

# HB4763



## 104TH GENERAL ASSEMBLY

State of Illinois

2025 and 2026

HB4763

by Rep. Rick Ryan

### SYNOPSIS AS INTRODUCED:

415 ILCS 5/19.4

from Ch. 111 1/2, par. 1019.4

Amends the Environmental Protection Act. Provides that, within one year after the effective date of the amendatory Act, the Environmental Protection Agency shall adopt amendments to its procedural rules governing the issuance of public water supply program loans for lead service line replacement. Requires the Agency to revise the loan priority scoring criteria it uses for houses built before 1990 and the loan priority scoring criteria it uses for communities with a high lead service line burden.

LRB104 18119 WRO 31558 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 19.4 as follows:

6 (415 ILCS 5/19.4) (from Ch. 111 1/2, par. 1019.4)

7 Sec. 19.4. Regulations; priorities.

8 (a) The Agency shall have the authority to promulgate  
9 regulations for the administration of this Title, including,  
10 but not limited to, rules setting forth procedures and  
11 criteria concerning loan applications and the issuance of  
12 loans. For loans to units of local government, the regulations  
13 shall include, but need not be limited to, the following  
14 elements:

15 (1) loan application requirements;

16 (2) determination of credit worthiness of the loan  
17 applicant;

18 (3) special loan terms, as necessary, for securing the  
19 repayment of the loan;

20 (4) assurance of payment;

21 (5) interest rates;

22 (6) loan support rates;

23 (7) impact on user charges;

- 1 (8) eligibility of proposed construction;
- 2 (9) priority of needs;
- 3 (10) special loan terms for disadvantaged communities;
- 4 (11) maximum limits on annual distributions of funds
- 5 to applicants or groups of applicants;
- 6 (12) penalties for noncompliance with loan
- 7 requirements and conditions, including stop-work orders,
- 8 termination, and recovery of loan funds; and
- 9 (13) indemnification of the State of Illinois and the
- 10 Agency by the loan recipient.

11 (b) The Agency shall have the authority to promulgate

12 regulations to set forth procedures and criteria concerning

13 loan applications for loan recipients other than units of

14 local government. In addition to all of the elements required

15 for units of local government under subsection (a), the

16 regulations shall include, but need not be limited to, the

17 following elements:

- 18 (1) types of security required for the loan;
- 19 (2) types of collateral, as necessary, that can be
- 20 pledged for the loan; and
- 21 (3) staged access to fund privately owned community
- 22 water supplies.

23 (c) Rules adopted under this Title shall also include, but

24 shall not be limited to, criteria for prioritizing the

25 issuance of loans under this Title according to applicant

26 need. Priority in making loans from the Public Water Supply

1 Loan Program must first be given to local government units and  
2 privately owned community water supplies that need to make  
3 capital improvements to protect human health and to achieve  
4 compliance with the State and federal primary drinking water  
5 standards adopted pursuant to this Act and the federal Safe  
6 Drinking Water Act, as now and hereafter amended. Rules for  
7 prioritizing loans from the Water Pollution Control Loan  
8 Program may include, but shall not be limited to, criteria  
9 designed to encourage green infrastructure, water efficiency,  
10 environmentally innovative projects, and nutrient pollution  
11 removal.

12 (d) The Agency shall have the authority to promulgate  
13 regulations to set forth procedures and criteria concerning  
14 loan applications for funds provided under the American  
15 Recovery and Reinvestment Act of 2009. In addition, due to  
16 time constraints in the American Recovery and Reinvestment Act  
17 of 2009, the Agency shall adopt emergency rules as necessary  
18 to allow the timely administration of funds provided under the  
19 American Recovery and Reinvestment Act of 2009. Emergency  
20 rules adopted under this subsection (d) shall be adopted in  
21 accordance with Section 5-45 of the Illinois Administrative  
22 Procedure Act.

23 (e) The Agency may adopt rules to create a linked deposit  
24 loan program through which loans made pursuant to paragraph  
25 (3.5) of subsection (b) of Section 19.3 may be made through  
26 private lenders. Rules adopted under this subsection (e) shall

1 include, but shall not be limited to, provisions requiring  
2 private lenders, prior to disbursing loan proceeds through the  
3 linked deposit loan program, to verify that the loan  
4 recipients have been approved by the Agency for financing  
5 under paragraph (3.5) of subsection (b) of Section 19.3.

6 (f) Within one year after the effective date of this  
7 amendatory Act of the 104th General Assembly, the Agency shall  
8 adopt amendments to its procedural rules governing the  
9 issuance of public water supply program loans for the  
10 replacement of lead service lines.

11 (1) The amendments adopted by the Agency under this  
12 subsection (f) shall revise the loan priority scoring  
13 criteria set forth in 35 Ill. Adm. Code 663.345(m) for  
14 houses built before 1990 to provide that a maximum of 90  
15 points (rather than 45 points) may be awarded based on the  
16 percentile rank of the number of housing units built  
17 before 1990 among all census tracts within this State and  
18 to provide specifically that the following points shall be  
19 awarded based on the percentile rank of the number of  
20 housing units built before 1990 within the applicant's  
21 project area among all census tracts within this State:

22 (A) 90 points if the project area ranks above the  
23 90th percentile;

24 (B) 80 points if the project area ranks above the  
25 80th percentile but at or below the 90th percentile;

26 (C) 70 points if the project area ranks above the

1 70th percentile but at or below the 80th percentile;

2 (D) 60 points if the project area ranks above the  
3 60th percentile but at or below the 70th percentile;

4 (E) 50 points if the project area ranks above the  
5 50th percentile but at or below the 60th percentile;

6 (F) 40 points if the project area ranks above the  
7 40th percentile but at or below the 50th percentile;

8 (G) 30 points if the project area ranks above the  
9 30th percentile but at or below the 40th percentile;

10 (H) 20 points if the project area ranks above the  
11 20th percentile but at or below the 30th percentile;

12 (I) 10 points if the project area ranks above the  
13 10th percentile but at or below the 20th percentile;

14 and

15 (J) 0 points if the project area ranks at or below  
16 the 10th percentile.

17 (2) The amendments adopted by the Agency under this  
18 subsection (f) shall also revise the loan priority scoring  
19 criteria set forth in 35 Ill. Adm. Code 663.345(n)  
20 concerning lead service line burden to provide that a  
21 maximum of 90 points may be awarded based on the total  
22 number of lead service lines as a percentage of all water  
23 service lines as reported in the material inventory:

24 (A) 90 points if lead service lines comprise 75%  
25 to 100% of the material inventory;

26 (B) 60 points if lead service lines comprise 50%

1           to 74.99% of the material inventory;  
2           (C) 30 points if lead service lines comprise 25%  
3           to 49.99% of the material inventory; and  
4           (D) 0 points if lead service lines comprise 0% to  
5           24.99% of the material inventory.  
6           (3) As soon as practical after the effective date of  
7           the rules adopted under this subsection, the Agency shall  
8           rescore and rerank all pending applications for financial  
9           assistance under Part 663.

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