



98TH GENERAL ASSEMBLY

State of Illinois

2013 and 2014

HB1551

by Rep. Daniel J. Burke

SYNOPSIS AS INTRODUCED:

70 ILCS 2605/9.6c

Provides that the district may borrow money and issue its assistance bonds for the purpose of funding the assistance program, and those bonds shall be alternate bonds (currently revenue bonds) payable from any lawfully available revenue source. Effective immediately.

LRB098 08613 OMW 38731 b

1 AN ACT concerning local government.

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

4 Section 5. The Metropolitan Water Reclamation District Act
5 is amended by changing Section 9.6c as follows:

6 (70 ILCS 2605/9.6c)

7 Sec. 9.6c. Local Government Assistance Program; bonds.

8 (a) The General Assembly finds that governmental units
9 located within the boundaries of the district require
10 assistance in financing the cost of repair, replacement,
11 reconstruction, and rehabilitation of local sewer collection
12 systems to reduce certain excessive sanitary sewer groundwater
13 inflows; that such inflows ultimately result in increased need
14 for treatment and storage facilities of the district; and that
15 the district, in the discretion of its commissioners,
16 advantageously may provide loan funds for such purposes.

17 (b) For purposes of this Section, the following terms shall
18 have the meanings set forth, as follows:

19 The following terms shall have the meanings given to
20 them in the Local Government Debt Reform Act: (A)
21 "alternate bonds"; (B) "applicable law"; (C) "bonds"; (D)
22 "general obligation bonds"; (E) "governmental unit"; (F)
23 "ordinance"; and (G) "revenue source".

1 "Assistance bonds" means the bonds to be issued by the
2 district to provide funds for the program as authorized in
3 subsection (f) of this Section.

4 "Assistance program" means the program authorized in
5 this Section by which the district may make loans to local
6 governmental units for any one or more of the following
7 undertaken with respect to the repair, replacement,
8 reconstruction, and rehabilitation of local sewer
9 collection systems: preliminary planning, engineering,
10 architectural, legal, fiscal or economic investigations or
11 studies, surveys, designs, plans, working drawings,
12 specifications, procedures or other necessary actions,
13 erection, building acquisition, alteration, remodeling, or
14 improvement of such collection systems, or the inspection
15 or supervision of any of the foregoing.

16 "Loan" means a loan made by the district to a local
17 governmental unit under the assistance program.

18 "Local governmental unit" means a governmental unit
19 within the boundaries of the district.

20 "Reconstruction" shall include the construction of
21 totally new lines or systems if reasonably designed to
22 replace obsolete lines or systems.

23 (c) The commissioners may establish an assistance program.

24 (d) The commissioners are authorized to do any one or more
25 of the following with respect to the assistance program:

26 (1) Establish the assistance program as a use or

1 appropriation within the corporate fund of the district.

2 (2) Accept grants, borrow funds, and appropriate
3 lawfully available funds for the purpose of funding the
4 assistance program.

5 (3) Make the loans as provided in subsection (e).

6 (4) Enforce loans with all available remedies as any
7 governmental unit or private person might have with respect
8 to such loans.

9 (e) The district shall have the power to make loans and
10 local governmental units shall have the power to obtain loans
11 from the district, but only if authorized to borrow under such
12 powers as may be granted to such local governmental units under
13 other applicable law. This Section does not grant local
14 governmental units separate borrowing power. If authorized to
15 issue bonds under such applicable law, however, the form of the
16 borrowing may be such as the district and the local
17 governmental unit may agree, including, without limitation, a
18 loan agreement made between the district and local governmental
19 unit to evidence the bond. Any such loan agreement shall state
20 the statutory authority under applicable law for the bond it
21 represents but otherwise need not be in any specific form. The
22 district shall have all rights and remedies available to the
23 holder of a bond otherwise issued in the form provided for same
24 under applicable law and also such rights and remedies as may
25 be additionally available under subsection (d)(4) of this
26 Section. The loans may be made upon such terms and at such

1 rates, including expressly below market rates, representing a
2 subsidy of funds from the district to the local governmental
3 units, as the district may specify in the loan agreements.

4 (f) The district may borrow money and issue its assistance
5 bonds under this Section 9.6c for the purpose of funding the
6 assistance program, which bonds shall be alternate ~~revenue~~
7 bonds payable from any lawfully available revenue source,
8 including without limitation receipts from the loans.
9 Assistance bonds shall not be subject to any referendum
10 requirement and shall not be treated as indebtedness under any
11 applicable provision of law setting forth a limitation upon or
12 requirement with respect to the legal indebtedness of the
13 district.

14 (Source: P.A. 90-690, eff. 7-31-98.)

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