

AN ACT concerning local government.

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

Section 5. The Illinois Municipal Code is amended by adding Section 8-4-27 as follows:

(65 ILCS 5/8-4-27 new)

Sec. 8-4-27. Municipal Water and Wastewater Funding Study Committee.

(a) The Municipal Water and Wastewater Funding Study Committee is established.

(b) The Committee shall be comprised of the following members, and the appointed members of the Committee shall be appointed to the Committee no later than 30 days after the effective date of this amendatory Act of the 102nd General Assembly:

1) The Governor, or his or her designee, who shall serve as chairperson.

(2) The Director of the Illinois Environmental Protection Agency, or his or her designee.

(3) One member appointed by the President of the Senate.

(4) One member appointed by the Minority Leader of the Senate.

(5) One member appointed by the Speaker of the House of Representatives.

(6) One member appointed by the Minority Leader of the House of Representatives.

(7) Members appointed by the Director of the Illinois Environmental Protection Agency as follows:

(A) one member who is a representative of a publicly-owned drinking water or wastewater utility with a service population of 25,000 or less;

(B) one member who is a representative of a publicly-owned drinking water or wastewater utility with a service population over 25,000 people to 125,000 people;

(C) one member who is a representative of a publicly-owned drinking water or wastewater utility with a service population over 125,000 people;

(D) one member who is a representative of a statewide organization representing wastewater agencies; and

(E) one member who is a representative of a statewide organization representing drinking water agencies.

The Committee shall meet at the call of the chair. Committee members shall serve without compensation. If a vacancy occurs in the Committee membership, the vacancy shall be filled in the same manner as the original appointment for the remainder

of the Committee.

(c) The Committee shall study and make recommendations concerning any needed modifications to Illinois Environmental Protection Agency and Illinois Pollution Control Board regulations and policies as they relate to municipal water and wastewater funding to ensure that the State's revolving loan fund programs account for and prioritize the following principles, to the fullest extent allowed by federal law:

(1) A community shall not be deemed ineligible for disadvantaged community status based on size or service area of any size, with regard to special rates, loan terms, and eligibility for loan or grant funds.

(2) In determining whether a community is disadvantaged, consideration should be given to impacts of funding on water and wastewater expenses for low-income populations.

(3) In determining whether a community is eligible for funds and special rates or loan terms, environmental justice concepts should be considered.

(4) In determining how funding is allocated, a community facing water supply shortages should be considered a high priority based on urgency of need.

(5) The funding programs should promote formation and implementation of regional water partnerships.

(6) Targeted funding should be provided for addressing emerging contaminants, including PFAS.

(7) In determining eligibility for assistance, the role that the State revolving fund programs play for small communities should be understood and fully considered.

(8) Any recommendations for changes to the programs must be fully consistent with federal law and must not adversely affect any community's eligibility for loans under federal law.

(d) The Committee shall prepare a report that summarizes its work and makes recommendations resulting from its study. The Committee shall submit the report of its findings and recommendations to the Governor and the General Assembly no later than January 31, 2023. Once the Committee has submitted the report to the General Assembly and Governor, the Committee is dissolved.

(f) This Section is repealed on January 1, 2024.

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