



## 98TH GENERAL ASSEMBLY

### State of Illinois

2013 and 2014

SB1498

Introduced 2/7/2013, by Sen. Pamela J. Althoff

#### SYNOPSIS AS INTRODUCED:

20 ILCS 3501/825-95  
20 ILCS 3501/825-110  
20 ILCS 3501/830-10  
20 ILCS 3501/830-15

Amends the Illinois Finance Authority Act. Provides that the Authority may (now shall) administer an emerald ash borer revolving loan program. Provides that certain reports are to be filed at the end of the fiscal year (now the 15th of each month). Provides that the Authority may (now shall) establish a Farm Debt Relief Program. Provides that that the Authority may (now shall) establish an interest-buy-back program to subsidize loans to Illinois farmers. Effective immediately.

LRB098 08880 HLH 39011 b

1 AN ACT concerning government.

2 **Be it enacted by the People of the State of Illinois,**  
3 **represented in the General Assembly:**

4 Section 5. The Illinois Finance Authority Act is amended by  
5 changing Sections 825-95, 825-110, 830-10, and 830-15 as  
6 follows:

7 (20 ILCS 3501/825-95)

8 Sec. 825-95. Emerald ash borer revolving loan program.

9 (a) The Illinois Finance Authority may ~~shall~~ administer an  
10 emerald ash borer revolving loan program. The program shall  
11 provide low-interest or zero-interest loans to units of local  
12 government for the replanting of trees on public lands that are  
13 within emerald ash borer quarantine areas as established by the  
14 Illinois Department of Agriculture. The Authority shall make  
15 loans based on the recommendation of the Department of  
16 Agriculture.

17 (b) The loan funds, subject to appropriation, must be paid  
18 out of the Emerald Ash Borer Revolving Loan Fund, a special  
19 fund created in the State treasury. The moneys in the Fund  
20 consist of any moneys transferred or appropriated into the Fund  
21 as well as all repayments of loans made under this program.  
22 Moneys in the Fund may be used only for loans to units of local  
23 government for the replanting of trees within emerald ash borer

1 quarantine areas established by the Department of Agriculture  
2 and for no other purpose. All interest earned on moneys in the  
3 Fund must be deposited into the Fund.

4 (c) A loan for the replanting of trees on public lands  
5 within emerald ash borer quarantine areas established by the  
6 Department of Agriculture may not exceed \$5,000,000 to any one  
7 unit of local government. The repayment period for the loan may  
8 not exceed 20 years. The unit of local government shall repay,  
9 each year, at least 5% of the principal amount borrowed or the  
10 remaining balance of the loan, whichever is less. All  
11 repayments of loans must be deposited into the Emerald Ash  
12 Borer Revolving Loan Fund.

13 (d) Any loan under this Section to a unit of local  
14 government may not exceed the moneys that the unit of local  
15 government expends or dedicates for the reforestation project  
16 for which the loan is made.

17 (e) The Department of Agriculture may enter into agreements  
18 with a unit of local government under which the unit of local  
19 government is authorized to assist the Department in carrying  
20 out its duties in a quarantined area, including inspection and  
21 eradication of any dangerous insect or dangerous plant disease,  
22 and including the transportation, processing, and disposal of  
23 diseased material. The Department is authorized to provide  
24 compensation or financial assistance to the unit of local  
25 government for its costs.

26 (f) The Authority, with the assistance of the Department of

1 Agriculture and the Department of Natural Resources, shall  
2 adopt rules to administer the program under this Section.

3 (Source: P.A. 95-588, eff. 9-4-07; 95-876, eff. 8-21-08.)

4 (20 ILCS 3501/825-110)

5 Sec. 825-110. Implementation of ARRA provisions regarding  
6 qualified energy conservation bonds.

7 (a) Definitions.

8 (i) "Affected local government" means any county or  
9 municipality within the State if the county or municipality  
10 has a population of 100,000 or more, as defined in Section  
11 54D(e) (2) (C) of the Code.

12 (ii) "Allocation amount" means the \$133,846,000 amount  
13 of qualified energy conservation bonds authorized under  
14 ARRA for the financing of qualifying projects located  
15 within the State and the sub-allocation of those amounts  
16 among each affected local government.

17 (iii) "ARRA" means, collectively, the American  
18 Recovery and Reinvestment Act of 2009, including, without  
19 limitation, Section 54D of the Code; the guidance provided  
20 by the Internal Revenue Service applicable to qualified  
21 energy conservation bonds; and any legislation  
22 subsequently adopted by the United States Congress to  
23 extend or expand the economic development bond financing  
24 incentives authorized by ARRA.

1           (iv) "ARRA implementing regulations" means the  
2 regulations promulgated by the Authority as further  
3 described in subdivision (c)(iv) of this Section to  
4 implement the provisions of this Section.

5           (v) "Code" means the Internal Revenue Code of 1986, as  
6 amended.

7           (vi) "Qualified energy conservation bond" means any  
8 qualified energy conservation bond issued pursuant to  
9 Section 54D of the Code.

10           (vii) "Qualified energy conservation bond allocation"  
11 means an allocation of authority to issue qualified energy  
12 conservation bonds granted pursuant to Section 54D of the  
13 Code.

14           (viii) "Regional authority" means the Central Illinois  
15 Economic Development Authority, Eastern Illinois Economic  
16 Development Authority, Joliet Arsenal Development  
17 Authority, Quad Cities Regional Economic Development  
18 Authority, Riverdale Development Authority, Southeastern  
19 Illinois Economic Development Authority, Southern Illinois  
20 Development Authority, Southwestern Illinois Development  
21 Authority, Tri-County River Valley Development Authority,  
22 Upper Illinois River Valley Development Authority,  
23 Illinois Urban Development Authority, Western Illinois  
24 Economic Development Authority, or Will-Kankakee Regional  
25 Development Authority.

26           (ix) "Sub-allocation" means the portion of the

1 allocation amount allocated to each affected local  
2 government.

3 (x) "Waived qualified energy conservation bond  
4 allocation" means the amount of the qualified energy  
5 conservation bond allocation that an affected local  
6 government elects to reallocate to the State pursuant to  
7 Section 54D(e) (2) (B) of the Code.

8 (xi) "Waiver agreement" means an agreement between the  
9 Authority and an affected local government providing for  
10 the reallocation, in whole or in part, of that affected  
11 local government's sub-allocation to the Authority. The  
12 waiver agreement may provide for the payment of an affected  
13 local government's reasonable fees and costs as determined  
14 by the Authority in connection with the affected local  
15 government's reallocation of its sub-allocation.

16 (b) Findings.

17 It is found and declared that:

18 (i) it is in the public interest and for the benefit of  
19 the State to maximize the use of economic development  
20 incentives authorized by ARRA;

21 (ii) those incentives include the maximum use of the  
22 allocation amount for the issuance of qualified energy  
23 conservation bonds to promote energy conservation under  
24 the applicable provisions of ARRA; and

25 (iii) those incentives also include the issuance by the

1 Authority of qualified energy conservation bonds for the  
2 purposes of financing qualifying projects to be financed  
3 with proceeds of qualified energy conservation bonds.

4 (c) Powers of Authority.

5 (i) In order to carry out the provisions of ARRA and  
6 further the purposes of this Section, the Authority has:

7 (A) the power to receive from any affected local  
8 government its sub-allocation that it voluntarily  
9 waives to the Authority, in whole or in part, for  
10 allocation by the Authority to a regional authority  
11 specifically designated by that affected local  
12 government, and the Authority shall reallocate that  
13 waived qualified energy conservation bond allocation  
14 to the regional authority specifically designated by  
15 that affected local government; provided that (1) the  
16 affected local government must take official action by  
17 resolution or ordinance, as applicable, to waive the  
18 sub-allocation to the Authority and specifically  
19 designate that its waived qualified energy  
20 conservation bond allocation should be reallocated to  
21 a regional authority; (2) the regional authority must  
22 use the sub-allocation to issue qualified energy  
23 conservation bonds on or before August 16, 2010 and, if  
24 qualified energy conservation bonds are not issued on  
25 or before August 16, 2010, the sub-allocation shall be

1 deemed waived to the Authority for reallocation by the  
2 Authority to qualifying projects; and (3) the proceeds  
3 of the qualified energy conservation bonds must be used  
4 for qualified projects within the jurisdiction of the  
5 applicable regional authority;

6 (B) at the Authority's sole discretion, the power  
7 to reallocate any sub-allocation deemed waived to the  
8 Authority pursuant to subsection (c) (i) (A) (2) back to  
9 the Regional Authority that had the sub-allocation;

10 (C) the power to enter into waiver agreements with  
11 affected local governments to provide for the  
12 reallocation, in whole or in part, of their  
13 sub-allocations, to receive waived qualified energy  
14 conservation bond allocations from those affected  
15 local governments, and to use those waived qualified  
16 energy conservation bond allocations, in whole or in  
17 part, to issue qualified energy conservation bonds of  
18 the Authority for qualifying projects or to reallocate  
19 those qualified energy conservation bond allocations,  
20 in whole or in part, to a county or municipality to  
21 issue its own energy conservation bonds for qualifying  
22 projects; and

23 (D) the power to issue qualified energy  
24 conservation bonds for any project authorized to be  
25 financed with proceeds thereof under the applicable  
26 provisions of ARRA.



1           (ii) In addition to the powers set forth in item (i),  
2           the Authority shall be the sole recipient, on behalf of the  
3           State, of any waived qualified energy conservation bond  
4           allocations. Qualified energy conservation bond  
5           allocations can be reallocated to the Authority only by  
6           voluntary waiver as provided in this Section.

7           (iii) In addition to the powers set forth in items (i)  
8           and (ii), the Authority has any powers otherwise enjoyed by  
9           the Authority in connection with the issuance of its bonds  
10          if those powers are not in conflict with any provisions  
11          with respect to qualified energy conservation bonds set  
12          forth in ARRA.

13          (iv) The Authority has the power to adopt regulations  
14          providing for the implementation of any of the provisions  
15          contained in this Section, including the provisions  
16          regarding waiver agreements and reallocation of all or any  
17          portion of the allocation amount and sub-allocations and  
18          the issuance of qualified energy conservation bonds;  
19          except that those regulations shall not (1) provide any  
20          waiver or reallocation of an affected local government's  
21          sub-allocation other than a voluntary waiver as described  
22          in subsection (c) or (2) be inconsistent with the  
23          provisions of subsection (c)(i). Regulations adopted by  
24          the Authority for determining reallocation of all or any  
25          portion of a waived qualified energy conservation  
26          allocation may include, but are not limited to, (1) the

1 ability of the county or municipality to issue qualified  
2 energy conservation bonds by the end of a given calendar  
3 year, (2) the amount of jobs that will be retained or  
4 created, or both, by the qualifying project to be financed  
5 by qualified energy conservation bonds, and (3) the  
6 geographical proximity of the qualifying project to be  
7 financed by qualified energy conservation bonds to a  
8 municipality or county that reallocated its sub-allocation  
9 to the Authority.

10 (d) Established dates for notice.

11 Any affected local government or regional authority that  
12 has issued qualified energy conservation bonds on or before the  
13 effective date of this Section must report its issuance of  
14 qualified energy conservation bonds to the Authority within 30  
15 days after the effective date of this Section. After the  
16 effective date of this Section, any affected local government  
17 or any regional authority must report its issuance of qualified  
18 energy conservation bonds to the Authority not less than 30  
19 days after those bonds are issued.

20 (e) Reports to the General Assembly.

21 Starting 60 days after the effective date of this Section  
22 and ending when there is no longer any allocation amount, the  
23 Authority shall file a report before the end ~~15th day~~ of each  
24 fiscal year ~~month~~ with the General Assembly detailing its

1 implementation of this Section, including but not limited to  
2 the dollar amount of the allocation amount that has been  
3 reallocated by the Authority pursuant to this Section, the  
4 qualified energy conservation bonds issued in the State as of  
5 the date of the report, and descriptions of the qualifying  
6 projects financed by those qualified energy conservation  
7 bonds.

8 (Source: P.A. 96-1020, eff. 7-12-10.)

9 (20 ILCS 3501/830-10)

10 Sec. 830-10. (a) The Authority may ~~shall~~ establish a Farm  
11 Debt Relief Program to help provide eligible Illinois farmers  
12 with State assistance in meeting their farming-related debts.

13 (b) To be eligible for the program, a person must (1) be  
14 actively engaged in farming in this State, (2) have  
15 farming-related debts in an amount equal to at least 55% of the  
16 person's total assets, and (3) demonstrate that he can secure  
17 credit from a conventional lender for the 1986 crop year.

18 (c) An eligible person may apply to the Authority, in such  
19 manner as the Authority may specify, for a one-time farm debt  
20 relief payment of up to 2% of the person's outstanding  
21 farming-related debt. If the Authority determines that the  
22 applicant is eligible for a payment under this Section, it may  
23 then approve a payment to the applicant. Such payment shall  
24 consist of a payment made by the Authority directly to one or  
25 more of the applicant's farming-related creditors, to be

1 applied to the reduction of the applicant's farming-related  
2 debt. The applicant shall be entitled to select the creditor or  
3 creditors to receive the payment, unless the applicant is  
4 subject to the jurisdiction of a bankruptcy court, in which  
5 case the selection of the court shall control.

6 (d) Payments shall be made from the Farm Emergency  
7 Assistance Fund, which is hereby established as a special fund  
8 in the State treasury, from funds appropriated to the Authority  
9 for that purpose. No grant may exceed the lesser of (1) 2% of  
10 the applicant's outstanding farm-related debt, or (2) \$2000.  
11 Not more than one grant under this Section may be made to any  
12 one person, or to any one household, or to any single farming  
13 operation.

14 (e) Payments to applicants having farming-related debts in  
15 an amount equal to at least 55% of the person's total assets,  
16 but less than 70%, shall be repaid by the applicant to the  
17 Authority for deposit into the Farm Emergency Assistance Fund  
18 within five years from the date the payment was made. Repayment  
19 shall be made in equal installments during the five-year period  
20 with no additional interest charge and may be prepaid in whole  
21 or in part at any time. Applicants having farming-related debts  
22 in an amount equal to at least 70% of the person's total assets  
23 shall not be required to make any repayment. Assets shall  
24 include, but not be limited to, the following: cash crops or  
25 feed on hand; livestock held for sale; breeding stock;  
26 marketable bonds and securities; securities not readily

1 marketable; accounts receivable; notes receivable; cash  
2 invested in growing crops; net cash value of life insurance;  
3 machinery and equipment; cars and trucks; farm and other real  
4 estate including life estates and personal residence; value of  
5 beneficial interests in trusts; government payments or grants;  
6 and any other assets. Debts shall include, but not be limited  
7 to, the following: accounts payable; notes or other  
8 indebtedness owed to any source; taxes; rent; amounts owed on  
9 real estate contracts or real estate mortgages; judgments;  
10 accrued interest payable; and any other liability.

11 (Source: P.A. 93-205, eff. 1-1-04.)

12 (20 ILCS 3501/830-15)

13 Sec. 830-15. Interest-buy-back program.

14 (a) The Authority ~~may shall~~ establish an interest-buy-back  
15 program to subsidize the interest cost on certain loans to  
16 Illinois farmers.

17 (b) To be eligible an applicant must (i) be a resident of  
18 Illinois; (ii) be a principal operator of a farm or land; (iii)  
19 derive at least 50% of annual gross income from farming; and  
20 (iv) have a net worth of at least \$10,000. The Authority shall  
21 establish minimum and maximum financial requirements, maximum  
22 payment amounts, starting and ending dates for the program, and  
23 other criteria.

24 (c) Lenders may apply on behalf of eligible applicants on  
25 forms provided by the Authority. Lenders may submit requests

1 for payment on forms provided by the Authority. Lenders and  
2 applicants shall be responsible for any fees or charges the  
3 Authority may require.

4 (d) The Authority shall make payments to lenders from  
5 available appropriations from the General Revenue Fund.

6 (Source: P.A. 93-205, eff. 1-1-04.)

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