



94TH GENERAL ASSEMBLY

State of Illinois

2005 and 2006

HB2419

Introduced 2/17/2005, by Rep. Aaron Schock

SYNOPSIS AS INTRODUCED:

20 ILCS 3501/820-65 new
30 ILCS 105/5.640 new

Amends the Illinois Finance Authority Act. Provides that the Illinois Finance Authority shall administer a road equipment revolving loan program to provide interest-free loans to units of local government for the purchase of road equipment that is 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 Equipment 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. Requires the Illinois Finance Authority to adopt rules to administer the program. Amends the State Finance Act to create the Fund.

LRB094 08196 BDD 38383 b

FISCAL NOTE ACT
MAY APPLY

1 AN ACT concerning State government.

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 equipment revolving loan program. The
8 Illinois Finance Authority is the administrator of a road
9 equipment revolving loan program. The purpose is to provide
10 loans to units of local government for the purchase of road
11 equipment that is manufactured in the United States of America.
12 For purposes of this Section, "unit of local government" means
13 a 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 equipment must be
16 of U.S. origin and that the road equipment must contain only
17 negligible foreign content. "Road equipment" 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 road equipment or
24 with the oldest road equipment.

25 The loan funds, subject to appropriation, shall be paid out
26 of the Road Equipment Revolving Loan Fund, a special fund in
27 the 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 equipment and for no other purpose. All interest earned on
32 moneys in the Fund shall be deposited into the Fund.

1 The loan shall be made without interest.

2 The aggregate outstanding principal balance of loans to any
3 one unit of local government for the purchase of road equipment
4 may not exceed \$350,000. The repayment period for the loan may
5 not exceed 20 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 5.640 as follows:

14 (30 ILCS 105/5.640 new)

15 Sec. 5.640. The The Road Equipment Revolving Loan Fund.

16 Section 99. Effective date. This Act takes effect upon
17 becoming law.