



## 95TH GENERAL ASSEMBLY

### State of Illinois

### 2007 and 2008

### SB1666

Introduced 2/9/2007, by Sen. Michael W. Frerichs

#### SYNOPSIS AS INTRODUCED:

New Act

30 ILCS 105/5.675 new

30 ILCS 330/2

from Ch. 127, par. 652

30 ILCS 330/6

from Ch. 127, par. 656

Creates the Clean Water Bond Act. Provides that, of the proceeds of the bonds issued under the General Obligation Bond Act for the purposes of the Clean Water Bond Act, \$35,000,000 shall be deposited into the Anti-Pollution Fund and, subject to appropriation, shall be transferred to the Clean Water Trust Fund and, subject to appropriation, be used by the Office of the Lieutenant Governor to fund the making of loans or grants to local government entities for projects concerning clean water. Amends the General Obligation Bond Act. Increases the amount of the authorization of State bonds from \$27,658,149,369 to \$27,693,149,369. Provides that the amount of \$35,000,000 is authorized for use by the Office of the Lieutenant Governor for the purposes of the Clean Water Bond Act. Effective immediately.

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FISCAL NOTE ACT  
MAY APPLY

STATE DEBT  
IMPACT NOTE ACT  
MAY APPLY

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 Clean  
5 Water Bond Act.

6 Section 5. Findings. The General Assembly makes the  
7 following findings and determinations:

8 (1) There is a pressing need in the State to improve  
9 water quality through the making of loans or grants to  
10 local government entities and to encourage partnerships  
11 among federal, State, and local governments and  
12 not-for-profit organizations for:

13 (A) financing, repairing, upgrading, and  
14 constructing wastewater facilities;

15 (B) planning, engineering, acquiring,  
16 constructing, and improving watershed, drainage, and  
17 flood control improvements, which includes expenses  
18 related to land and easement acquisition, relocation,  
19 control structures, channel work, and clearing and  
20 appurtenant work;

21 (C) the protection, preservation, restoration,  
22 conservation, and improvement of water, including the  
23 making of grants to soil and water conservation

1 districts for the planning and implementation of  
2 conservation practices and for funding contracts with  
3 the Soil Conservation Service for watershed planning  
4 and the provision of cost-sharing for the planning and  
5 implementation of conservation practices by farmers  
6 and landowners approved under federal programs of the  
7 United States Department of Agriculture;

8 (D) capital development and improvement of water  
9 projects, including planning and engineering costs,  
10 and the acquisition, from willing sellers, of open  
11 space lands related to the protection, preservation,  
12 restoration, conservation, and improvement of water,  
13 including the acquisition of easements and other  
14 property interests of less than fee simple ownership  
15 provided that these mechanisms are all voluntary on the  
16 part of the landowners and do not involve the use of  
17 eminent domain; and

18 (E) the removal and disposition of hazardous  
19 substances, including the cost of project management,  
20 equipment, laboratory analysis, and contractual  
21 services necessary for preventative and corrective  
22 actions related to water quality.

23 (2) The issuance and sale of bonds under the General  
24 Obligation Bond Act is an economical and efficient method  
25 of financing the goals of this Act.

1 Section 7. Definitions. As used in this Act:

2 "Local government entity" means a school district, a  
3 municipality, a county, a township, a conservation district, a  
4 soil or water conservation district, a drainage district, a  
5 forest preserve district, a park district, a port district, a  
6 river conservancy district, a sanitary district, a solid waste  
7 disposal district, a surface water protection district, a  
8 public water district, a water service district, a water  
9 authority, a water commission, or any other entity defined as a  
10 "unit of local government" by Section 1 of Article VII of the  
11 Illinois Constitution.

12 "Not-for-profit organization" means an entity that is  
13 organized as a not-for-profit corporation under the laws of  
14 this State and of the United States.

15 Section 10. Proceeds of bonds.

16 (a) Of the proceeds of the bonds issued under the General  
17 Obligation Bond Act for the purposes of this Act, \$35,000,000  
18 shall be deposited into the Anti-Pollution Fund and, subject to  
19 appropriation, shall be transferred to the Clean Water Trust  
20 Fund, a special fund in the State treasury, and, subject to  
21 appropriation, used by the Office of the Lieutenant Governor to  
22 fund the making of loans or grants. Loans or grants shall be  
23 awarded only to local government entities, as defined in  
24 Section 7 of this Act, however, this shall not be construed to  
25 prohibit or impede not-for-profit organizations from

1 submitting applications for loans or grants in partnership with  
2 any entity of local government. Loans and grants shall be  
3 awarded for the following:

4 (1) the financing and construction of wastewater  
5 facilities;

6 (2) the planning, engineering, acquisition,  
7 construction, and improvement of watershed, drainage, and  
8 flood control improvements, which includes expenses  
9 related to land and easement acquisition from willing  
10 sellers, relocation, control structures, channel work, and  
11 clearing and appurtenant work;

12 (3) the protection, preservation, restoration, and  
13 conservation of water, including the making of grants to  
14 soil and water conservation districts for the planning and  
15 implementation of conservation practices and for funding  
16 contracts with the Soil Conservation Service for watershed  
17 planning and the provision of cost-sharing for the planning  
18 and implementation of conservation practices by farmers  
19 and landowners approved under federal programs of the  
20 United States Department of Agriculture;

21 (4) the capital development and improvement of water  
22 projects, including planning and engineering costs, and  
23 the acquisition, from willing sellers, of open space lands  
24 related to the improvement of water quality, including the  
25 acquisition of easements and other property interests of  
26 less than fee simple ownership provided that these

1 mechanisms are all voluntary on the part of the landowners  
2 and do not involve the use of eminent domain; and

3 (5) the removal and disposition of hazardous  
4 substances, including the cost of project management,  
5 equipment, laboratory analysis, and contractual services  
6 necessary for preventative and corrective actions related  
7 to the preservation, restoration, and conservation of  
8 water.

9 (b) Moneys derived from the repayment of loans made under  
10 this Section shall be deposited into the Clean Water Trust Fund  
11 and, subject to appropriation, shall be used to fund new loans  
12 or grants under this Section or, if they cannot be so used,  
13 shall be transferred to the General Obligation Bond Retirement  
14 and Interest Fund and shall be applied to pay the principal of,  
15 interest on, or the redemption price of bonds payable from the  
16 General Obligation Bond Retirement and Interest Fund.

17 Section 15. Acceptance of grants, loans, and  
18 appropriations. The Office of the Lieutenant Governor may  
19 apply for and accept grants, loans, or appropriations from the  
20 federal government or any of its agencies or instrumentalities,  
21 the State or any of its agencies or instrumentalities, or any  
22 unit of local government to be used for any of the purposes of  
23 this Act. Additionally, the Office of the Lieutenant Governor  
24 may enter into any agreement with the federal or State  
25 government or any of their agencies or instrumentalities or

1 with any unit of local government concerning these grants,  
2 loans, or appropriations. Any grants, donations, or  
3 appropriations must be deposited into the Clean Water Trust  
4 Fund.

5 Section 20. Grant and loan criteria.

6 (a) Priority shall be given to innovative pilot or  
7 demonstrative projects that, if proven successful, may be  
8 applied regionally or statewide.

9 (b) For all other projects, the following factors shall be  
10 taken into account:

11 (1) the necessity of the project to the health and  
12 safety of a community;

13 (2) the impending harm to the environment in the  
14 location of the proposed project; and

15 (3) the financial status of the area benefiting from  
16 the proposed project.

17 (c) Grants and loans shall be distributed throughout the  
18 State without preference to any one region, local government  
19 entity, or not-for-profit organization.

20 (d) The Office of the Lieutenant Governor shall adopt rules  
21 concerning the selection of grant or loan recipients, amount of  
22 grant or loan awards, and eligibility requirements for grants  
23 or loans under this Act. The rules must include the following  
24 additional requirements:

25 (1) funds may be used to purchase interests in land

1           only from willing sellers;

2           (2) no real property acquired with grant or loan funds  
3           may be sold, leased, exchanged, or otherwise encumbered,  
4           unless it is used to qualify for a federal program or  
5           transferred to the federal government, the State, or a unit  
6           of local government for the protection, preservation,  
7           restoration, improvement, or conservation of water; and

8           (3) no funds, whether a grant or loan, may be used to  
9           acquire lands or interests in lands or real property by  
10          eminent domain or to fund the costs of an eminent domain  
11          proceeding.

12          Section 905. The State Finance Act is amended by adding  
13          Section 5.675 as follows:

14           (30 ILCS 105/5.675 new)

15          Sec. 5.675. The Clean Water Trust Fund.

16          Section 910. The General Obligation Bond Act is amended by  
17          changing Sections 2 and 6 as follows:

18           (30 ILCS 330/2) (from Ch. 127, par. 652)

19          Sec. 2. Authorization for Bonds. The State of Illinois is  
20          authorized to issue, sell and provide for the retirement of  
21          General Obligation Bonds of the State of Illinois for the  
22          categories and specific purposes expressed in Sections 2



1 through 8 of this Act, in the total amount of \$27,693,149,369  
2 ~~\$27,658,149,369~~.

3 The bonds authorized in this Section 2 and in Section 16 of  
4 this Act are herein called "Bonds".

5 Of the total amount of Bonds authorized in this Act, up to  
6 \$2,200,000,000 in aggregate original principal amount may be  
7 issued and sold in accordance with the Baccalaureate Savings  
8 Act in the form of General Obligation College Savings Bonds.

9 Of the total amount of Bonds authorized in this Act, up to  
10 \$300,000,000 in aggregate original principal amount may be  
11 issued and sold in accordance with the Retirement Savings Act  
12 in the form of General Obligation Retirement Savings Bonds.

13 Of the total amount of Bonds authorized in this Act, the  
14 additional \$10,000,000,000 authorized by Public ~~this~~  
15 ~~amendatory~~ Act 93-2 ~~of the 93rd General Assembly~~ shall be used  
16 solely as provided in Section 7.2.

17 The issuance and sale of Bonds pursuant to the General  
18 Obligation Bond Act is an economical and efficient method of  
19 financing the long-term capital needs of the State. This Act  
20 will permit the issuance of a multi-purpose General Obligation  
21 Bond with uniform terms and features. This will not only lower  
22 the cost of registration but also reduce the overall cost of  
23 issuing debt by improving the marketability of Illinois General  
24 Obligation Bonds.

25 (Source: P.A. 92-13, eff. 6-22-01; 92-596, eff. 6-28-02;  
26 92-598, eff. 6-28-02; 93-2, eff. 4-7-03; 93-839, eff. 7-30-04.)

1 (30 ILCS 330/6) (from Ch. 127, par. 656)

2 Sec. 6. Anti-Pollution.

3 (a) The amount of \$319,815,000 is authorized for allocation  
4 by the Environmental Protection Agency for grants or loans to  
5 units of local government in such amounts, at such times and  
6 for such purpose as the Agency deems necessary or desirable for  
7 the planning, financing, and construction of municipal sewage  
8 treatment works and solid waste disposal facilities and for  
9 making of deposits into the Water Revolving Fund and the U.S.  
10 Environmental Protection Fund to provide assistance in  
11 accordance with the provisions of Title IV-A of the  
12 Environmental Protection Act.

13 (b) The amount of \$160,500,000 is authorized for allocation  
14 by the Environmental Protection Agency for payment of claims  
15 submitted to the State and approved for payment under the  
16 Leaking Underground Storage Tank Program established in Title  
17 XVI of the Environmental Protection Act.

18 (c) The amount of \$35,000,000 is authorized for use by the  
19 Office of the Lieutenant Governor for the purposes stated in  
20 Section 10 of the Clean Water Bond Act.

21 (Source: P.A. 92-13, eff. 6-22-01; 92-598, eff. 6-28-02;  
22 93-650, eff. 1-8-04.)

23 Section 999. Effective date. This Act takes effect upon  
24 becoming law.