



93RD GENERAL ASSEMBLY
State of Illinois
2003 and 2004
HB3988

Introduced 1/6/2004, by Roger L. Eddy

SYNOPSIS AS INTRODUCED:

20 ILCS 3501/820-65 new
30 ILCS 105/5.625 new

Amends the Illinois Finance Authority Act. Provides that the Illinois Finance Authority shall administer a road grader revolving loan program to provide loans to units of local government for the purchase of road graders that are manufactured in the United States of America. Provides that the Illinois Finance Authority shall determine eligibility for the loans based on need and that the loan funds, subject to appropriation, shall be paid out of the Road Grader Revolving Loan Fund, a special fund in the State treasury. Provides terms for the loan concerning: (i) the maximum aggregate outstanding principal amount of loans to any one unit of local government; (ii) the repayment schedule; and (iii) the amount that must be repaid each year. Provides that the loan interest is 1% annually. Requires the Illinois Finance Authority to adopt rules to administer the program. Amends the State Finance Act to create the Fund.

LRB093 14953 MKM 40522 b

FISCAL NOTE ACT
MAY APPLY

A BILL FOR

1 AN ACT concerning loans to local governments.

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

4 Section 5. The Illinois Finance Authority Act is amended by
5 adding Section 820-65 as follows:

6 (20 ILCS 3501/820-65 new)

7 Sec. 820-65. Road grader revolving loan program. The
8 Illinois Finance Authority is the administrator of a road
9 grader revolving loan program. The purpose is to provide loans
10 to units of local government for the purchase of road graders
11 that are manufactured in the United States of America. For
12 purposes of this Section, "unit of local government" means a
13 county, township, or municipality; and "manufactured in the
14 United States of America" means that all significant parts,
15 processing, and labor that go into the road grader must be of
16 U.S. origin and that the road grader must contain only
17 negligible foreign content. "Road grader" includes any
18 machinery with a purchase price of \$100,000 or more that is
19 used for the construction or maintenance of roads. The Illinois
20 Finance Authority shall determine eligibility for the loans
21 based on need, as determined by the Illinois Finance Authority.
22 The Illinois Finance Authority must give priority in making
23 loans to units of local government without a road grader or
24 with the oldest road grader.

25 The loan funds, subject to appropriation, shall be paid out
26 of the Road Grader Revolving Loan Fund, a special fund in the
27 State treasury. The Fund shall consist of any moneys
28 transferred into or appropriated to the Fund as well as all
29 repayments of loans made under this Section. The Fund shall be
30 used for loans to units of local government to purchase road
31 graders and for no other purpose. All interest earned on moneys
32 in the Fund shall be deposited into the Fund.

1 The annual rate of interest on the loan is 1%.

2 The aggregate outstanding principal balance of loans to any
3 one unit of local government for the purchase of road graders
4 may not exceed \$350,000. The repayment period for the loan may
5 not exceed 15 years. The unit of local government shall repay
6 each year at least 5% of the principal amount borrowed or the
7 remaining balance of the loan, whichever is less. All
8 repayments of loans, including any interest, shall be deposited
9 into the Road Grader Revolving Loan Fund.

10 The Illinois Finance Authority must adopt rules to
11 administer the program.

12 Section 10. The State Finance Act is amended by adding
13 Section 5.625 as follows:

14 (30 ILCS 105/5.625 new)

15 Sec. 5.625. The Road Grader Revolving Loan Fund.