

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 and projects that fulfill federal State
3 Revolving Fund grant requirements for a green project
4 reserve;

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

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

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

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

1 construction of wastewater treatment works, and projects
2 that fulfill federal State Revolving Fund grant
3 requirements for a green project reserve;

4 (3.5) to make direct loans at or below market interest
5 rates for the implementation of a management program
6 established under Section 319 of the Federal Water
7 Pollution Control Act, as amended;

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

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

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

18 (7) to transfer funds to the Public Water Supply Loan
19 Program.

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

22 (1) to accept and retain funds from grant awards and
23 appropriations;

24 (2) to finance the reasonable costs incurred by the
25 Agency in the administration of the Fund, including
26 activities under Title III of this Act, including the

1 administration of the State construction grant program;

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

4 (4) to accept and retain a portion of the loan
5 repayments;

6 (5) to finance the development of the low interest loan
7 programs ~~program~~ for water pollution control and public
8 water supply projects;

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

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

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

24 (1) to accept and retain funds from grant awards,
25 appropriations, transfers, and payments of interest and
26 principal;

1 (2) to make direct loans at or below market interest
2 rates and to provide additional subsidization, including,
3 but not limited to, forgiveness of principal, negative
4 interest rates, and grants, to any eligible local
5 government unit or to any eligible privately owned
6 community water supply to finance the construction of water
7 supplies and projects that fulfill federal State Revolving
8 Fund grant requirements for a green project reserve;

9 (2.5) with respect to funds provided under the American
10 Recovery and Reinvestment Act of 2009:

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

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

22 (C) to provide additional subsidization,
23 including, but not limited to, forgiveness of
24 principal, negative interest rates, and grants for a
25 local government unit for costs incurred on or after
26 October 1, 2008;

1 (3) to make direct loans at or below market interest
2 rates and to provide additional subsidization, including,
3 but not limited to, forgiveness of principal, negative
4 interest rates, and grants, to any eligible local
5 government unit or to any eligible privately owned
6 community water supply to buy or refinance ~~the~~ debt
7 obligations ~~obligation of a local government unit~~ for costs
8 incurred on or after July 17, 1997, for the construction of
9 water supplies and projects that fulfill federal State
10 Revolving Fund requirements for a green project reserve;

11 (4) to guarantee local obligations where such action
12 would improve credit market access or reduce interest
13 rates;

14 (5) as a source of revenue or security for the payment
15 of principal and interest on revenue or general obligation
16 bonds issued by the State or any political subdivision or
17 instrumentality thereof, if the proceeds of such bonds will
18 be deposited into the Fund; and

19 (6) to transfer funds to the Water Pollution Control
20 Loan Program.

21 (e) The Agency is designated as the administering agency of
22 the Fund. The Agency shall submit to the Regional Administrator
23 of the United States Environmental Protection Agency an
24 intended use plan which outlines the proposed use of funds
25 available to the State. The Agency shall take all actions
26 necessary to secure to the State the benefits of the federal

1 Water Pollution Control Act and the federal Safe Drinking Water
2 Act, as now or hereafter amended.

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

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

22 Section 99. Effective date. This Act takes effect upon
23 becoming law.