
5 provide design and construction services or design/build
6 services with respect to such facility, the Authority may use
7 such procurement procedures as it may determine, including,
8 without limitation, the selection of design professionals and
9 construction managers or design/builders as may be required by
10 a team that is at risk, in whole or in part, for the cost of
11 design and construction of the facility.

12 An assistance agreement may not provide, directly or
13 indirectly, for the payment to the Chicago Park District of
14 more than a total of \$10,000,000 on account of the District's
15 loss of property or revenue in connection with the renovation
16 of a facility pursuant to the assistance agreement.

17 The Illinois Minor League Stadium Fund is created as a
18 special fund in the State treasury. Moneys in the Fund shall be
19 used by the Authority for capital improvements at facilities
20 that host professional sporting events for teams that are not
21 in the National Basketball Association, National Football
22 League, National Hockey League, or Major League Baseball. If
23 new stadiums or arenas for Illinois teams in the National
24 Basketball Association, National Football League, National
25 Hockey League, or Major League Baseball are approved by the
26 Authority, the Authority shall include, in the final agreement

1 for those facilities, funding for the Illinois Minor League
2 Stadium Fund for stadiums and arenas that do not host
3 professional sporting events for teams that play in the
4 National Football League, the National Hockey League, National
5 Basketball Association, or Major League Baseball.

6 (Source: P.A. 100-391, eff. 8-25-17.)

7 Section 99. Effective date. This Act takes effect July 1,
8 2024.