

# SB1707



## 99TH GENERAL ASSEMBLY

### State of Illinois

2015 and 2016

SB1707

Introduced 2/20/2015, by Sen. Dan Kotowski

#### SYNOPSIS AS INTRODUCED:

415 ILCS 5/19.3

from Ch. 111 1/2, par. 1019.3

Amends the Environmental Protection Act. Makes a change to a purpose for which the Water Pollution Control Loan Program shall be used. Effective immediately.

LRB099 10940 MGM 31283 b

A BILL FOR

1 AN ACT concerning safety.

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

4 Section 5. The Environmental Protection Act is amended by  
5 changing Section 19.3 as follows:

6 (415 ILCS 5/19.3) (from Ch. 111 1/2, par. 1019.3)  
7 Sec. 19.3. Water Revolving Fund.

8 (a) There is hereby created within the State Treasury a  
9 Water Revolving Fund, consisting of 3 interest-bearing special  
10 programs to be known as the Water Pollution Control Loan  
11 Program, the Public Water Supply Loan Program, and the Loan  
12 Support Program, which shall be used and administered by the  
13 Agency.

14 (b) The Water Pollution Control Loan Program shall be used  
15 and administered by the Agency to provide assistance for the  
16 following purposes:

17 (1) to accept and retain funds from grant awards,  
18 appropriations, transfers, and payments of interest and  
19 principal;

20 (2) to make direct loans at or below market interest  
21 rates and to provide additional subsidization, including,  
22 but not limited to, forgiveness of principal, negative  
23 interest rates, and grants, to any eligible local

1 government unit to finance the construction of treatments  
2 works, including storm water treatment systems that are  
3 treatment works, and projects that fulfill federal State  
4 Revolving Fund grant requirements for a green project  
5 reserve;

6 (2.5) with respect to funds provided under the American  
7 Recovery and Reinvestment Act of 2009:

8 (A) to make direct loans at or below market  
9 interest rates to any eligible local government unit  
10 and to provide additional subsidization to any  
11 eligible local government unit, including, but not  
12 limited to, forgiveness of principal, negative  
13 interest rates, and grants;

14 (B) to make direct loans at or below market  
15 interest rates to any eligible local government unit to  
16 buy or refinance debt obligations for treatment works  
17 incurred on or after October 1, 2008; and

18 (C) to provide additional subsidization,  
19 including, but not limited to, forgiveness of  
20 principal, negative interest rates, and grants for  
21 treatment works incurred on or after October 1, 2008;

22 (3) to make direct loans at or below market interest  
23 rates and to provide additional subsidization, including,  
24 but not limited to, forgiveness of principal, negative  
25 interest rates, and grants, to any eligible local  
26 government unit to buy or refinance debt obligations for

1 costs incurred after March 7, 1985, for the construction of  
2 treatment works, including storm water treatment systems  
3 that are treatment works, and projects that fulfill federal  
4 State Revolving Fund grant requirements for a green project  
5 reserve;

6 (3.5) to make loans, including, but not limited to,  
7 loans through a linked deposit program, at or below market  
8 interest rates for the implementation of a management  
9 program established under Section 319 of the Federal Water  
10 Pollution Control Act, as amended;

11 (4) to guarantee or purchase insurance for local  
12 obligations where such action would improve credit market  
13 access or reduce interest rates;

14 (5) as a source of revenue or security for the payment  
15 of principal and interest on revenue or general obligation  
16 bonds issued by the State or any political subdivision or  
17 instrumentality thereof, if the proceeds of such bonds will  
18 be deposited in the Fund;

19 (6) to finance the reasonable costs incurred by the  
20 Agency in the administration of the Fund;

21 (7) to transfer funds to the Public Water Supply Loan  
22 Program; and

23 (8) notwithstanding any other provision of this  
24 subsection (b), to provide, in accordance with rules  
25 adopted under this Title, any other financial assistance  
26 that may be provided under Section 603 of the Federal Water

1 Pollution Control Act for any other projects or activities  
2 eligible for assistance under ~~subsections (c) (1) or (c) (2)~~  
3 ~~of~~ that Section or federal rules adopted to implement that  
4 Section ~~under those subsections~~.

5 (c) The Loan Support Program shall be used and administered  
6 by the Agency for the following purposes:

7 (1) to accept and retain funds from grant awards and  
8 appropriations;

9 (2) to finance the reasonable costs incurred by the  
10 Agency in the administration of the Fund, including  
11 activities under Title III of this Act, including the  
12 administration of the State construction grant program;

13 (3) to transfer funds to the Water Pollution Control  
14 Loan Program and the Public Water Supply Loan Program;

15 (4) to accept and retain a portion of the loan  
16 repayments;

17 (5) to finance the development of the low interest loan  
18 programs for water pollution control and public water  
19 supply projects;

20 (6) to finance the reasonable costs incurred by the  
21 Agency to provide technical assistance for public water  
22 supplies; and

23 (7) to finance the reasonable costs incurred by the  
24 Agency for public water system supervision programs, to  
25 administer or provide for technical assistance through  
26 source water protection programs, to develop and implement

1 a capacity development strategy, to delineate and assess  
2 source water protection areas, and for an operator  
3 certification program in accordance with Section 1452 of  
4 the federal Safe Drinking Water Act.

5 (d) The Public Water Supply Loan Program shall be used and  
6 administered by the Agency to provide assistance to local  
7 government units and privately owned community water supplies  
8 for public water supplies for the following public purposes:

9 (1) to accept and retain funds from grant awards,  
10 appropriations, transfers, and payments of interest and  
11 principal;

12 (2) to make direct loans at or below market interest  
13 rates and to provide additional subsidization, including,  
14 but not limited to, forgiveness of principal, negative  
15 interest rates, and grants, to any eligible local  
16 government unit or to any eligible privately owned  
17 community water supply to finance the construction of water  
18 supplies and projects that fulfill federal State Revolving  
19 Fund grant requirements for a green project reserve;

20 (2.5) with respect to funds provided under the American  
21 Recovery and Reinvestment Act of 2009:

22 (A) to make direct loans at or below market  
23 interest rates to any eligible local government unit or  
24 to any eligible privately owned community water  
25 supply, and to provide additional subsidization to any  
26 eligible local government unit or to any eligible

1 privately owned community water supply, including, but  
2 not limited to, forgiveness of principal, negative  
3 interest rates, and grants;

4 (B) to buy or refinance the debt obligation of a  
5 local government unit for costs incurred on or after  
6 October 1, 2008; and

7 (C) to provide additional subsidization,  
8 including, but not limited to, forgiveness of  
9 principal, negative interest rates, and grants for a  
10 local government unit for costs incurred on or after  
11 October 1, 2008;

12 (3) to make direct loans at or below market interest  
13 rates and to provide additional subsidization, including,  
14 but not limited to, forgiveness of principal, negative  
15 interest rates, and grants, to any eligible local  
16 government unit or to any eligible privately owned  
17 community water supply to buy or refinance debt obligations  
18 for costs incurred on or after July 17, 1997, for the  
19 construction of water supplies and projects that fulfill  
20 federal State Revolving Fund requirements for a green  
21 project reserve;

22 (4) to guarantee local obligations where such action  
23 would improve credit market access or reduce interest  
24 rates;

25 (5) as a source of revenue or security for the payment  
26 of principal and interest on revenue or general obligation

1 bonds issued by the State or any political subdivision or  
2 instrumentality thereof, if the proceeds of such bonds will  
3 be deposited into the Fund; and

4 (6) to transfer funds to the Water Pollution Control  
5 Loan Program.

6 (e) The Agency is designated as the administering agency of  
7 the Fund. The Agency shall submit to the Regional Administrator  
8 of the United States Environmental Protection Agency an  
9 intended use plan which outlines the proposed use of funds  
10 available to the State. The Agency shall take all actions  
11 necessary to secure to the State the benefits of the federal  
12 Water Pollution Control Act and the federal Safe Drinking Water  
13 Act, as now or hereafter amended.

14 (f) The Agency shall have the power to enter into  
15 intergovernmental agreements with the federal government or  
16 the State, or any instrumentality thereof, for purposes of  
17 capitalizing the Water Revolving Fund. Moneys on deposit in the  
18 Water Revolving Fund may be used for the creation of reserve  
19 funds or pledged funds that secure the obligations of repayment  
20 of loans made pursuant to this Section. For the purpose of  
21 obtaining capital for deposit into the Water Revolving Fund,  
22 the Agency may also enter into agreements with financial  
23 institutions and other persons for the purpose of selling loans  
24 and developing a secondary market for such loans. The Agency  
25 shall have the power to create and establish such reserve funds  
26 and accounts as may be necessary or desirable to accomplish its



1 purposes under this subsection and to allocate its available  
2 moneys into such funds and accounts. Investment earnings on  
3 moneys held in the Water Revolving Fund, including any reserve  
4 fund or pledged fund, shall be deposited into the Water  
5 Revolving Fund.

6 (Source: P.A. 98-782, eff. 7-23-14.)

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