



95TH GENERAL ASSEMBLY

State of Illinois

2007 and 2008

SB1311

Introduced 2/9/2007, by Sen. Antonio Munoz

SYNOPSIS AS INTRODUCED:

20 ILCS 2705/2705-435
30 ILCS 105/8h

was 20 ILCS 2705/49.25g-1

Amends the Department of Transportation Law of the Civil Administrative Code of Illinois. Provides that, in each State fiscal year, the Department must use the first \$2,500,000 available for use by the Department for loans and grants for railroad facilities to make grants to railroads that are registered rail carriers, other than Class 1 railroads as designated by the Federal Railroad Administration. Amends the State Finance Act to exempt the State Rail Freight Loan Repayment Fund from a provision of the Act that allows the Governor to transfer funds from certain special funds into the General Revenue Fund. Effective July 1, 2007.

LRB095 04388 HLH 24433 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 Department of Transportation Law of the
5 Civil Administrative Code of Illinois is amended by changing
6 Section 2705-435 as follows:

7 (20 ILCS 2705/2705-435) (was 20 ILCS 2705/49.25g-1)

8 Sec. 2705-435. Loans, grants, or contracts to
9 rehabilitate, improve, or construct rail facilities; State
10 Rail Freight Loan Repayment Fund. In addition to the powers
11 under Section 105-430, the Department shall have the power to
12 enter into agreements to loan or grant State funds to any
13 railroad, unit of local government, rail user, or owner or
14 lessee of a railroad right of way to rehabilitate, improve, or
15 construct rail facilities. For each State fiscal year beginning
16 on or after the effective date of this amendatory Act of the
17 95th General Assembly, the first \$2,500,000 of funds available
18 for use by the Department under this Section must be used to
19 make grants to railroads that are registered rail carriers,
20 other than Class 1 railroads as designated by the Federal
21 Railroad Administration.

22 For each project proposed for funding under this Section
23 the Department shall, to the extent possible, give preference

1 to cost effective projects that facilitate continuation of
2 existing rail freight service. In the exercise of its powers
3 under this Section, the Department shall coordinate its program
4 with the industrial retention and attraction programs of the
5 Department of Commerce and Economic Opportunity. No funds
6 provided under this Section shall be expended for the
7 acquisition of a right of way or for operating subsidies. The
8 costs of a project funded under this Section shall be
9 apportioned in accordance with the agreement of the parties for
10 the project. Projects are eligible for a loan or grant under
11 this Section only when the Department determines that the
12 transportation, economic, and public benefits associated with
13 a project are greater than the capital costs of that project
14 incurred by all parties to the agreement and that the project
15 would not have occurred without its participation. In addition,
16 a project to be eligible for assistance under this Section must
17 be included in a State plan for rail transportation and local
18 rail service prepared by the Department. The Department may
19 also expend State funds for professional engineering services
20 to conduct feasibility studies of projects proposed for funding
21 under this Section, to estimate the costs and material
22 requirements for those projects, to provide for the design of
23 those projects, including plans and specifications, and to
24 conduct investigations to ensure compliance with the project
25 agreements.

26 The Department, acting through the Department of Central

1 Management Services, shall also have the power to let contracts
2 for the purchase of railroad materials and supplies. The
3 Department shall also have the power to let contracts for the
4 rehabilitation, improvement, or construction of rail
5 facilities. Any such contract shall be let, after due public
6 advertisement, to the lowest responsible bidder or bidders,
7 upon terms and conditions to be fixed by the Department. With
8 regard to rehabilitation, improvement, or construction
9 contracts, the Department shall also require the successful
10 bidder or bidders to furnish good and sufficient bonds to
11 ensure proper and prompt completion of the work in accordance
12 with the provisions of the contracts.

13 In the case of an agreement under which State funds are
14 loaned under this Section, the agreement shall provide the
15 terms and conditions of repayment. The agreement shall provide
16 for the security that the Department shall determine to protect
17 the State's interest. The funds may be loaned with or without
18 interest. Loaned funds that are repaid to the Department shall
19 be deposited in a special fund in the State treasury to be
20 known as the State Rail Freight Loan Repayment Fund. In the
21 case of repaid funds deposited in the State Rail Freight Loan
22 Repayment Fund, the Department shall, subject to
23 appropriation, have the reuse of those funds and the interest
24 accrued thereon, which shall also be deposited by the State
25 Treasurer in the Fund, as the State share in other eligible
26 projects under this Section. However, no expenditures from the

1 State Rail Freight Loan Repayment Fund for those projects shall
2 at any time exceed the total sum of funds repaid and deposited
3 in the State Rail Freight Loan Repayment Fund and interest
4 earned by investment by the State Treasurer which the State
5 Treasurer shall have deposited in that Fund.

6 For the purposes of promoting efficient rail freight
7 service, the Department may also provide technical assistance
8 to railroads, units of local government or rail users, or
9 owners or lessees of railroad rights-of-way.

10 The Department shall take whatever actions are necessary or
11 appropriate to protect the State's interest in the event of
12 bankruptcy, default, foreclosure, or noncompliance with the
13 terms and conditions of financial assistance or participation
14 provided hereunder, including the power to sell, dispose,
15 lease, or rent, upon terms and conditions determined by the
16 Secretary to be appropriate, real or personal property that the
17 Department may receive as a result thereof.

18 The Department is authorized to make reasonable rules and
19 regulations consistent with law necessary to carry out the
20 provisions of this Section.

21 (Source: P.A. 94-793, eff. 5-19-06; 94-807, eff. 5-26-06.)

22 Section 10. The State Finance Act is amended by changing
23 Section 8h as follows:

24 (30 ILCS 105/8h)

1 Sec. 8h. Transfers to General Revenue Fund.

2 (a) Except as otherwise provided in this Section and
3 Section 8n of this Act, and ~~(c), (d), or (e)~~, notwithstanding
4 any other State law to the contrary, the Governor may, through
5 June 30, 2007, from time to time direct the State Treasurer and
6 Comptroller to transfer a specified sum from any fund held by
7 the State Treasurer to the General Revenue Fund in order to
8 help defray the State's operating costs for the fiscal year.
9 The total transfer under this Section from any fund in any
10 fiscal year shall not exceed the lesser of (i) 8% of the
11 revenues to be deposited into the fund during that fiscal year
12 or (ii) an amount that leaves a remaining fund balance of 25%
13 of the July 1 fund balance of that fiscal year. In fiscal year
14 2005 only, prior to calculating the July 1, 2004 final
15 balances, the Governor may calculate and direct the State
16 Treasurer with the Comptroller to transfer additional amounts
17 determined by applying the formula authorized in Public Act
18 93-839 to the funds balances on July 1, 2003. No transfer may
19 be made from a fund under this Section that would have the
20 effect of reducing the available balance in the fund to an
21 amount less than the amount remaining unexpended and unreserved
22 from the total appropriation from that fund estimated to be
23 expended for that fiscal year. This Section does not apply to
24 any funds that are restricted by federal law to a specific use,
25 to any funds in the Motor Fuel Tax Fund, the Intercity
26 Passenger Rail Fund, the Hospital Provider Fund, the Medicaid

1 Provider Relief Fund, the Teacher Health Insurance Security
2 Fund, the Reviewing Court Alternative Dispute Resolution Fund,
3 the Voters' Guide Fund, the Foreign Language Interpreter Fund,
4 the Lawyers' Assistance Program Fund, the Supreme Court Federal
5 Projects Fund, the Supreme Court Special State Projects Fund,
6 the Supplemental Low-Income Energy Assistance Fund, the Good
7 Samaritan Energy Trust Fund, the Low-Level Radioactive Waste
8 Facility Development and Operation Fund, the Horse Racing
9 Equity Trust Fund, or the Hospital Basic Services Preservation
10 Fund, or to any funds to which subsection (f) of Section 20-40
11 of the Nursing and Advanced Practice Nursing Act applies. No
12 transfers may be made under this Section from the Pet
13 Population Control Fund. Notwithstanding any other provision
14 of this Section, for fiscal year 2004, the total transfer under
15 this Section from the Road Fund or the State Construction
16 Account Fund shall not exceed the lesser of (i) 5% of the
17 revenues to be deposited into the fund during that fiscal year
18 or (ii) 25% of the beginning balance in the fund. For fiscal
19 year 2005 through fiscal year 2007, no amounts may be
20 transferred under this Section from the Road Fund, the State
21 Construction Account Fund, the Criminal Justice Information
22 Systems Trust Fund, the Wireless Service Emergency Fund, or the
23 Mandatory Arbitration Fund.

24 In determining the available balance in a fund, the
25 Governor may include receipts, transfers into the fund, and
26 other resources anticipated to be available in the fund in that

1 fiscal year.

2 The State Treasurer and Comptroller shall transfer the
3 amounts designated under this Section as soon as may be
4 practicable after receiving the direction to transfer from the
5 Governor.

6 (a-5) Transfers directed to be made under this Section on
7 or before February 28, 2006 that are still pending on May 19,
8 2006 (the effective date of Public Act 94-774) ~~this amendatory~~
9 ~~Act of the 94th General Assembly~~ shall be redirected as
10 provided in Section 8n of this Act.

11 (b) This Section does not apply to: (i) the Ticket For The
12 Cure Fund; (ii) any fund established under the Community Senior
13 Services and Resources Act; or (iii) on or after January 1,
14 2006 (the effective date of Public Act 94-511), the Child Labor
15 and Day and Temporary Labor Enforcement Fund.

16 (c) This Section does not apply to the Demutualization
17 Trust Fund established under the Uniform Disposition of
18 Unclaimed Property Act.

19 (d) This Section does not apply to moneys set aside in the
20 Illinois State Podiatric Disciplinary Fund for podiatric
21 scholarships and residency programs under the Podiatric
22 Scholarship and Residency Act.

23 (e) Subsection (a) does not apply to, and no transfer may
24 be made under this Section from, the Pension Stabilization
25 Fund.

26 (f) This Section does not apply to the State Rail Freight

1 Loan Repayment Fund.

2 (Source: P.A. 93-32, eff. 6-20-03; 93-659, eff. 2-3-04; 93-674,
3 eff. 6-10-04; 93-714, eff. 7-12-04; 93-801, eff. 7-22-04;
4 93-839, eff. 7-30-04; 93-1054, eff. 11-18-04; 93-1067, eff.
5 1-15-05; 94-91, eff. 7-1-05; 94-120, eff. 7-6-05; 94-511, eff.
6 1-1-06; 94-535, eff. 8-10-05; 94-639, eff. 8-22-05; 94-645,
7 eff. 8-22-05; 94-648, eff. 1-1-06; 94-686, eff. 11-2-05;
8 94-691, eff. 11-2-05; 94-726, eff. 1-20-06; 94-773, eff.
9 5-18-06; 94-774, eff. 5-19-06; 94-804, eff. 5-26-06; 94-839,
10 eff. 6-6-06; revised 6-19-06.)

11 Section 99. Effective date. This Act takes effect July 1,
12 2007.