



Rep. Robert Rita

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10100HB2650ham001

LRB101 07219 CPF 58467 a

1 AMENDMENT TO HOUSE BILL 2650

2 AMENDMENT NO. _____. Amend House Bill 2650 by replacing
3 everything after the enacting clause with the following:

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:

1 (1) to accept and retain funds from grant awards,
2 appropriations, transfers, and payments of interest and
3 principal;

4 (2) to make direct loans at or below market interest
5 rates and to provide additional subsidization, including,
6 but not limited to, forgiveness of principal, negative
7 interest rates, and grants, to any eligible local
8 government unit to finance the construction of treatments
9 works, including storm water treatment systems that are
10 treatment works, and projects that fulfill federal State
11 Revolving Fund grant requirements for a green project
12 reserve;

13 (2.5) with respect to funds provided under the American
14 Recovery and Reinvestment Act of 2009:

15 (A) to make direct loans at or below market
16 interest rates to any eligible local government unit
17 and to provide additional subsidization to any
18 eligible local government unit, including, but not
19 limited to, forgiveness of principal, negative
20 interest rates, and grants;

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

25 (C) to provide additional subsidization,
26 including, but not limited to, forgiveness of

1 principal, negative interest rates, and grants for
2 treatment works incurred on or after October 1, 2008;

3 (3) to make direct loans at or below market interest
4 rates and to provide additional subsidization, including,
5 but not limited to, forgiveness of principal, negative
6 interest rates, and grants, to any eligible local
7 government unit to buy or refinance debt obligations for
8 costs incurred after March 7, 1985, for the construction of
9 treatment works, including storm water treatment systems
10 that are treatment works, and projects that fulfill federal
11 State Revolving Fund grant requirements for a green project
12 reserve;

13 (3.5) to make loans, including, but not limited to,
14 loans through a linked deposit program, at or below market
15 interest rates for the implementation of a management
16 program established under Section 319 of the Federal Water
17 Pollution Control Act, as amended;

18 (4) to guarantee or purchase insurance for local
19 obligations where such action would improve credit market
20 access or reduce interest rates;

21 (5) as a source of revenue or security for the payment
22 of principal and interest on revenue or general obligation
23 bonds issued by the State or any political subdivision or
24 instrumentality thereof, if the proceeds of such bonds will
25 be deposited in the Fund;

26 (6) to finance the reasonable costs incurred by the

1 Agency in the administration of the Fund;

2 (7) to transfer funds to the Public Water Supply Loan
3 Program; and

4 (8) notwithstanding any other provision of this
5 subsection (b), to provide, in accordance with rules
6 adopted under this Title, any other financial assistance
7 that may be provided under Section 603 of the Federal Water
8 Pollution Control Act for any other projects or activities
9 eligible for assistance under that Section or federal rules
10 adopted to implement that Section.

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

13 (1) to accept and retain funds from grant awards and
14 appropriations;

15 (2) to finance the reasonable costs incurred by the
16 Agency in the administration of the Fund, including
17 activities under Title III of this Act, including the
18 administration of the State construction grant program;

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

21 (4) to accept and retain a portion of the loan
22 repayments;

23 (5) to finance the development of the low interest loan
24 programs for water pollution control and public water
25 supply projects;

26 (6) to finance the reasonable costs incurred by the

1 Agency to provide technical assistance for public water
2 supplies; and

3 (7) to finance the reasonable costs incurred by the
4 Agency for public water system supervision programs, to
5 administer or provide for technical assistance through
6 source water protection programs, to develop and implement
7 a capacity development strategy, to delineate and assess
8 source water protection areas, and for an operator
9 certification program in accordance with Section 1452 of
10 the federal Safe Drinking Water Act.

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

15 (1) to accept and retain funds from grant awards,
16 appropriations, transfers, and payments of interest and
17 principal;

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

26 (2.5) with respect to funds provided under the American

1 Recovery and Reinvestment Act of 2009:

2 (A) to make direct loans at or below market
3 interest rates to any eligible local government unit or
4 to any eligible privately owned community water
5 supply, and to provide additional subsidization to any
6 eligible local government unit or to any eligible
7 privately owned community water supply, including, but
8 not limited to, forgiveness of principal, negative
9 interest rates, and grants;

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

13 (C) to provide additional subsidization,
14 including, but not limited to, forgiveness of
15 principal, negative interest rates, and grants for a
16 local government unit for costs incurred on or after
17 October 1, 2008;

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

1 project reserve;

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

5 (5) as a source of revenue or security for the payment
6 of principal and interest on revenue or general obligation
7 bonds issued by the State or any political subdivision or
8 instrumentality thereof, if the proceeds of such bonds will
9 be deposited into the Fund;

10 (6) to transfer funds to the Water Pollution Control
11 Loan Program; and

12 (7) notwithstanding any other provision of this
13 subsection (d), to provide to local government units and
14 privately owned community water supplies any other
15 financial assistance that may be provided under Section
16 1452 of the federal Safe Drinking Water Act for any
17 expenditures eligible for assistance under that Section or
18 federal rules adopted to implement that Section.

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

1 (f) The Agency shall have the power to enter into
2 intergovernmental agreements with the federal government or
3 the State, or any instrumentality thereof, for purposes of
4 capitalizing the Water Revolving Fund. Moneys on deposit in the
5 Water Revolving Fund may be used for the creation of reserve
6 funds or pledged funds that secure the obligations of repayment
7 of loans made pursuant to this Section. For the purpose of
8 obtaining capital for deposit into the Water Revolving Fund,
9 the Agency may also enter into agreements with financial
10 institutions and other persons for the purpose of selling loans
11 and developing a secondary market for such loans. The Agency
12 shall have the power to create and establish such reserve funds
13 and accounts as may be necessary or desirable to accomplish its
14 purposes under this subsection and to allocate its available
15 moneys into such funds and accounts. Investment earnings on
16 moneys held in the Water Revolving Fund, including any reserve
17 fund or pledged fund, shall be deposited into the Water
18 Revolving Fund.

19 (g) Beginning on the effective date of this amendatory Act
20 of the 101st General Assembly, and running for a period of 5
21 years after that date, the Agency shall prioritize within its
22 annual intended use plan the usage of a portion of the Agency's
23 capitalization grant for federally authorized set-aside
24 activities. The prioritization is for the purpose of supporting
25 disadvantaged communities and utilities throughout Illinois in
26 building their capacity for sustainable and equitable water

1 management. This may include, but is not limited to, assistance
2 for water rate studies, preliminary engineering or other
3 facility planning, training activities, asset management
4 plans, assistance with identification and replacement of lead
5 service lines, and studies of efficiency measures through
6 utility regionalization or other collaborative
7 intergovernmental approaches.

8 (Source: P.A. 98-782, eff. 7-23-14; 99-187, eff. 7-29-15;
9 99-922, eff. 1-17-17.)".