



Sen. Mattie Hunter

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09700SB2491sam003

LRB097 12732 HEP 67951 a

1 AMENDMENT TO SENATE BILL 2491

2 AMENDMENT NO. _____. Amend Senate Bill 2491, AS AMENDED,
3 by replacing everything after the enacting clause with the
4 following:

5 "Section 5. The Department of Transportation Law of the
6 Civil Administrative Code of Illinois is amended by adding
7 Section 2705-605 as follows:

8 (20 ILCS 2705/2705-605 new)

9 Sec. 2705-605. Disadvantaged business revolving loan
10 program.

11 (a) For the purposes of this Section:

12 "Contractor" means one who participates, through a
13 contract or subcontract at any tier, in a United States
14 Department of Transportation-assisted highway, transit, or
15 airport program.

16 "Escrow account" means a fiduciary account established

1 with (i) a banking corporation which is both organized
2 under the Illinois Banking Act and authorized to accept and
3 administer trusts in this State; (ii) a national banking
4 association which has its principal place of business in
5 this State and which is authorized to accept and administer
6 trusts in this State; or (ii) an Illinois State agency.

7 "Fund Control Agent" means a person who holds the
8 authority to manage a loan under this Section.

9 (b) The Department has the power to enter into agreements
10 to make low-interest loans to minority-owned businesses,
11 female-owned businesses, and disadvantaged business
12 enterprises certified by the Department for participation on
13 Department-procured construction and construction-related
14 contracts. For purposes of this Section, the terms
15 "minority-owned business" and "female-owned business" have the
16 meanings ascribed to them by Section 2 of the Business
17 Enterprise for Minorities, Females, and Persons with
18 Disabilities Act. For purposes of this Section, the term
19 "disadvantaged business enterprise" has the meaning ascribed
20 to it by 49 CFR Part 26.

21 (c) Loan funds shall be disbursed to the escrow account,
22 subject to appropriation, from the Working Capital Revolving
23 Loan Fund established as a special fund in the State treasury.
24 Loaned funds that are repaid to the Department shall be
25 deposited into the Working Capital Revolving Loan Fund. Other
26 appropriations, grants, awards, and donations to the

1 Department for the purpose of the revolving loan program
2 established by this Section shall be deposited into the Working
3 Capital Revolving Loan Fund.

4 (d) A funds control process will be established to serve as
5 an intermediary between the Department and the contractor to
6 verify payments and to ensure paperwork is properly filed. The
7 Fund Control Agent and contractor shall enter into an agreement
8 regarding the control and disbursement of all payments to be
9 made by the Fund Control Agent under the contract. The
10 Department will authorize and direct the Fund Control Agent to
11 review all disbursement requests and supporting documents
12 received from the contractor. The Fund Control Agent will
13 direct the escrow account to disburse escrow funds to the
14 subcontractor, material supplier, and other appropriate
15 entities by written request for the disbursement.

16 (e) Loan assistance funds shall be allowed for current
17 liabilities or working capital expenses associated with
18 participation in the performance of contracts procured by the
19 Department for transportation construction and
20 construction-related purposes. Loan funds shall not be used for
21 (1) refinancing or payment of existing long-term debt; (2)
22 payment of non-current taxes; (3) payments, advances, or loans
23 to stockholders, officers, directors, partners, or member
24 owners of limited liability companies; or (4) the purchase or
25 lease of non-construction motor vehicles or equipment. The loan
26 agreement shall provide for the terms and conditions of

1 repayment which shall not extend repayment longer than one year
2 after completion and acceptance of the work authorized for loan
3 assistance under the program. The funds may be loaned with or
4 without interest.

5 (f) The Department shall establish through administrative
6 rules the requirements for eligibility and criteria for loan
7 applications, approved use of funds, amount of loans, interest
8 rates, collateral, and terms. The Department is authorized to
9 adopt rules to implement this Section.

10 (g) Nothing in this Section is intended nor shall be
11 construed to vest applicants denied funds by the Department in
12 accordance with this Section a right to challenge, protest, or
13 contest the awarding of funds by the Department to successful
14 applicants or any loan or agreement executed in connection
15 therewith.

16 (h) Investment income which is attributable to the
17 investment of moneys in the Working Capital Revolving Loan Fund
18 shall be retained in the Working Capital Revolving Loan Fund.

19 (i) By January 1, 2014 and by January 1 of each succeeding
20 year, the Department shall report to the Governor and the
21 General Assembly on the utilization and status of the revolving
22 loan program. The report shall, at a minimum, include the
23 amount transferred from the Road Fund to the Working Capital
24 Revolving Loan Fund, the number and size of approved loans, the
25 amounts disbursed to and from the escrow account, the amounts,
26 if any, repaid to the Working Capital Revolving Loan Fund, the

1 interest and fees paid by loan recipients, and the interest
2 earned on balances in the Working Capital Revolving Loan Fund.

3 (j) The Department's authority to execute additional loans
4 or request transfers to the Working Capital Revolving Loan Fund
5 expires on June 1, 2022. The Comptroller shall order
6 transferred and the Treasurer shall transfer any available
7 balance remaining in the Working Capital Revolving Loan Fund to
8 the Road Fund on January 1, 2023, or as soon thereafter as may
9 be practical. Any loan repayments, interest, or fees that are
10 by the terms of a loan agreement payable to the Working Capital
11 Revolving Loan Fund after June 20, 2022 shall instead be paid
12 into the Road Fund as the successor fund to the Working Capital
13 Loan repayment Fund.

14 Section 10. The State Finance Act is amended by adding
15 Sections 5.811 and 8r as follows:

16 (30 ILCS 105/5.811 new)

17 Sec. 5.811. The Working Capital Revolving Loan Fund.

18 (30 ILCS 105/8r new)

19 Sec. 8r. Transfer to the Working Capital Revolving Loan
20 Fund.

21 (a) Except as provided in subsection (b), upon the written
22 request of the Secretary of Transportation, the State
23 Comptroller shall order and the State Treasurer shall transfer

1 amounts not to exceed \$3,000,000 in aggregate during a fiscal
2 year, for a period of 10 years, from the Road Fund to the
3 Working Capital Revolving Loan Fund at such times as requested
4 by the Secretary of Transportation or as soon thereafter as may
5 be practical.

6 (b) No transfer may be requested or ordered if the
7 available balance in the Working Capital Revolving Loan Fund is
8 equal to or greater than \$6,000,000. "

9 Section 99. Effective date. This Act takes effect upon
10 becoming law."