



Sen. Mattie Hunter

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1 AMENDMENT TO HOUSE BILL 2842

2 AMENDMENT NO. _____. Amend House Bill 2842, by replacing
3 everything after the enacting clause with the following:

4 "Section 5. The Department of Transportation Law of the
5 Civil Administrative Code of Illinois is amended by adding
6 Section 2705-605 as follows:

7 (20 ILCS 2705/2705-605 new)

8 Sec. 2705-605. Disadvantaged business revolving loan
9 program.

10 (a) For the purposes of this Section:

11 "Contractor" means one who participates, through a
12 contract or subcontract at any tier, in a United States
13 Department of Transportation-assisted highway, transit, or
14 airport program.

15 "Escrow account" means a fiduciary account established
16 with (i) a banking corporation which is both organized

1 under the Illinois Banking Act and authorized to accept and
2 administer trusts in this State; (ii) a national banking
3 association which has its principal place of business in
4 this State and which is authorized to accept and administer
5 trusts in this State; or (ii) an Illinois State agency.

6 "Fund Control Agent" means a person who holds the
7 authority to manage a loan under this Section.

8 (b) The Department has the power to enter into agreements
9 to make low-interest loans to minority-owned businesses,
10 female-owned businesses, and disadvantaged business
11 enterprises certified by the Department for participation on
12 Department-procured construction and construction-related
13 contracts. For purposes of this Section, the terms
14 "minority-owned business" and "female-owned business" have the
15 meanings ascribed to them by Section 2 of the Business
16 Enterprise for Minorities, Females, and Persons with
17 Disabilities Act. For purposes of this Section, the term
18 "disadvantaged business enterprise" has the meaning ascribed
19 to it by 49 CFR Part 26.

20 (c) Loan funds shall be disbursed to the escrow account,
21 subject to appropriation, from the Working Capital Revolving
22 Loan Fund established as a special fund in the State treasury.
23 Loaned funds that are repaid to the Department shall be
24 deposited into the Working Capital Revolving Loan Fund. Other
25 appropriations, grants, awards, and donations to the
26 Department for the purpose of the revolving loan program

1 established by this Section shall be deposited into the Working
2 Capital Revolving Loan Fund.

3 (d) A funds control process will be established to serve as
4 an intermediary between the Department and the contractor to
5 verify payments and to ensure paperwork is properly filed. The
6 Fund Control Agent and contractor shall enter into an agreement
7 regarding the control and disbursement of all payments to be
8 made by the Fund Control Agent under the contract. The
9 Department will authorize and direct the Fund Control Agent to
10 review all disbursement requests and supporting documents
11 received from the contractor. The Fund Control Agent will
12 direct the escrow account to disburse escrow funds to the
13 subcontractor, material supplier, and other appropriate
14 entities by written request for the disbursement.

15 (e) Loan assistance funds shall be allowed for current
16 liabilities or working capital expenses associated with
17 participation in the performance of contracts procured by the
18 Department for transportation construction and
19 construction-related purposes. Loan funds shall not be used for
20 (1) refinancing or payment of existing long-term debt; (2)
21 payment of non-current taxes; (3) payments, advances, or loans
22 to stockholders, officers, directors, partners, or member
23 owners of limited liability companies; or (4) the purchase or
24 lease of non-construction motor vehicles or equipment. The loan
25 agreement shall provide for the terms and conditions of
26 repayment which shall not extend repayment longer than one year

1 after completion and acceptance of the work authorized for loan
2 assistance under the program. The funds may be loaned with or
3 without interest.

4 (f) The Department shall establish through administrative
5 rules the requirements for eligibility and criteria for loan
6 applications, approved use of funds, amount of loans, interest
7 rates, collateral, and terms. The Department is authorized to
8 adopt rules to implement this Section.

9 (g) Nothing in this Section is intended nor shall be
10 construed to vest applicants denied funds by the Department in
11 accordance with this Section a right to challenge, protest, or
12 contest the awarding of funds by the Department to successful
13 applicants or any loan or agreement executed in connection
14 therewith.

15 (h) Investment income which is attributable to the
16 investment of moneys in the Working Capital Revolving Loan Fund
17 shall be retained in the Working Capital Revolving Loan Fund.

18 (i) By January 1, 2014 and by January 1 of each succeeding
19 year, the Department shall report to the Governor and the
20 General Assembly on the utilization and status of the revolving
21 loan program. The report shall, at a minimum, include the
22 amount transferred from the Road Fund to the Working Capital
23 Revolving Loan Fund, the number and size of approved loans, the
24 amounts disbursed to and from the escrow account, the amounts,
25 if any, repaid to the Working Capital Revolving Loan Fund, the
26 interest and fees paid by loan recipients, and the interest

1 earned on balances in the Working Capital Revolving Loan Fund.

2 (j) The Department's authority to execute additional loans
3 or request transfers to the Working Capital Revolving Loan Fund
4 expires on June 1, 2022. The Comptroller shall order
5 transferred and the Treasurer shall transfer any available
6 balance remaining in the Working Capital Revolving Loan Fund to
7 the Road Fund on January 1, 2023, or as soon thereafter as may
8 be practical. Any loan repayments, interest, or fees that are
9 by the terms of a loan agreement payable to the Working Capital
10 Revolving Loan Fund after June 20, 2022 shall instead be paid
11 into the Road Fund as the successor fund to the Working Capital
12 Revolving Loan Fund.

13 Section 10. The State Finance Act is amended by adding
14 Sections 5.811 and 8r as follows:

15 (30 ILCS 105/5.811 new)

16 Sec. 5.811. The Working Capital Revolving Loan Fund.

17 (30 ILCS 105/8r new)

18 Sec. 8r. Transfer to the Working Capital Revolving Loan
19 Fund.

20 (a) Except as provided in subsection (b), upon the written
21 request of the Secretary of Transportation, the State
22 Comptroller shall order and the State Treasurer shall transfer
23 amounts not to exceed \$3,000,000 in aggregate during a fiscal

1 year, for a period of 10 years, from the Road Fund to the
2 Working Capital Revolving Loan Fund at such times as requested
3 by the Secretary of Transportation or as soon thereafter as may
4 be practical.

5 (b) No transfer may be requested or ordered if the
6 available balance in the Working Capital Revolving Loan Fund is
7 equal to or greater than \$6,000,000.

8 Section 99. Effective date. This Act takes effect upon
9 becoming law.".