

AN ACT concerning finance.

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

Section 1. Short title. This Act may be cited as the Water and Sewer Financial Assistance Act.

Section 5. Findings and intent.

(a) The General Assembly finds that:

(1) The health, welfare, and prosperity of the people of the State of Illinois require that water and sewer services are affordable and that all citizens receive essential levels of water and sewer services regardless of economic circumstance.

(2) Water and sewer providers and other entities providing such services are entitled to receive proper payment for services actually rendered.

(3) Unlike the electric and gas industry, water and sewer providers do not have existing statutory programs intended to assist low-income customers.

(4) Existing financial assistance policies and programs in effect in Illinois for utility services have benefited all Illinois citizens, and should therefore be extended to the water and sewer industry.

(5) Low-income households are unable to afford

essential utility services and other necessities, such as food, shelter, and medical care; the health and safety of those who are unable to afford essential utility services suffer when monthly payments for these services exceed a reasonable percentage of the customer's household income. Costs of collecting past due bills and uncollectible balances are reflected in rates paid by all ratepayers. Society benefits if essential utility services are affordable and arrearages and disconnections are minimized for those most in need.

(b) Consistent with its findings, the General Assembly declares that it is the policy of the State that:

(1) A low-income water and sewer assistance payment plan should be established that incorporates income assistance for citizens to have access to affordable water and sewer services.

(2) The ability of public utilities and other entities to receive just compensation for providing services should not be jeopardized by this policy.

Section 10. Definitions. As used in this Act, unless the context otherwise requires:

"Commission" means the Illinois Commerce Commission.

"Department" means the Department of Commerce and Economic Opportunity.

"Water or sewer provider" means any public utility

providing water or sewer services under the jurisdiction of the Illinois Commerce Commission; any other utility providing water or sewer service owned by a municipality, township, county, or other political subdivision of this State; or any other entity that is not a public utility under the jurisdiction of the Illinois Commerce Commission that regularly provides water or sewer service.

Section 15. Water and sewer assistance program.

(a) The Department is authorized to institute a program whereby a water or sewer provider may voluntarily participate to ensure the availability and affordability of water and sewer services to low-income citizens. The Department shall implement the program by rule adopted pursuant to the Illinois Administrative Procedure Act. The program shall be consistent with the purposes and objectives of this Act and with all other specific requirements provided in this Act. The Department may enter into such contracts and other agreements with local agencies as may be necessary for the purpose of administering the water and sewer assistance program.

(b) Nothing in this Act shall be construed as altering or limiting the authority conferred on the Commission by the Public Utilities Act to regulate all aspects of the provision of public utility service, including, but not limited to, the authority to make rules and adjudicate disputes between utilities and customers related to eligibility for utility

service, deposits, payment practices, and discontinuance of service.

(c) The Department is authorized to institute an outreach program directed at low-income minority heads of households and heads of households age 60 or older. The Department shall implement the program through rules adopted pursuant to the Illinois Administrative Procedure Act. The program shall be consistent with the purposes and objectives of this Act and with all other specific requirements set forth in this subsection.

Section 20. Eligibility, conditions of participation, and water and sewer assistance.

(a) Any person who is a resident of the State of Illinois and whose household income is not greater than an amount determined annually by the Department may apply for assistance pursuant to this Act in accordance with rules adopted by the Department. In setting the annual eligibility level, the Department shall consider the amount of available funding and may not set a limit higher than the eligibility limit for assistance under the Energy Assistance Act.

(b) Applicants who qualify for assistance pursuant to subsection (a) of this Section shall, subject to appropriation from the General Assembly and subject to the availability of funds to the Department, receive water and sewer assistance as provided by this Act. The Department, upon receipt of moneys

authorized pursuant to this Act for water and sewer assistance, shall commit funds for each qualified applicant in an amount determined by the Department. In determining the amounts of assistance to be provided to or on behalf of a qualified applicant, the Department shall ensure that the highest amounts of assistance go to households with the greatest need for financial assistance in relation to household income. The Department shall include factors such as water and sewer costs, household size, household income, and region of the State when determining individual household benefits. In adopting rules for the administration of this Section, the Department shall ensure that a minimum of one-third of funds are available for benefits to eligible households with the lowest incomes and that elderly households and households with persons with disabilities are offered a priority application period.

(c) If the applicant is a customer of a water or sewer provider, such applicant shall receive water or sewer assistance in an amount established by the Department for all such applicants under this Act.

(d) The Department may, if sufficient funds are available, provide additional benefits to certain qualified applicants:

(i) for the reduction of past due amounts owed to water or sewer providers; and

(ii) to assist the household in responding to excessively high usage costs. Households containing

elderly members, children, or a person with a disability, shall receive priority for receipt of such benefits.

Section 25. Water and Sewer Low-Income Assistance Fund.

(a) For purposes of this Section:

"Non-residential sewer service" means sewer utility service that is not residential sewer service.

"Non-residential water service" means water utility service that is not residential water service.

"Residential sewer service" means sewer utility service for household purposes delivered to a dwelling of 2 or fewer units that is billed under a residential rate; or sewer service for household purposes delivered to a dwelling unit or units that is billed under a residential rate and is registered by a separate meter for each dwelling unit.

"Residential water service" means water utility service for household purposes delivered to a dwelling of 2 or fewer units that is billed under a residential rate; or water service for household purposes delivered to a dwelling unit or units that is billed under a residential rate and is registered by a separate meter for each dwelling unit.

(b) The Water and Sewer Low-Income Assistance Fund is created as a special fund in the State Treasury. The Water and Sewer Low-Income Assistance Fund is authorized to receive

moneys from voluntary donations from individuals, foundations, corporations, and other sources; by statutory deposit; and by authorized collections pursuant to this Section. The Water and Sewer Low-Income Assistance Fund is also authorized to receive moneys from the federal government, including, but not limited to, any pass through moneys as a result of a public health emergency. Subject to appropriation, the Department shall use moneys from the Water and Sewer Low-Income Assistance Fund for payments to water or sewer providers on behalf of their customers who are participants in the program authorized under this Act. The yearly administrative expenses of the Water and Sewer Low-Income Assistance Fund may not exceed 10% of the amount collected during that year pursuant to this Section, except when unspent funds from the Water and Sewer Low-Income Assistance Fund are reallocated from a previous year; any unspent balance of the 10% administrative allowance may be utilized for administrative expenses in the year they are reallocated.

(c) Notwithstanding any other law to the contrary, the Water and Sewer Low-Income Assistance Fund is not subject to sweeps, administrative chargebacks, or any other fiscal or budgetary maneuver that would in any way transfer any amounts from the Water and Sewer Low-Income Assistance Fund into any other fund of the State.

(d) Notwithstanding any provisions of the Public Utilities Act, but subject to subsection (j) of this Section, each water

or sewer provider shall, effective January 1, 2022, assess each of its customer accounts a monthly Water and Sewer Assistance Charge for the Water and Sewer Low-Income Assistance Fund. The monthly charge shall be as follows:

(1) \$0.10 per month for each account for residential water service;

(2) \$0.10 per month for each account for residential sewer service;

(3) \$5.00 per month for each account for non-residential water service; and

(4) \$5.00 per month for each account for non-residential sewer service.

(e) The Water and Sewer Assistance Charge assessed by the applicable water or sewer providers shall be considered a charge for public utility service.

(f) By the 20th day of the month following the month in which the charges imposed by this Section were collected, each water or sewer provider shall remit to the Department of Revenue all moneys received as payment of the Water and Sewer Assistance Charge on a return prescribed and furnished by the Department of Revenue showing such information as the Department of Revenue may reasonably require. If a customer makes a partial payment, a water or sewer provider may elect either: (i) to apply partial payments first to the amount owed to the water or sewer provider for its services and then to payment for the Water and Sewer Assistance Charge, or (ii) to

apply such partial payments on a pro rata basis between amounts owed to the water or sewer provider for its services and to payment for the Water and Sewer Assistance Charge.

(g) The Department of Revenue shall deposit into the Water and Sewer Low-Income Assistance Fund all moneys remitted to it in accordance with subsection (f) of this Section; provided, however, that the amounts remitted by each water or sewer provider shall be used to provide assistance only to that water or sewer provider's customers. The water or sewer providers shall coordinate with the Department to establish an equitable and practical methodology for implementing this subsection beginning with the 2022 program year.

(h) The Department of Revenue may establish such rules as it deems necessary to implement this Section.

(i) The Department may establish such rules as it deems necessary to implement this Section, including, but not limited to, rules requiring the Department to report the amount of assessments remitted and expended by water or sewer providers and a process to allow a water or sewer provider to discontinue imposing the assessments due to lack of participation or excess in available funds for that water or sewer provider. The process to allow a water or sewer provider to discontinue imposing assessments shall include review by the Commission of any water or sewer provider subject to the Public Utilities Act.

(j) The charges imposed by this Section shall apply to

customers of a water or sewer provider only if the water or sewer provider voluntarily makes an affirmative decision to impose the charge. If a water or sewer provider makes an affirmative decision to impose the charge provided by this Section, the water or sewer provider shall inform the Department of Revenue in writing of such decision when it begins to impose the charge. If a water or sewer provider does not assess this charge, the Department may not use funds from the Water and Sewer Low-Income Assistance Fund to provide benefits to its customers under the Program authorized by Section 15 of this Act.

In its use of federal funds under this Act, the Department may not cause a disproportionate share of those federal funds to benefit customers of water or sewer providers that do not assess the Water and Sewer Assistance Charge.

(k) This Section is repealed on January 1, 2030.

Section 30. Application of Retailers' Occupation Tax provisions. All the provisions of Sections 4, 5, 5a, 5b, 5c, 5d, 5e, 5f, 5g, 5i, 5j, 6, 6a, 6b, 6c, 7, 8, 9, 10, 11, 11a, 12, and 13 of the Retailers' Occupation Tax Act that are not inconsistent with this Act apply, as far as practicable, to the surcharge imposed by this Act to the same extent as if those provisions were included in this Act. References in the incorporated Sections of the Retailers' Occupation Tax Act to retailers, to sellers, or to persons engaged in the business

of selling tangible personal property mean persons required to remit the charge imposed under this Act.

Section 35. The State Finance Act is amended by adding Section 5.935 as follows:

(30 ILCS 105/5.935 new)

Sec. 5.935. The Water and Sewer Low-Income Assistance Fund.

Section 40. The Public Utilities Act is amended by adding Section 9-211.7 as follows:

(220 ILCS 5/9-211.7 new)

Sec. 9-211.7. Financial assistance; water and sewer utilities.

(a) On and after the effective date of this amendatory Act of the 102nd General Assembly, notwithstanding any other provision of this Act, a water or sewer utility subject to the jurisdiction of the Commission, after receiving approval from the Commission, shall be allowed to offer a financial assistance program designed for bill payment assistance for low-income customers in accordance with the Water and Sewer Financial Assistance Act. A water or sewer utility subject to the jurisdiction of the Commission shall petition the Commission for such approval, and the Commission shall render

its decision within 90 days after receiving such petition. If no decision is rendered by the Commission within 90 days, then the petition shall be deemed to be approved.

(b) The costs of a financial assistance program offered by a water or sewer utility subject to the jurisdiction of the Commission, excluding such costs deemed by the Commission to be not reimbursable, shall be reimbursed from the Water and Sewer Low-Income Assistance Fund established pursuant to the Water and Sewer Financial Assistance Act. The utility shall submit a bill to the Department of Commerce and Economic Opportunity, which shall be promptly paid out of such funds or may net such costs against moneys it would otherwise remit to the Fund. The water or sewer utility shall provide a report to the Commission on a quarterly basis accounting for moneys reimbursed or netted through the Fund.

(c) A water or sewer utility subject to the jurisdiction of the Commission providing a financial assistance program pursuant to the Water and Sewer Financial Assistance Act in this State shall be permitted to recover costs of those assessments through a tariff filed with and approved by the Commission. The tariff shall be established outside the context of a general rate case and shall be applicable to the utility's customers.

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