

1 AN ACT concerning State finance.

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 changing  
5 Section 6z-43 as follows:

6 (30 ILCS 105/6z-43)

7 Sec. 6z-43. Tobacco Settlement Recovery Fund.

8 (a) There is created in the State Treasury a special  
9 fund to be known as the Tobacco Settlement Recovery Fund,  
10 into which shall be deposited all monies paid to the State  
11 pursuant to (1) the Master Settlement Agreement entered in  
12 the case of People of the State of Illinois v. Philip Morris,  
13 et al. (Circuit Court of Cook County, No. 96-L13146) and (2)  
14 any settlement with or judgment against any tobacco product  
15 manufacturer other than one participating in the Master  
16 Settlement Agreement in satisfaction of any released claim as  
17 defined in the Master Settlement Agreement, as well as any  
18 other monies as provided by law. All earnings on Fund  
19 investments shall be deposited into the Fund. Upon the  
20 creation of the Fund, the State Comptroller shall order the  
21 State Treasurer to transfer into the Fund any monies paid to  
22 the State as described in item (1) or (2) of this Section  
23 before the creation of the Fund plus any interest earned on  
24 the investment of those monies. The Treasurer may invest the  
25 moneys in the Fund in the same manner, in the same types of  
26 investments, and subject to the same limitations provided in  
27 the Illinois Pension Code for the investment of pension funds  
28 other than those established under Article 3 or 4 of the  
29 Code.

30 (b) As soon as may be practical after June 30, 2001,  
31 upon notification from and at the direction of the Governor,

1 the State Comptroller shall direct and the State Treasurer  
2 shall transfer the unencumbered balance in the Tobacco  
3 Settlement Recovery Fund as of June 30, 2001, as determined  
4 by the Governor, into the Budget Stabilization Fund. The  
5 Treasurer may invest the moneys in the Budget Stabilization  
6 Fund in the same manner, in the same types of investments,  
7 and subject to the same limitations provided in the Illinois  
8 Pension Code for the investment of pension funds other than  
9 those established under Article 3 or 4 of the Code.

10 (c) In addition to any other deposits authorized by law,  
11 after any delivery of any bonds as authorized by Section 7.5  
12 of the General Obligation Bond Act for deposits to the  
13 General Revenue Fund and the Budget Stabilization Fund  
14 (referred to as "tobacco securitization general obligation  
15 bonds"), the Governor shall certify, on or before June 30,  
16 2003 and June 30 of each year thereafter, to the State  
17 Comptroller and State Treasurer the total amount of principal  
18 of, interest on, and premium, if any, due on those bonds in  
19 the next fiscal year beginning with amounts due in fiscal  
20 year 2004. As soon as practical after the annual payment of  
21 tobacco settlement moneys to the Tobacco Settlement Recovery  
22 Fund as described in item (1) of subsection (a), the State  
23 Treasurer and State Comptroller shall transfer from the  
24 Tobacco Settlement Recovery Fund to the General Obligation  
25 Bond Retirement and Interest Fund the amount certified by the  
26 Governor, plus any cumulative deficiency in those transfers  
27 for prior years.

28 (Source: P.A. 91-646, eff. 11-19-99; 91-704, eff. 7-1-00;  
29 91-797, eff. 6-9-00; 92-11, eff. 6-11-01; 92-16, eff.  
30 6-28-01.)

31 Section 10. The General Obligation Bond Act is amended  
32 by changing Sections 2 and 12, and adding Section 7.5 as  
33 follows:

1 (30 ILCS 330/2) (from Ch. 127, par. 652)

2 Sec. 2. Authorization for Bonds. The State of Illinois  
3 is authorized to issue, sell and provide for the retirement  
4 of General Obligation Bonds of the State of Illinois for the  
5 categories and specific purposes expressed in Sections 2  
6 through 8 of this Act, in the total amount of \$16,015,007,500  
7 ~~\$15,265,007,500~~.

8 The bonds authorized in this Section 2 and in Section 16  
9 of this Act are herein called "Bonds".

10 Of the total amount of Bonds authorized in this Act, up  
11 to \$2,200,000,000 in aggregate original principal amount may  
12 be issued and sold in accordance with the Baccalaureate  
13 Savings Act in the form of General Obligation College Savings  
14 Bonds.

15 Of the total amount of Bonds authorized in this Act, up  
16 to \$300,000,000 in aggregate original principal amount may be  
17 issued and sold in accordance with the Retirement Savings Act  
18 in the form of General Obligation Retirement Savings Bonds.

19 The issuance and sale of Bonds pursuant to the General  
20 Obligation Bond Act is an economical and efficient method of  
21 financing the capital and general operating needs of the  
22 State. This Act will permit the issuance of a multi-purpose  
23 General Obligation Bond with uniform terms and features.  
24 This will not only lower the cost of registration but also  
25 reduce the overall cost of issuing debt by improving the  
26 marketability of Illinois General Obligation Bonds.

27 (Source: P.A. 91-39, eff. 6-15-99; 91-53, eff. 6-30-99;  
28 91-710, eff. 5-17-00; 92-13, eff. 6-22-01.)

29 (30 ILCS 330/7.5 new)

30 Sec. 7.5. Tobacco securitization general obligation  
31 bonds. The amount of \$750,000,000 is authorized to be issued  
32 only during fiscal year 2003 for the making of deposits of  
33 50% of net proceeds to the General Revenue Fund to build the

1 fiscal year ending general funds cash balance and to meet the  
 2 ordinary and contingent expenses of the State and 50% of net  
 3 proceeds to the Budget Stabilization Fund.

4 (30 ILCS 330/12) (from Ch. 127, par. 662)

5 Sec. 12. Allocation of Proceeds from Sale of Bonds.

6 (a) Proceeds from the sale of Bonds, authorized by  
 7 Section 3 of this Act, shall be deposited in the separate  
 8 fund known as the Capital Development Fund.

9 (b) Proceeds from the sale of Bonds, authorized by  
 10 paragraph (a) of Section 4 of this Act, shall be deposited in  
 11 the separate fund known as the Transportation Bond, Series A  
 12 Fund.

13 (c) Proceeds from the sale of Bonds, authorized by  
 14 paragraphs (b) and (c) of Section 4 of this Act, shall be  
 15 deposited in the separate fund known as the Transportation  
 16 Bond, Series B Fund.

17 (d) Proceeds from the sale of Bonds, authorized by  
 18 Section 5 of this Act, shall be deposited in the separate  
 19 fund known as the School Construction Fund.

20 (e) Proceeds from the sale of Bonds, authorized by  
 21 Section 6 of this Act, shall be deposited in the separate  
 22 fund known as the Anti-Pollution Fund.

23 (f) Proceeds from the sale of Bonds, authorized by  
 24 Section 7 of this Act, shall be deposited in the separate  
 25 fund known as the Coal Development Fund.

26 (f-5) Proceeds from the sale of Bonds, authorized by  
 27 Section 7.5 of this Act, shall be deposited as set forth in  
 28 Section 7.5.

29 (g) Proceeds from the sale of Bonds, authorized by  
 30 Section 8 of this Act, shall be deposited in the Capital  
 31 Development Fund.

32 (h) Subsequent to the issuance of any Bonds for the  
 33 purposes described in Sections 2 through 8 of this Act, the

1 Governor and the Director of the Bureau of the Budget may  
2 provide for the reallocation of unspent proceeds of such  
3 Bonds to any other purposes authorized under said Sections of  
4 this Act, subject to the limitations on aggregate principal  
5 amounts contained therein. Upon any such reallocation, such  
6 unspent proceeds shall be transferred to the appropriate  
7 funds as determined by reference to paragraphs (a) through  
8 (g) of this Section.

9 (Source: P.A. 90-549, eff. 12-8-97; 90-586, eff. 6-4-98;  
10 90-653, eff. 7-29-98.)

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