

1 AN ACT concerning loans to local governments.

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

4 Section 5. The Rural Bond Bank Act is amended by adding
5 Section 3-26 as follows:

6 (30 ILCS 360/3-26 new)

7 Sec. 3-26. Road grader revolving loan program. The
8 Illinois Rural Bond Bank is the administrator of a road
9 grader revolving loan program. The purpose is to provide
10 loans to units of local government for the purchase of road
11 graders that are manufactured in the United States of
12 America. For purposes of this Section, "unit of local
13 government" means a county, township, or municipality; and
14 "manufactured in the United States of America" means that all
15 significant parts, processing, and labor that go into the
16 road grader must be of U.S. origin and that the road grader
17 must contain only negligible foreign content. "Road grader"
18 includes any machinery with a purchase price of \$100,000 or
19 more that is used for the construction or maintenance of
20 roads. The Illinois Rural Bond Bank shall determine
21 eligibility for the loans based on need, as determined by the
22 Illinois Rural Bond Bank. The Illinois Rural Bond Bank must
23 give priority in making loans to units of local government
24 without a road grader or with the oldest road grader.

25 The loan funds, subject to appropriation, shall be paid
26 out of the Road Grader 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
30 be used for loans to units of local government to purchase
31 road graders and for no other purpose. All interest earned on

1 moneys in the Fund shall be deposited into the Fund.

2 The annual rate of interest on the loan is 1%.

3 The aggregate outstanding principal balance of loans to
4 any one unit of local government for the purchase of road
5 graders may not exceed \$350,000. The repayment period for the
6 loan may not exceed 15 years. The unit of local government
7 shall repay each year at least 5% of the principal amount
8 borrowed or the remaining balance of the loan, whichever is
9 less. All repayments of loans, including any interest, shall
10 be deposited into the Road Grader Revolving Loan Fund.

11 The Illinois Rural Bond Bank must adopt rules to
12 administer the program.

13 Section 10. The State Finance Act is amended by adding
14 Section 5.595 as follows:

15 (30 ILCS 105/5.595 new)

16 Sec. 5.595. The Road Grader Revolving Loan Fund.