

1 AN ACT concerning finance.

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

4 Section 1. Short title. This Act may be cited as the Water  
5 and Sewer Financial Assistance Act.

6 Section 5. Findings and intent.

7 (a) The General Assembly finds that:

8 (1) The health, welfare, and prosperity of the people  
9 of the State of Illinois require that all citizens receive  
10 essential levels of water and sewer services regardless of  
11 economic circumstance.

12 (2) Water and sewer providers and other entities  
13 providing such services are entitled to receive proper  
14 payment for services actually rendered.

15 (3) Unlike the electric and gas industry, water and  
16 sewer providers do not have existing statutory programs  
17 intended to assist low-income customers.

18 (4) Existing financial assistance policies and  
19 programs in effect in Illinois for utility services have  
20 benefited all Illinois citizens, and should therefore be  
21 extended to the water and sewer industry.

22 (5) Low-income households are unable to afford  
23 essential utility services and other necessities, such as

1 food, shelter, and medical care; the health and safety of  
2 those who are unable to afford essential utility services  
3 suffer when monthly payments for these services exceed a  
4 reasonable percentage of the customer's household income.  
5 Costs of collecting past due bills and uncollectible  
6 balances are reflected in rates paid by all ratepayers.  
7 Society benefits if essential utility services are  
8 affordable and arrearages and disconnections are minimized  
9 for those most in need.

10 (b) Consistent with its findings, the General Assembly  
11 declares that it is the policy of the State that:

12 (1) A low-income water and sewer assistance payment  
13 plan should be established that incorporates income  
14 assistance for citizens to have access to affordable water  
15 and sewer services.

16 (2) The ability of public utilities and other entities  
17 to receive just compensation for providing services should  
18 not be jeopardized by this policy.

19 Section 10. Definitions. As used in this Act, unless the  
20 context otherwise requires:

21 "Commission" means the Illinois Commerce Commission.

22 "Department" means the Department of Commerce and Economic  
23 Opportunity.

24 "Water or sewer provider" means any public utility  
25 providing water or sewer services under the jurisdiction of

1 the Illinois Commerce Commission; any other utility providing  
2 water or sewer service owned by a municipality, township,  
3 county, or other political subdivision of this State; or any  
4 other entity that is not a public utility under the  
5 jurisdiction of the Illinois Commerce Commission that  
6 regularly provides water or sewer service.

7 Section 15. Water and sewer assistance program.

8 (a) The Department is authorized to institute a program  
9 whereby a water or sewer provider may voluntarily participate  
10 to ensure the availability and affordability of water and  
11 sewer services to low-income citizens. The Department shall  
12 implement the program by rule adopted pursuant to the Illinois  
13 Administrative Procedure Act. The program shall be consistent  
14 with the purposes and objectives of this Act and with all other  
15 specific requirements provided in this Act. The Department may  
16 enter into such contracts and other agreements with local  
17 agencies as may be necessary for the purpose of administering  
18 the water and sewer assistance program.

19 (b) Nothing in this Act shall be construed as altering or  
20 limiting the authority conferred on the Commission by the  
21 Public Utilities Act to regulate all aspects of the provision  
22 of public utility service, including, but not limited to, the  
23 authority to make rules and adjudicate disputes between  
24 utilities and customers related to eligibility for utility  
25 service, deposits, payment practices, and discontinuance of

1 service.

2 (c) The Department is authorized to institute an outreach  
3 program directed at low-income minority heads of households  
4 and heads of households age 60 or older. The Department shall  
5 implement the program through rules adopted pursuant to the  
6 Illinois Administrative Procedure Act. The program shall be  
7 consistent with the purposes and objectives of this Act and  
8 with all other specific requirements set forth in this  
9 subsection.

10 Section 20. Eligibility, conditions of participation, and  
11 water and sewer assistance.

12 (a) Any person who is a resident of the State of Illinois  
13 and whose household income is not greater than an amount  
14 determined annually by the Department may apply for assistance  
15 pursuant to this Act in accordance with rules adopted by the  
16 Department. In setting the annual eligibility level, the  
17 Department shall consider the amount of available funding and  
18 may not set a limit higher than 150% of the poverty guidelines  
19 updated periodically in the Federal Register by the U.S.  
20 Department of Health and Human Services under the authority of  
21 42 U.S.C. 9902(2).

22 (b) Applicants who qualify for assistance pursuant to  
23 subsection (a) of this Section shall, subject to appropriation  
24 from the General Assembly and subject to the availability of  
25 funds to the Department, receive water and sewer assistance as

1 provided by this Act. The Department, upon receipt of moneys  
2 authorized pursuant to this Act for water and sewer  
3 assistance, shall commit funds for each qualified applicant in  
4 an amount determined by the Department. In determining the  
5 amounts of assistance to be provided to or on behalf of a  
6 qualified applicant, the Department shall ensure that the  
7 highest amounts of assistance go to households with the  
8 greatest need for financial assistance in relation to  
9 household income. The Department shall include factors such as  
10 water and sewer costs, household size, household income, and  
11 region of the State when determining individual household  
12 benefits. In adopting rules for the administration of this  
13 Section, the Department shall ensure that a minimum of  
14 one-third of funds are available for benefits to eligible  
15 households with the lowest incomes and that elderly households  
16 and households with persons with disabilities are offered a  
17 priority application period.

18 (c) If the applicant is not a customer of record of a water  
19 or sewer provider for water or sewer services or an applicant  
20 for such service, such applicant shall receive a direct water  
21 or sewer assistance payment in an amount established by the  
22 Department for all such applicants under this Act; provided,  
23 however, that such an applicant must have rental expenses for  
24 housing greater than 30% of household income.

25 (d) This subsection shall apply only in cases where: (1)  
26 the applicant is not a customer of record of a water or sewer

1 provider because water or sewer services are provided by the  
2 owner of the unit as a portion of the rent; (2) the applicant  
3 resides in housing subsidized or developed with funds provided  
4 under the Rental Housing Support Program Act or under a  
5 similar locally funded rent subsidy program, or is the voucher  
6 holder who resides in a rental unit within the State of  
7 Illinois and whose monthly rent is subsidized by the  
8 tenant-based Housing Choice Voucher Program under Section 8 of  
9 the U.S. Housing Act of 1937; and (3) the rental expenses for  
10 housing are no more than 30% of household income. In such  
11 cases, the household may apply for water or sewer assistance  
12 payment under this Act and the owner of the housing unit shall  
13 cooperate with the applicant by providing documentation of the  
14 water or sewer costs for that unit. Any compensation paid to  
15 the water or sewer provider who supplied water or sewer  
16 services to the household shall be paid on behalf of the owner  
17 of the housing unit providing water or sewer services to the  
18 household. The Department shall report annually to the General  
19 Assembly on the number of households receiving water or sewer  
20 assistance under this subsection and the cost of such  
21 assistance.

22 (e) If the applicant is a customer of a water or sewer  
23 provider, such applicant shall receive water or sewer  
24 assistance in an amount established by the Department for all  
25 such applicants under this Act.

26 (f) The Department may, if sufficient funds are available,

1 provide additional benefits to certain qualified applicants:

2 (i) for the reduction of past due amounts owed to  
3 water or sewer providers; and

4 (ii) to assist the household in responding to  
5 excessively high usage costs. Households containing  
6 elderly members, children, or a person with a disability,  
7 shall receive priority for receipt of such benefits.

8 Section 25. Water and Sewer Low-Income Assistance Fund.

9 (a) For purposes of this Section:

10 "Non-residential sewer service" means sewer utility  
11 service that is not residential sewer service.

12 "Non-residential water service" means water utility  
13 service that is not residential water service.

14 "Residential sewer service" means sewer utility  
15 service for household purposes delivered to a dwelling of  
16 2 or fewer units that is billed under a residential rate;  
17 or sewer service for household purposes delivered to a  
18 dwelling unit or units that is billed under a residential  
19 rate and is registered by a separate meter for each  
20 dwelling unit.

21 "Residential water service" means water utility  
22 service for household purposes delivered to a dwelling of  
23 2 or fewer units that is billed under a residential rate;  
24 or water service for household purposes delivered to a  
25 dwelling unit or units that is billed under a residential

1 rate and is registered by a separate meter for each  
2 dwelling unit.

3 (b) The Water and Sewer Low-Income Assistance Fund is  
4 created as a special fund in the State Treasury. The Water and  
5 Sewer Low-Income Assistance Fund is authorized to receive  
6 moneys from voluntary donations from individuals, foundations,  
7 corporations, and other sources; by statutory deposit; and by  
8 authorized collections pursuant to this Section. The Water and  
9 Sewer Low-Income Assistance Fund is also authorized to receive  
10 moneys from the federal government, including, but not limited  
11 to, any pass through moneys as a result of a public health  
12 emergency. Subject to appropriation, the Department shall use  
13 moneys from the Water and Sewer Low-Income Assistance Fund for  
14 payments to water or sewer providers on behalf of their  
15 customers who are participants in the program authorized under  
16 this Act. The yearly administrative expenses of the Water and  
17 Sewer Low-Income Assistance Fund may not exceed 10% of the  
18 amount collected during that year pursuant to this Section,  
19 except when unspent funds from the Water and Sewer Low-Income  
20 Assistance Fund are reallocated from a previous year; any  
21 unspent balance of the 10% administrative allowance may be  
22 utilized for administrative expenses in the year they are  
23 reallocated.

24 (c) Notwithstanding any other law to the contrary, the  
25 Water and Sewer Low-Income Assistance Fund is not subject to  
26 sweeps, administrative chargebacks, or any other fiscal or



1 budgetary maneuver that would in any way transfer any amounts  
2 from the Water and Sewer Low-Income Assistance Fund into any  
3 other fund of the State.

4 (d) Notwithstanding any provisions of the Public Utilities  
5 Act, but subject to subsection (k) of this Section, each water  
6 or sewer provider shall, effective January 1, 2022, assess  
7 each of its customer accounts a monthly Water and Sewer  
8 Assistance Charge for the Water and Sewer Low-Income  
9 Assistance Fund. The monthly charge shall be as follows:

10 (1) \$0.10 per month for each account for residential  
11 water service;

12 (2) \$0.10 per month for each account for residential  
13 sewer service;

14 (3) \$5.00 per month for each account for  
15 non-residential water service; and

16 (4) \$5.00 per month for each account for  
17 non-residential sewer service.

18 (e) Within 30 days after the effective date of this Act,  
19 each public utility under the jurisdiction of the Commission  
20 engaged in providing water or sewer services shall file with  
21 the Commission tariffs incorporating the Water and Sewer  
22 Assistance Charge as set forth in subsection (d) of this  
23 Section in other charges stated in such tariffs, which shall  
24 become effective no later than the beginning of the first  
25 billing cycle following such filing. The incremental charge to  
26 such customers imposed by this Act shall not be used for any

1 purpose other than to directly assist customers.

2 (f) The Water and Sewer Assistance Charge assessed by the  
3 applicable water or sewer providers shall be considered a  
4 charge for public utility service.

5 (g) By the 20th day of the month following the month in  
6 which the charges imposed by this Section were collected, each  
7 water or sewer provider shall remit to the Department of  
8 Revenue all moneys received as payment of the Water and Sewer  
9 Assistance Charge on a return prescribed and furnished by the  
10 Department of Revenue showing such information as the  
11 Department of Revenue may reasonably require. If a customer  
12 makes a partial payment, a water or sewer provider may elect  
13 either: (i) to apply partial payments first to the amount owed  
14 to the water or sewer provider for its services and then to  
15 payment for the Water and Sewer Assistance Charge, or (ii) to  
16 apply such partial payments on a pro rata basis between  
17 amounts owed to the water or sewer provider for its services  
18 and to payment for the Water and Sewer Assistance Charge.

19 (h) The Department of Revenue shall deposit into the Water  
20 and Sewer Low-Income Assistance Fund all moneys remitted to it  
21 in accordance with subsection (g) of this Section; provided,  
22 however, that the amounts remitted by each water or sewer  
23 provider shall be used to provide assistance only to that  
24 water or sewer provider's customers. The water or sewer  
25 providers shall coordinate with the Department to establish an  
26 equitable and practical methodology for implementing this

1 subsection beginning with the 2022 program year.

2 (i) The Department of Revenue may establish such rules as  
3 it deems necessary to implement this Section.

4 (j) The Department may establish such rules as it deems  
5 necessary to implement this Section, including, but not  
6 limited to, rules requiring the Department to report the  
7 amount of assessments remitted and expended by water or sewer  
8 providers and a process to allow a water or sewer provider to  
9 discontinue imposing the assessments due to lack of  
10 participation or excess in available funds for that water or  
11 sewer provider.

12 (k) The charges imposed by this Section shall only apply  
13 to customers of a water or sewer provider only if the water or  
14 sewer provider voluntarily makes an affirmative decision to  
15 impose the charge. If a water or sewer provider makes an  
16 affirmative decision to impose the charge provided by this  
17 Section, the water or sewer provider shall inform the  
18 Department of Revenue in writing of such decision when it  
19 begins to impose the charge. If a water or sewer provider does  
20 not assess this charge, the Department may not use funds from  
21 the Water and Sewer Low-Income Assistance Fund to provide  
22 benefits to its customers under the Program authorized by  
23 Section 15 of this Act.

24 In its use of federal funds under this Act, the Department  
25 may not cause a disproportionate share of those federal funds  
26 to benefit customers of water or sewer providers that do not

1 assess the Water and Sewer Assistance Charge.

2 (1) This Section is repealed on January 1, 2030.

3 Section 30. Application of Retailers' Occupation Tax  
4 provisions. All the provisions of Sections 4, 5, 5a, 5b, 5c,  
5 5d, 5e, 5f, 5g, 5i, 5j, 6, 6a, 6b, 6c, 7, 8, 9, 10, 11, 11a,  
6 12, and 13 of the Retailers' Occupation Tax Act that are not  
7 inconsistent with this Act apply, as far as practicable, to  
8 the surcharge imposed by this Act to the same extent as if  
9 those provisions were included in this Act. References in the  
10 incorporated Sections of the Retailers' Occupation Tax Act to  
11 retailers, to sellers, or to persons engaged in the business  
12 of selling tangible personal property mean persons required to  
13 remit the charge imposed under this Act.

14 Section 35. The State Finance Act is amended by adding  
15 Section 5.935 as follows:

16 (30 ILCS 105/5.935 new)

17 Sec. 5.935. The Water and Sewer Low-Income Assistance  
18 Fund.

19 Section 40. The Public Utilities Act is amended by adding  
20 Section 9-211.7 as follows:

21 (220 ILCS 5/9-211.7 new)

1       Sec. 9-211.7. Financial assistance; water and sewer  
2 utilities.

3       (a) On and after the effective date of this amendatory Act  
4 of the 102nd General Assembly, notwithstanding any other  
5 provision of this Act, a water or sewer utility subject to the  
6 jurisdiction of the Commission, after receiving approval from  
7 the Commission, shall be allowed to offer a financial  
8 assistance program designed for bill payment assistance for  
9 low-income customers in accordance with the Water and Sewer  
10 Financial Assistance Act. A water or sewer utility subject to  
11 the jurisdiction of the Commission shall petition the  
12 Commission for such approval, and the Commission shall render  
13 its decision within 60 days after receiving such petition. If  
14 no decision is rendered by the Commission within 60 days, then  
15 the petition shall be deemed to be approved.

16       (b) The costs of a financial assistance program offered by  
17 a water or sewer utility subject to the jurisdiction of the  
18 Commission, excluding such costs deemed by the Commission to  
19 be not reimbursable, shall be reimbursed from the Water and  
20 Sewer Low-Income Assistance Fund established pursuant to the  
21 Water and Sewer Financial Assistance Act. The utility shall  
22 submit a bill to the Department of Commerce and Economic  
23 Opportunity, which shall be promptly paid out of such funds or  
24 may net such costs against moneys it would otherwise remit to  
25 the Fund. The water or sewer utility shall provide a report to  
26 the Commission on a quarterly basis accounting for moneys

1 reimbursed or netted through the Fund.

2 (c) A water or sewer utility, subject to the jurisdiction  
3 of the Commission, providing a financial assistance program  
4 pursuant to the Water and sewer Financial Assistance Act in  
5 this State shall be permitted to recover costs of those  
6 assessments through an automatic adjustment clause tariff  
7 filed with and approved by the Commission. The tariff shall be  
8 established outside the context of a general rate case and  
9 shall be applicable to the utility's customers. Each year the  
10 Commission shall initiate a review to reconcile any amounts  
11 collected with the actual costs and to determine the required  
12 adjustment to the annual tariff factor to match annual  
13 expenditures.

14 Section 99. Effective date. This Act takes effect upon  
15 becoming law.