



## 97TH GENERAL ASSEMBLY

### State of Illinois

2011 and 2012

SB2491

Introduced 10/12/2011, by Sen. Mattie Hunter

#### SYNOPSIS AS INTRODUCED:

20 ILCS 2705/2705-605 new  
30 ILCS 105/5.786 new  
30 ILCS 105/8r new

Amends the Department of Transportation Law of the Civil Administrative Code of Illinois and the State Finance Act. Grants the Illinois Department of Transportation the power to enter into agreements to make direct grants and low-interest loans to minority-owned businesses, female-owned businesses, and disadvantaged business enterprises certified by the Department for participation on Department-procured construction and construction-related contracts. Provides that grant and loan funds shall be expended, subject to appropriation, from the Working Capital Loan Repayment Fund. Specifies permissible uses of funds and provides that funds may be loaned with or without interest. Provides that the Department shall establish the requirements for eligibility and criteria for grant and loan applications, approved use of funds, amount of loans or grants, interest rates, collateral, and terms. Creates the Working Capital Loan Repayment Fund and provides that the State Comptroller shall order and the State Treasurer shall transfer \$10,000,000 from the Road Fund to the Working Capital Loan Repayment Fund.

LRB097 12732 HEP 57221 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 adding  
6 Section 2705-605 as follows:

7 (20 ILCS 2705/2705-605 new)

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

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

22 (b) Grant and loan funds shall be expended, subject to  
23 appropriation, from the Working Capital Loan Repayment Fund

1 established as a special fund in the State Treasury. Loaned  
2 funds that are repaid to the Department shall be deposited into  
3 the fund from which expended. Other appropriations, grants,  
4 awards, and donations to the Department for the purpose of the  
5 revolving loan and grant program established by this Section  
6 shall be deposited into the Working Capital Loan Repayment  
7 Fund.

8 (c) Grant funds shall be allowed for the purpose of  
9 reimbursing certified businesses for current liabilities or  
10 expenses incurred in the preparation of bids and proposals for  
11 contracts accepted for loan assistance under the program.

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

1 assistance under the program. The agreement shall provide for  
2 the security necessary to protect the State's interest and may  
3 include withholding of payments due under the contract accepted  
4 for loan assistance under the program. The funds may be loaned  
5 with or without interest.

6 (e) The Department shall establish the requirements for  
7 eligibility and criteria for grant and loan applications,  
8 approved use of funds, amount of loans or grants, interest  
9 rates, collateral, and terms. The Department is authorized to  
10 adopt rules to implement this Section.

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

17 Section 10. The State Finance Act is amended by adding  
18 Sections 5.786 and 8r as follows:

19 (30 ILCS 105/5.786 new)

20 Sec. 5.786. The Working Capital Loan Repayment Fund.

21 (30 ILCS 105/8r new)

22 Sec. 8r. Transfer to the Working Capital Loan Repayment  
23 Fund. On July 1, 2012, or as soon thereafter as may be

1 practical, the State Comptroller shall order and the State  
2 Treasurer shall transfer \$10,000,000 from the Road Fund to the  
3 Working Capital Loan Repayment Fund.