



104TH GENERAL ASSEMBLY

State of Illinois

2025 and 2026

HB5565

Introduced 2/13/2026, by Rep. Regan Deering

SYNOPSIS AS INTRODUCED:

20 ILCS 605/605-1119 new

30 ILCS 105/5.1038 new

30 ILCS 425/4

from Ch. 127, par. 2804

Amends the Department of Commerce and Economic Opportunity Law of the Civil Administrative Code of Illinois. Creates the Small Communities Health and Safety Grant Program. Provides that the Department of Commerce and Economic Opportunity shall use funds deposited into the Small Communities Health and Safety Competitive Grant Fund to create and administer a statewide, competitive grant for municipalities and units of local government with populations under 50,000 to make capital and infrastructure improvements that promote and support the health and safety of residents of those municipalities and to pay for the ordinary and contingent expenses of the program. Provides that the Department shall receive and consider applications from eligible municipalities and units of local government for grants. Amends the State Finance Act. Creates the Small Communities Health and Safety Competitive Grant Fund as a special fund in the State Treasury. Amends the Build Illinois Bond Act. Provides that, beginning in fiscal year 2027, in each fiscal year, the State Comptroller shall order transferred and the State Treasurer shall transfer from the Build Illinois Bond Fund to the Small Communities Health and Safety Competitive Grant Fund a portion of the amount set aside for capital improvements not to exceed \$70,000,000.

LRB104 18534 HLH 31977 b

1 AN ACT concerning finance.

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

4 Section 5. The Department of Commerce and Economic
5 Opportunity Law of the Civil Administrative Code of Illinois
6 is amended by adding Section 605-1119 as follows:

7 (20 ILCS 605/605-1119 new)

8 Sec. 605-1119. Small Communities Health and Safety
9 Competitive Grant Program.

10 (a) The Small Communities Health and Safety Competitive
11 Grant Program is established as a program to be implemented
12 and administered by the Department. The program shall provide
13 grants for the purpose of facilitating upgrades to capital and
14 infrastructure in order to support the health and safety of
15 citizens of this State who reside in communities of fewer than
16 50,000 inhabitants, as determined in the most recent federal
17 decennial census.

18 (b) The Program shall be funded by the Small Communities
19 Health and Safety Competitive Grant Fund, a special fund
20 created in the State treasury. The Small Communities Health
21 and Safety Competitive Grant Fund shall receive moneys as
22 provided in Section 4 of the Build Illinois Bond Act and from
23 any other lawful source. Moneys in the Small Communities

1 Health and Safety Competitive Grant Fund may be used by the
2 Department for the following purposes:

3 (1) to create and administer a statewide, competitive
4 grant program to assist units of local government with
5 populations of less than 50,000, as of the most
6 recently-reported United States decennial census, in
7 making capital and infrastructure improvements that
8 promote and support the health and safety of residents of
9 those units of local government; and

10 (2) paying for the ordinary and contingent expenses of
11 the program, including:

12 (A) outreach to eligible units of local
13 government;

14 (B) administration of the program; and

15 (C) receipt and consideration of applications for
16 grants.

17 (c) The Department shall receive and consider applications
18 from eligible units of local government. Applications shall be
19 scored on a 100-point scale based on the following criteria:

20 (1) the size of affected population, with smaller
21 units of local governments favored over larger ones (35
22 points);

23 (2) the urgency of need demonstrated by the applicant
24 (25 points);

25 (3) the existing capacity of infrastructure already on
26 hand within the jurisdiction of the applicant (15 points);

1 (4) the scope of work to be undertaken by the
2 applicant (15 points); and

3 (5) the availability of matching funds to be furnished
4 by the applicant (10 points).

5 (e) No unit of local government may receive more than one
6 grant from this program annually for any single project.

7 (f) No single grant awarded under this Section shall be
8 larger than \$3,000,000 unless excess funds exist in the Fund,
9 in which case existing grants may be increased by a proration
10 of the excess amount.

11 (g) No more than 5% of appropriations for this purpose may
12 be spent on administration of the program.

13 (h) The Department shall adopt rules to implement and
14 administer the program created by this Section.

15 Section 10. The State Finance Act is amended by adding
16 Sections 5.1038 and 6z-149 as follows:

17 (30 ILCS 105/5.1038 new)

18 Sec. 5.1038. The Small Communities Health and Safety
19 Competitive Grant Fund.

20 Section 15. The Build Illinois Bond Act is amended by
21 changing Section 4 as follows:

22 (30 ILCS 425/4) (from Ch. 127, par. 2804)

1 Sec. 4. Purposes of Bonds. Bonds shall be issued for the
2 following purposes and in the approximate amounts as set forth
3 below:

4 (a) \$4,873,094,533 for the expenses of issuance and sale
5 of Bonds, including bond discounts, and for planning,
6 engineering, acquisition, construction, reconstruction,
7 development, improvement, demolition, and extension of the
8 public infrastructure in the State of Illinois, including: the
9 making of loans or grants to local governments for waste
10 disposal systems, water and sewer line extensions and water
11 distribution and purification facilities, rail or air or water
12 port improvements, gas and electric utility extensions,
13 publicly owned industrial and commercial sites, buildings used
14 for public administration purposes and other public
15 infrastructure capital improvements; the making of loans or
16 grants to units of local government for financing and
17 construction of wastewater facilities, including grants to
18 serve unincorporated areas; refinancing or retiring bonds
19 issued between January 1, 1987 and January 1, 1990 by home rule
20 municipalities, debt service on which is provided from a tax
21 imposed by home rule municipalities prior to January 1, 1990
22 on the sale of food and drugs pursuant to Section 8-11-1 of the
23 Home Rule Municipal Retailers' Occupation Tax Act or Section
24 8-11-5 of the Home Rule Municipal Service Occupation Tax Act;
25 the making of deposits not to exceed \$70,000,000 in the
26 aggregate into the Water Pollution Control Revolving Fund to

1 provide assistance in accordance with the provisions of Title
2 IV-A of the Environmental Protection Act; the planning,
3 engineering, acquisition, construction, reconstruction,
4 alteration, expansion, extension and improvement of highways,
5 bridges, structures separating highways and railroads, rest
6 areas, interchanges, access roads to and from any State or
7 local highway and other transportation improvement projects
8 which are related to economic development activities; the
9 making of loans or grants for planning, engineering,
10 rehabilitation, improvement or construction of rail and
11 transit facilities; the planning, engineering, acquisition,
12 construction, reconstruction and improvement of watershed,
13 drainage, flood control, recreation and related improvements
14 and facilities, including expenses related to land and
15 easement acquisition, relocation, control structures, channel
16 work and clearing and appurtenant work; the planning,
17 engineering, acquisition, construction, reconstruction and
18 improvement of State facilities and related infrastructure;
19 the making of Park and Recreational Facilities Construction
20 (PARC) grants; the making of grants to units of local
21 government for community development capital projects; the
22 making of grants for improvement and development of zoos and
23 park district field houses and related structures; and the
24 making of grants for improvement and development of Navy Pier
25 and related structures; notwithstanding any other provision of
26 law, beginning in fiscal year 2027, and in each fiscal year

1 thereafter, the State Comptroller shall order transferred and
2 the State Treasurer shall transfer from the Build Illinois
3 Bond Fund to the Small Communities Health and Safety
4 Competitive Grant Fund a portion of the amount specified in
5 this subsection (a) not to exceed \$70,000,000.

6 (b) \$4,101,136,967 for fostering economic development and
7 increased employment and fostering the well being of the
8 citizens of Illinois through community development, including:
9 the making of grants for improvement and development of
10 McCormick Place and related structures; the planning and
11 construction of a microelectronics research center, including
12 the planning, engineering, construction, improvement,
13 renovation and acquisition of buildings, equipment and related
14 utility support systems; the making of loans to businesses and
15 investments in small businesses; acquiring real properties for
16 industrial or commercial site development; acquiring,
17 rehabilitating and reconveying industrial and commercial
18 properties for the purpose of expanding employment and
19 encouraging private and other public sector investment in the
20 economy of Illinois; the payment of expenses associated with
21 siting the Superconducting Super Collider Particle Accelerator
22 in Illinois and with its acquisition, construction,
23 maintenance, operation, promotion and support; the making of
24 loans for the planning, engineering, acquisition,
25 construction, improvement and conversion of facilities and
26 equipment which will foster the use of Illinois coal; the

1 payment of expenses associated with the promotion,
2 establishment, acquisition and operation of small business
3 incubator facilities and agribusiness research facilities,
4 including the lease, purchase, renovation, planning,
5 engineering, construction and maintenance of buildings,
6 utility support systems and equipment designated for such
7 purposes and the establishment and maintenance of centralized
8 support services within such facilities; the making of grants
9 for transportation electrification infrastructure projects
10 that promote use of clean and renewable energy; the making of
11 capital expenditures and grants for broadband development and
12 for a statewide broadband deployment grant program; the making
13 of grants to public entities and private persons and entities
14 for community development capital projects; the making of
15 grants to public entities and private persons and entities for
16 capital projects in the context of grant programs focused on
17 assisting economically depressed areas, expanding affordable
18 housing, supporting the provision of human services,
19 supporting emerging technology enterprises, fostering the
20 advancement of quantum information science and technology, and
21 supporting minority owned businesses; and the making of grants
22 or loans to units of local government for Urban Development
23 Action Grant and Housing Partnership programs.

24 (c) \$2,846,776,600 for the development and improvement of
25 educational, scientific, technical and vocational programs and
26 facilities and the expansion of health and human services for

1 all citizens of Illinois, including: the making of grants to
2 school districts and not-for-profit organizations for early
3 childhood construction projects pursuant to Section 5-300 of
4 the School Construction Law; the making of grants to
5 educational institutions for educational, scientific,
6 technical and vocational program equipment and facilities; the
7 making of grants to museums for equipment and facilities; the
8 making of construction and improvement grants and loans to
9 public libraries and library systems; the making of grants and
10 loans for planning, engineering, acquisition and construction
11 of a new State central library in Springfield; the planning,
12 engineering, acquisition and construction of an animal and
13 dairy sciences facility; the planning, engineering,
14 acquisition and construction of a campus and all related
15 buildings, facilities, equipment and materials for Richland
16 Community College; the acquisition, rehabilitation and
17 installation of equipment and materials for scientific and
18 historical surveys; the making of grants or loans for
19 distribution to eligible vocational education instructional
20 programs for the upgrading of vocational education programs,
21 school shops and laboratories, including the acquisition,
22 rehabilitation and installation of technical equipment and
23 materials; the making of grants or loans for distribution to
24 eligible local educational agencies for the upgrading of math
25 and science instructional programs, including the acquisition
26 of instructional equipment and materials; miscellaneous

1 capital improvements for universities and community colleges
2 including the planning, engineering, construction,
3 reconstruction, remodeling, improvement, repair and
4 installation of capital facilities and costs of planning,
5 supplies, equipment, materials, services, and all other
6 required expenses; the making of grants or loans for repair,
7 renovation and miscellaneous capital improvements for
8 privately operated colleges and universities and community
9 colleges, including the planning, engineering, acquisition,
10 construction, reconstruction, remodeling, improvement, repair
11 and installation of capital facilities and costs of planning,
12 supplies, equipment, materials, services, and all other
13 required expenses; and the making of grants or loans for
14 distribution to local governments for hospital and other
15 health care facilities including the planning, engineering,
16 acquisition, construction, reconstruction, remodeling,
17 improvement, repair and installation of capital facilities and
18 costs of planning, supplies, equipment, materials, services
19 and all other required expenses.

20 (d) \$277,873,000 for protection, preservation, restoration
21 and conservation of environmental and natural resources,
22 including: the making of grants to soil and water conservation
23 districts for the planning and implementation of conservation
24 practices and for funding contracts with the Soil Conservation
25 Service for watershed planning; the making of grants to units
26 of local government for the capital development and

1 improvement of recreation areas, including planning and
2 engineering costs, sewer projects, including planning and
3 engineering costs and water projects, including planning and
4 engineering costs, and for the acquisition of open space
5 lands, including the acquisition of easements and other
6 property interests of less than fee simple ownership; the
7 making of grants to units of local government through the
8 Illinois Green Infrastructure Grant Program to protect water
9 quality and mitigate flooding; the acquisition and related
10 costs and development and management of natural heritage
11 lands, including natural areas and areas providing habitat for
12 endangered species and nongame wildlife, and buffer area
13 lands; the acquisition and related costs and development and
14 management of habitat lands, including forest, wildlife
15 habitat and wetlands; and the removal and disposition of
16 hazardous substances, including the cost of project
17 management, equipment, laboratory analysis, and contractual
18 services necessary for preventative and corrective actions
19 related to the preservation, restoration and conservation of
20 the environment, including deposits not to exceed \$60,000,000
21 in the aggregate into the Hazardous Waste Fund and the
22 Brownfields Redevelopment Fund for improvements in accordance
23 with the provisions of Titles V and XVII of the Environmental
24 Protection Act.

25 (e) The amount specified in paragraph (a) above shall
26 include an amount necessary to pay reasonable expenses of each

1 issuance and sale of the Bonds, as specified in the related
2 Bond Sale Order (hereinafter defined).

3 (f) Any unexpended proceeds from any sale of Bonds which
4 are held in the Build Illinois Bond Fund may be used to redeem,
5 purchase, advance refund, or defease any Bonds outstanding.

6 (Source: P.A. 103-7, eff. 7-1-23; 103-591, eff. 7-1-24; 104-8,
7 eff. 1-1-26.)