

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 water and sewer
10 services are affordable and that all citizens receive
11 essential levels of water and sewer services regardless of
12 economic circumstance.

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

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

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

23 (5) Low-income households are unable to afford

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

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

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

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

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

22 "Commission" means the Illinois Commerce Commission.

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

25 "Water or sewer provider" means any public utility

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

8 Section 15. Water and sewer assistance program.

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

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

1 service, deposits, payment practices, and discontinuance of
2 service.

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

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

13 (a) Any person who is a resident of the State of Illinois
14 and whose household income is not greater than an amount
15 determined annually by the Department may apply for assistance
16 pursuant to this Act in accordance with rules adopted by the
17 Department. In setting the annual eligibility level, the
18 Department shall consider the amount of available funding and
19 may not set a limit higher than the eligibility limit for
20 assistance under the Energy Assistance Act.

21 (b) Applicants who qualify for assistance pursuant to
22 subsection (a) of this Section shall, subject to appropriation
23 from the General Assembly and subject to the availability of
24 funds to the Department, receive water and sewer assistance as
25 provided by this Act. The Department, upon receipt of moneys

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

17 (c) If the applicant is a customer of a water or sewer
18 provider, such applicant shall receive water or sewer
19 assistance in an amount established by the Department for all
20 such applicants under this Act.

21 (d) The Department may, if sufficient funds are available,
22 provide additional benefits to certain qualified applicants:

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

25 (ii) to assist the household in responding to
26 excessively high usage costs. Households containing

1 elderly members, children, or a person with a disability,
2 shall receive priority for receipt of such benefits.

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

4 (a) For purposes of this Section:

5 "Non-residential sewer service" means sewer utility
6 service that is not residential sewer service.

7 "Non-residential water service" means water utility
8 service that is not residential water service.

9 "Residential sewer service" means sewer utility
10 service for household purposes delivered to a dwelling of
11 2 or fewer units that is billed under a residential rate;
12 or sewer service for household purposes delivered to a
13 dwelling unit or units that is billed under a residential
14 rate and is registered by a separate meter for each
15 dwelling unit.

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

23 (b) The Water and Sewer Low-Income Assistance Fund is
24 created as a special fund in the State Treasury. The Water and
25 Sewer Low-Income Assistance Fund is authorized to receive

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

19 (c) Notwithstanding any other law to the contrary, the
20 Water and Sewer Low-Income Assistance Fund is not subject to
21 sweeps, administrative chargebacks, or any other fiscal or
22 budgetary maneuver that would in any way transfer any amounts
23 from the Water and Sewer Low-Income Assistance Fund into any
24 other fund of the State.

25 (d) Notwithstanding any provisions of the Public Utilities
26 Act, but subject to subsection (j) of this Section, each water

1 or sewer provider shall, effective January 1, 2022, assess
2 each of its customer accounts a monthly Water and Sewer
3 Assistance Charge for the Water and Sewer Low-Income
4 Assistance Fund. The monthly charge shall be as follows:

5 (1) \$0.10 per month for each account for residential
6 water service;

7 (2) \$0.10 per month for each account for residential
8 sewer service;

9 (3) \$5.00 per month for each account for
10 non-residential water service; and

11 (4) \$5.00 per month for each account for
12 non-residential sewer service.

13 (e) The Water and Sewer Assistance Charge assessed by the
14 applicable water or sewer providers shall be considered a
15 charge for public utility service.

16 (f) By the 20th day of the month following the month in
17 which the charges imposed by this Section were collected, each
18 water or sewer provider shall remit to the Department of
19 Revenue all moneys received as payment of the Water and Sewer
20 Assistance Charge on a return prescribed and furnished by the
21 Department of Revenue showing such information as the
22 Department of Revenue may reasonably require. If a customer
23 makes a partial payment, a water or sewer provider may elect
24 either: (i) to apply partial payments first to the amount owed
25 to the water or sewer provider for its services and then to
26 payment for the Water and Sewer Assistance Charge, or (ii) to

1 apply such partial payments on a pro rata basis between
2 amounts owed to the water or sewer provider for its services
3 and to payment for the Water and Sewer Assistance Charge.

4 (g) The Department of Revenue shall deposit into the Water
5 and Sewer Low-Income Assistance Fund all moneys remitted to it
6 in accordance with subsection (f) of this Section; provided,
7 however, that the amounts remitted by each water or sewer
8 provider shall be used to provide assistance only to that
9 water or sewer provider's customers. The water or sewer
10 providers shall coordinate with the Department to establish an
11 equitable and practical methodology for implementing this
12 subsection beginning with the 2022 program year.

13 (h) The Department of Revenue may establish such rules as
14 it deems necessary to implement this Section.

15 (i) The Department may establish such rules as it deems
16 necessary to implement this Section, including, but not
17 limited to, rules requiring the Department to report the
18 amount of assessments remitted and expended by water or sewer
19 providers and a process to allow a water or sewer provider to
20 discontinue imposing the assessments due to lack of
21 participation or excess in available funds for that water or
22 sewer provider. The process to allow a water or sewer provider
23 to discontinue imposing assessments shall include review by
24 the Commission of any water or sewer provider subject to the
25 Public Utilities Act.

26 (j) The charges imposed by this Section shall apply to

1 customers of a water or sewer provider only if the water or
2 sewer provider voluntarily makes an affirmative decision to
3 impose the charge. If a water or sewer provider makes an
4 affirmative decision to impose the charge provided by this
5 Section, the water or sewer provider shall inform the
6 Department of Revenue in writing of such decision when it
7 begins to impose the charge. If a water or sewer provider does
8 not assess this charge, the Department may not use funds from
9 the Water and Sewer Low-Income Assistance Fund to provide
10 benefits to its customers under the Program authorized by
11 Section 15 of this Act.

12 In its use of federal funds under this Act, the Department
13 may not cause a disproportionate share of those federal funds
14 to benefit customers of water or sewer providers that do not
15 assess the Water and Sewer Assistance Charge.

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

17 Section 30. Application of Retailers' Occupation Tax
18 provisions. All the provisions of Sections 4, 5, 5a, 5b, 5c,
19 5d, 5e, 5f, 5g, 5i, 5j, 6, 6a, 6b, 6c, 7, 8, 9, 10, 11, 11a,
20 12, and 13 of the Retailers' Occupation Tax Act that are not
21 inconsistent with this Act apply, as far as practicable, to
22 the surcharge imposed by this Act to the same extent as if
23 those provisions were included in this Act. References in the
24 incorporated Sections of the Retailers' Occupation Tax Act to
25 retailers, to sellers, or to persons engaged in the business

1 of selling tangible personal property mean persons required to
2 remit the charge imposed under this Act.

3 Section 35. The State Finance Act is amended by adding
4 Section 5.935 as follows:

5 (30 ILCS 105/5.935 new)

6 Sec. 5.935. The Water and Sewer Low-Income Assistance
7 Fund.

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

10 (220 ILCS 5/9-211.7 new)

11 Sec. 9-211.7. Financial assistance; water and sewer
12 utilities.

13 (a) On and after the effective date of this amendatory Act
14 of the 102nd General Assembly, notwithstanding any other
15 provision of this Act, a water or sewer utility subject to the
16 jurisdiction of the Commission, after receiving approval from
17 the Commission, shall be allowed to offer a financial
18 assistance program designed for bill payment assistance for
19 low-income customers in accordance with the Water and Sewer
20 Financial Assistance Act. A water or sewer utility subject to
21 the jurisdiction of the Commission shall petition the
22 Commission for such approval, and the Commission shall render

1 its decision within 90 days after receiving such petition. If
2 no decision is rendered by the Commission within 90 days, then
3 the petition shall be deemed to be approved.

4 (b) The costs of a financial assistance program offered by
5 a water or sewer utility subject to the jurisdiction of the
6 Commission, excluding such costs deemed by the Commission to
7 be not reimbursable, shall be reimbursed from the Water and
8 Sewer Low-Income Assistance Fund established pursuant to the
9 Water and Sewer Financial Assistance Act. The utility shall
10 submit a bill to the Department of Commerce and Economic
11 Opportunity, which shall be promptly paid out of such funds or
12 may net such costs against moneys it would otherwise remit to
13 the Fund. The water or sewer utility shall provide a report to
14 the Commission on a quarterly basis accounting for moneys
15 reimbursed or netted through the Fund.

16 (c) A water or sewer utility subject to the jurisdiction
17 of the Commission providing a financial assistance program
18 pursuant to the Water and Sewer Financial Assistance Act in
19 this State shall be permitted to recover costs of those
20 assessments through a tariff filed with and approved by the
21 Commission. The tariff shall be established outside the
22 context of a general rate case and shall be applicable to the
23 utility's customers.

24 Section 99. Effective date. This Act takes effect upon
25 becoming law.