



97TH GENERAL ASSEMBLY

State of Illinois

2011 and 2012

HB3053

Introduced 2/23/2011, by Rep. Donald L. Moffitt

SYNOPSIS AS INTRODUCED:

20 ILCS 3501/825-87 new
30 ILCS 105/5.786 new

Amends the Illinois Finance Authority Act. Creates the School Bus Revolving Loan Program. Provides for a 2% rate of interest on loans for the purchase of a school bus if the chassis and the passenger compartment are built outside of Illinois, a 1% rate of interest for a school bus if either the chassis or the passenger compartment is built in Illinois, or a 0% rate of interest for a school bus if both the chassis and the passenger compartment are built in Illinois. Creates the School Bus Revolving Loan Fund as a special fund in the State treasury. Provides that loan funds shall be paid out of the Fund, and repayments of loans shall be deposited into the Fund. Provides that a loan to a school district or unit of local government for the purchase of school buses may not exceed \$100,000. Provides that the repayment period may not exceed 20 years. Effective immediately.

LRB097 10905 PJG 51451 b

FISCAL NOTE ACT
MAY APPLY

A BILL FOR

1 AN ACT concerning State government.

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

4 Section 5. The Illinois Finance Authority Act is amended by
5 adding Section 825-87 as follows:

6 (20 ILCS 3501/825-87 new)

7 Sec. 825-87. School bus revolving loan program.

8 (a) For purposes of this Section, "school bus" has the same
9 meaning as provided in the Illinois Vehicle Code.

10 (b) The Authority and the State Superintendent of Education
11 shall jointly administer a school bus revolving loan program.
12 The program shall provide zero-interest loans for the purchase
13 of school buses by a school district or unit of local
14 government if both the chassis and passenger compartment are
15 built in Illinois. The program shall provide loans at a 1% rate
16 of simple interest per year for the purchase of school buses by
17 a school district or unit of local government if either the
18 chassis or the passenger compartment is built in Illinois. The
19 program shall provide loans at a 2% rate of simple interest per
20 year for the purchase of school buses by a school district or
21 unit of local government if both the chassis and the passenger
22 compartment are built outside of Illinois. The Authority shall
23 make loans based on need, as determined by the State

1 Superintendent of Education.

2 (c) The loan funds, subject to appropriation, shall be paid
3 out of the School Bus Revolving Loan Fund, a special fund which
4 is created in the State treasury. The Fund shall consist of any
5 moneys transferred or appropriated into the Fund as well as all
6 repayments of loans made under the program. The Fund shall be
7 used for loans to school districts and units of local
8 government to purchase school buses and for no other purpose.
9 All interest earned on moneys in the Fund shall be deposited
10 into the Fund.

11 (d) A loan for the purchase of school buses may not exceed
12 \$100,000 to any school district or unit of local government.
13 The repayment period for the loan may not exceed 20 years. The
14 school district or unit of local government shall repay each
15 year at least 5% of the principal amount borrowed or the
16 remaining balance of the loan, whichever is less. All
17 repayments of loans shall be deposited into the School Bus
18 Revolving Loan Fund.

19 (e) The Authority and the State Superintendent of Education
20 shall adopt rules to administer the program.

21 Section 10. The State Finance Act is amended by adding
22 Section 5.786 as follows:

23 (30 ILCS 105/5.786 new)

24 Sec. 5.786. The School Bus Revolving Loan Fund.

1 Section 99. Effective date. This Act takes effect upon
2 becoming law.