

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.