**Section 3035.585 Limitations on Expenditures of Bond Proceeds**

a) The following expenditure purposes shall not be bondable:

1) Operational and administrative expenses, such as compensation costs, travel, commodities, non-initial equipment, or other recurring expenditures that are similar in character;

2) Expenditures for leasing or rental of equipment and/or facilities;

3) Archeological digs, research or exploration;

4) Expenditures for routine operation, routine repair or routine maintenance of existing structures, buildings or real property that would typically be covered by operation and maintenance funds of the user agency and for reimbursement of user agencies for administration, staff or other costs;

5) Expenditures to acquire or construct temporary facilities or facilities whose abandonment or replacement is imminent;

6) Unpredictable or unusual legal expenses (other than land acquisition legal expenses), such as for special litigation, that are not ordinarily or customarily provided within the budget for a capital improvement project.  These expenditures are more appropriately financed from contractual services operating funds appropriated for those purposes;

7) Separate purchases of sand, gravel, rock, asphalt and concrete in limited quantities; ordinary hardware items; temporary, nondurable fencing; spare and/or replacement parts and equipment; hand tools; decorative models, plaques and other commemorative memorabilia; and other commodity-type consumable items having a relatively brief expected useful life;

8) Expenditures for general long-range development plans, master plans, historical or archeological research, surveying, preliminary engineering studies, aerial mapping, feasibility studies, program or scope statements, or other expenditures similar in character;

9) Expenditures for independent landscaping improvements that are not directly associated with a bondable capital improvement project. In this context, seeding or sodding that is not primarily intended for erosion control in relation to a bondable capital improvement project shall not be bondable. Similarly, expenditures incurred for the planting of trees, shrubs, bushes or other vegetation, including revegetation, shall not be bondable improvements unless the expenses are directly and initially associated with or represent an integral component of a bondable capital improvement project.

b) The following expenditure purposes shall be bondable only if those purposes demonstrate an expected useful life, based upon engineering studies, supporting technical data, or relevant precedents under similar circumstances, that is at least equal to the term of bond financing:

1) Purchase or installation of metal pilings or similar materials (but not riprap) for the purpose of erosion and/or flood control, provided that the impact of the proposed expenditure is to improve rather than maintain such areas;

2) Expenses directly related to dredging, levee, drainage, channel and/or lake improvements;

3) Rehabilitation of existing road and parking area surfaces;

4) Costs incurred in the acquisition or purchase of historical, antique or period furnishings of value, provided that:

A) The items are directly associated with a new capital improvement project;

B) The items are considered essential to the primary purpose of the project;

C) Acquisition of the furnishings is pursuant to the mandate of the appropriation for the project;

D) The items will be subject to adequate security, protection and accepted property control accountability.

(Source: Added at 35 Ill. Reg. 18366, effective October 18, 2011)