

SB1919



104TH GENERAL ASSEMBLY

State of Illinois

2025 and 2026

SB1919

Introduced 2/6/2025, by Sen. Adriane Johnson

SYNOPSIS AS INTRODUCED:

415 ILCS 5/19.3

from Ch. 111 1/2, par. 1019.3

Amends the Environmental Protection Act. Provides that an eligible local government unit with a population that is greater than or equal to 150,000 is not eligible for the forgiveness of principal through the Water Pollution Control Loan Program, the Public Water Supply Loan Program, or the Loan Support Program.

LRB104 10187 BDA 20259 b

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 treatments
2 works, including storm water treatment systems that are
3 treatment works, and projects that fulfill federal State
4 Revolving Fund grant requirements for a green project
5 reserve;

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

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

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

18 (C) to provide additional subsidization,
19 including, but not limited to, forgiveness of
20 principal, negative interest rates, and grants for
21 treatment works incurred on or after 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 to buy or refinance debt obligations for

1 costs incurred after March 7, 1985, for the construction
2 of treatment works, including storm water treatment
3 systems that are treatment works, and projects that
4 fulfill federal State Revolving Fund grant requirements
5 for a green project reserve;

6 (3.5) to make loans, including, but not limited to,
7 loans through a linked deposit program, at or below market
8 interest rates for the implementation of a management
9 program established under Section 319 of the Federal Water
10 Pollution Control Act, as amended;

11 (4) to guarantee or purchase insurance for local
12 obligations where such action would improve credit market
13 access or reduce interest 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
18 will be deposited in the Fund;

19 (6) to finance the reasonable costs incurred by the
20 Agency in the administration of the Fund;

21 (7) to transfer funds to the Public Water Supply Loan
22 Program; and

23 (8) notwithstanding any other provision of this
24 subsection (b), to provide, in accordance with rules
25 adopted under this Title, any other financial assistance
26 that may be provided under Section 603 of the Federal

1 Water Pollution Control Act for any other projects or
2 activities eligible for assistance under that Section or
3 federal rules adopted to implement that Section.

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

6 (1) to accept and retain funds from grant awards and
7 appropriations;

8 (2) to finance the reasonable costs incurred by the
9 Agency in the administration of the Fund, including
10 activities under Title III of this Act, including the
11 administration of the State construction grant program;

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

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

16 (5) to finance the development of the low interest
17 loan programs for water pollution control and public water
18 supply projects;

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

22 (7) to finance the reasonable costs incurred by the
23 Agency for public water system supervision programs, to
24 administer or provide for technical assistance through
25 source water protection programs, to develop and implement
26 a capacity development strategy, to delineate and assess

1 source water protection areas, and for an operator
2 certification program in accordance with Section 1452 of
3 the federal Safe Drinking Water Act.

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

8 (1) to accept and retain funds from grant awards,
9 appropriations, transfers, and payments of interest and
10 principal;

11 (2) to make direct loans at or below market interest
12 rates and to provide additional subsidization, including,
13 but not limited to, forgiveness of principal, negative
14 interest rates, and grants, to any eligible local
15 government unit or to any eligible privately owned
16 community water supply to finance the construction of
17 water supplies and projects that fulfill federal State
18 Revolving Fund grant requirements for a green project
19 reserve;

20 (2.5) with respect to funds provided under the
21 American Recovery and Reinvestment Act of 2009:

22 (A) to make direct loans at or below market
23 interest rates to any eligible local government unit
24 or to any eligible privately owned community water
25 supply, and to provide additional subsidization to any
26 eligible local government unit or to any eligible

1 privately owned community water supply, including, but
2 not limited to, forgiveness of principal, negative
3 interest rates, and grants;

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

7 (C) to provide additional subsidization,
8 including, but not limited to, forgiveness of
9 principal, negative interest rates, and grants for a
10 local government unit for costs incurred on or after
11 October 1, 2008;

12 (3) to make direct loans at or below market interest
13 rates and to provide additional subsidization, including,
14 but not limited to, forgiveness of principal, negative
15 interest rates, and grants, to any eligible local
16 government unit or to any eligible privately owned
17 community water supply to buy or refinance debt
18 obligations for costs incurred on or after July 17, 1997,
19 for the construction of water supplies and projects that
20 fulfill federal State Revolving Fund requirements for a
21 green project reserve;

22 (4) to guarantee local obligations where such action
23 would improve credit market access or reduce interest
24 rates;

25 (5) as a source of revenue or security for the payment
26 of principal and interest on revenue or general obligation

1 bonds issued by the State or any political subdivision or
2 instrumentality thereof, if the proceeds of such bonds
3 will be deposited into the Fund;

4 (6) to transfer funds to the Water Pollution Control
5 Loan Program; and

6 (7) notwithstanding any other provision of this
7 subsection (d), to provide to local government units and
8 privately owned community water supplies any other
9 financial assistance that may be provided under Section
10 1452 of the federal Safe Drinking Water Act for any
11 expenditures eligible for assistance under that Section or
12 federal rules adopted to implement that Section.

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

21 (f) The Agency shall have the power to enter into
22 intergovernmental agreements with the federal government or
23 the State, or any instrumentality thereof, for purposes of
24 capitalizing the Water Revolving Fund. Moneys on deposit in
25 the Water Revolving Fund may be used for the creation of
26 reserve funds or pledged funds that secure the obligations of

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

13 (g) Beginning on the effective date of this amendatory Act
14 of the 101st General Assembly, and running for a period of 5
15 years after that date, the Agency shall prioritize within its
16 annual intended use plan the usage of a portion of the Agency's
17 capitalization grant for federally authorized set-aside
18 activities. The prioritization is for the purpose of
19 supporting disadvantaged communities and utilities throughout
20 Illinois in building their capacity for sustainable and
21 equitable water management. This may include, but is not
22 limited to, assistance for water rate studies, preliminary
23 engineering or other facility planning, training activities,
24 asset management plans, assistance with identification and
25 replacement of lead service lines, and studies of efficiency
26 measures through utility regionalization or other

1 collaborative intergovernmental approaches.

2 (h) Notwithstanding any other provision of this Section,
3 an eligible local government unit with a population that is
4 greater than or equal to 150,000 is not eligible for the
5 forgiveness of principal through the Water Pollution Control
6 Loan Program, the Public Water Supply Loan Program, or the
7 Loan Support Program.

8 (Source: P.A. 101-143, eff. 1-1-20.)