



96TH GENERAL ASSEMBLY

State of Illinois

2009 and 2010

HB5226

Introduced 2/3/2010, by Rep. Thomas Holbrook

SYNOPSIS AS INTRODUCED:

415 ILCS 5/19.3

from Ch. 111 1/2, par. 1019.3

Amends the Environmental Protection Act. Authorizes funds in 2 of the 3 special programs in the Water Revolving Fund to be used to make direct loans and provide subsidies for certain specified purposes. Authorizes funds in the Loan Support Program to be used to finance water pollution control projects. Authorizes funds in Public Water Supply Loan Program to be used to make direct loans and provide subsidies to eligible local government units and privately owned community water supplies for certain purposes. Effective immediately.

LRB096 18771 JDS 34156 b

FISCAL NOTE ACT
MAY APPLY

A BILL FOR

1 AN ACT concerning safety.

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

4 Section 5. The Environmental Protection Act is amended by
5 changing Section 19.3 as follows:

6 (415 ILCS 5/19.3) (from Ch. 111 1/2, par. 1019.3)
7 Sec. 19.3. Water Revolving Fund.

8 (a) There is hereby created within the State Treasury a
9 Water Revolving Fund, consisting of 3 interest-bearing special
10 programs to be known as the Water Pollution Control Loan
11 Program, the Public Water Supply Loan Program, and the Loan
12 Support Program, which shall be used and administered by the
13 Agency.

14 (b) The Water Pollution Control Loan Program shall be used
15 and administered by the Agency to provide assistance for the
16 following purposes:

17 (1) to accept and retain funds from grant awards,
18 appropriations, transfers, and payments of interest and
19 principal;

20 (2) to make direct loans at or below market interest
21 rates and to provide additional subsidization, including,
22 but not limited to, forgiveness of principal, negative
23 interest rates, and grants, to any eligible local

1 government unit to finance the construction of wastewater
2 treatments works;

3 (2.5) with respect to funds provided under the American
4 Recovery and Reinvestment Act of 2009:

5 (A) to make direct loans at or below market
6 interest rates to any eligible local government unit
7 and to provide additional subsidization to any
8 eligible local government unit, including, but not
9 limited to, forgiveness of principal, negative
10 interest rates, and grants;

11 (B) to make direct loans at or below market
12 interest rates to any eligible local government unit to
13 buy or refinance debt obligations for treatment works
14 incurred on or after October 1, 2008; and

15 (C) to provide additional subsidization,
16 including, but not limited to, forgiveness of
17 principal, negative interest rates, and grants for
18 treatment works incurred on or after October 1, 2008;

19 (3) to make direct loans at or below market interest
20 rates and to provide additional subsidization, including,
21 but not limited to, forgiveness of principal, negative
22 interest rates, and grants, to any eligible local
23 government unit to buy or refinance debt obligations for
24 costs ~~treatment works~~ incurred after March 7, 1985, for the
25 construction of wastewater treatment works;

26 (3.5) to make direct loans at or below market interest

1 rates for the implementation of a management program
2 established under Section 319 of the Federal Water
3 Pollution Control Act, as amended;

4 (4) to guarantee or purchase insurance for local
5 obligations where such action would improve credit market
6 access or reduce interest rates;

7 (5) as a source of revenue or security for the payment
8 of principal and interest on revenue or general obligation
9 bonds issued by the State or any political subdivision or
10 instrumentality thereof, if the proceeds of such bonds will
11 be deposited in the Fund;

12 (6) to finance the reasonable costs incurred by the
13 Agency in the administration of the Fund; and

14 (7) to transfer funds to the Public Water Supply Loan
15 Program.

16 (c) The Loan Support Program shall be used and administered
17 by the Agency for the following purposes:

18 (1) to accept and retain funds from grant awards and
19 appropriations;

20 (2) to finance the reasonable costs incurred by the
21 Agency in the administration of the Fund, including
22 activities under Title III of this Act, including the
23 administration of the State construction grant program;

24 (3) to transfer funds to the Water Pollution Control
25 Loan Program and the Public Water Supply Loan Program;

26 (4) to accept and retain a portion of the loan

1 repayments;

2 (5) to finance the development of the low interest loan
3 programs ~~program~~ for water pollution control and public
4 water supply projects;

5 (6) to finance the reasonable costs incurred by the
6 Agency to provide technical assistance for public water
7 supplies; and

8 (7) to finance the reasonable costs incurred by the
9 Agency for public water system supervision programs, to
10 administer or provide for technical assistance through
11 source water protection programs, to develop and implement
12 a capacity development strategy, to delineate and assess
13 source water protection areas, and for an operator
14 certification program in accordance with Section 1452 of
15 the federal Safe Drinking Water Act.

16 (d) The Public Water Supply Loan Program shall be used and
17 administered by the Agency to provide assistance to local
18 government units and privately owned community water supplies
19 for public water supplies for the following public purposes:

20 (1) to accept and retain funds from grant awards,
21 appropriations, transfers, and payments of interest and
22 principal;

23 (2) to make direct loans at or below market interest
24 rates and to provide additional subsidization, including,
25 but not limited to, forgiveness of principal, negative
26 interest rates, and grants, to any eligible local

1 government unit or to any eligible privately owned
2 community water supply to finance the construction of water
3 supplies;

4 (2.5) with respect to funds provided under the American
5 Recovery and Reinvestment Act of 2009:

6 (A) to make direct loans at or below market
7 interest rates to any eligible local government unit or
8 to any eligible privately owned community water
9 supply, and to provide additional subsidization to any
10 eligible local government unit or to any eligible
11 privately owned community water supply, including, but
12 not limited to, forgiveness of principal, negative
13 interest rates, and grants;

14 (B) to buy or refinance the debt obligation of a
15 local government unit for costs incurred on or after
16 October 1, 2008; and

17 (C) to provide additional subsidization,
18 including, but not limited to, forgiveness of
19 principal, negative interest rates, and grants for a
20 local government unit for costs incurred on or after
21 October 1, 2008;

22 (3) to make direct loans at or below market interest
23 rates and to provide additional subsidization, including,
24 but not limited to, forgiveness of principal, negative
25 interest rates, and grants, to any eligible local
26 government unit or to any eligible privately owned

1 community water supply to buy or refinance ~~the~~ debt
2 obligations ~~obligation of a local government unit~~ for costs
3 incurred on or after July 17, 1997, for the construction of
4 water supplies;

5 (4) to guarantee local obligations where such action
6 would improve credit market access or reduce interest
7 rates;

8 (5) as a source of revenue or security for the payment
9 of principal and interest on revenue or general obligation
10 bonds issued by the State or any political subdivision or
11 instrumentality thereof, if the proceeds of such bonds will
12 be deposited into the Fund; and

13 (6) to transfer funds to the Water Pollution Control
14 Loan Program.

15 (e) The Agency is designated as the administering agency of
16 the Fund. The Agency shall submit to the Regional Administrator
17 of the United States Environmental Protection Agency an
18 intended use plan which outlines the proposed use of funds
19 available to the State. The Agency shall take all actions
20 necessary to secure to the State the benefits of the federal
21 Water Pollution Control Act and the federal Safe Drinking Water
22 Act, as now or hereafter amended.

23 (f) The Agency shall have the power to enter into
24 intergovernmental agreements with the federal government or
25 the State, or any instrumentality thereof, for purposes of
26 capitalizing the Water Revolving Fund. Moneys on deposit in the

1 Water Revolving Fund may be used for the creation of reserve
2 funds or pledged funds that secure the obligations of repayment
3 of loans made pursuant to this Section. For the purpose of
4 obtaining capital for deposit into the Water Revolving Fund,
5 the Agency may also enter into agreements with financial
6 institutions and other persons for the purpose of selling loans
7 and developing a secondary market for such loans. The Agency
8 shall have the power to create and establish such reserve funds
9 and accounts as may be necessary or desirable to accomplish its
10 purposes under this subsection and to allocate its available
11 moneys into such funds and accounts. Investment earnings on
12 moneys held in the Water Revolving Fund, including any reserve
13 fund or pledged fund, shall be deposited into the Water
14 Revolving Fund.

15 (Source: P.A. 96-8, eff. 4-28-09.)

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