

SB3825



104TH GENERAL ASSEMBLY

State of Illinois

2025 and 2026

SB3825

Introduced 2/6/2026, by Sen. Ram Villivalam

SYNOPSIS AS INTRODUCED:

New Act

Creates the Lead Service Line Replacement Bonding Act. Authorizes the Illinois Environmental Protection Agency to issue up to \$2,000,000,000 in bonds to provide funding for the Lead Service Line Replacement Loans Program. Defines key terms. Provides that bond proceeds may be used for loans to replace lead service lines, principal forgiveness or negative interest loans for disadvantaged communities, costs of issuance and administration, and refinancing or refunding of similar obligations.

LRB104 20310 BDA 33761 b

A BILL FOR

1 AN ACT concerning State government.

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

4 Section 1. Short title. This Act may be cited as the Lead
5 Service Line Replacement Bonding Act.

6 Section 5. Findings; purpose. The General Assembly finds
7 that:

8 (1) Lead service lines pose a serious risk to public
9 health, particularly to children and pregnant persons.

10 (2) Replacing lead service lines is a critical
11 infrastructure investment necessary to ensure safe
12 drinking water throughout the State.

13 (3) The Illinois Environmental Protection Agency
14 administers loan programs that assist public water
15 supplies and local governments with drinking water
16 infrastructure improvements.

17 (4) Authorizing the issuance of State bonds to
18 capitalize the Lead Service Line Replacement Loans Program
19 will accelerate the removal of lead service lines and
20 leverage federal and local funds.

21 It is therefore the purpose of this Act to authorize the
22 Illinois Environmental Protection Agency to issue bonds to
23 finance loans for the replacement of lead service lines

1 throughout Illinois.

2 Section 10. Definitions. As used in this Act:

3 "Agency" means the Illinois Environmental Protection
4 Agency.

5 "Bond" or "bonds" means bonds, notes, or other evidences
6 of indebtedness issued by the Agency pursuant to this Act.

7 "Lead service line" has the meaning ascribed to that term
8 in Section 17.12 of the Environmental Protection Act.

9 "Lead Service Line Replacement Loans Program" or "LSLR
10 Program" means the loan program administered by the Agency to
11 provide financial assistance for the full replacement of lead
12 service lines, including both publicly and privately owned
13 portions.

14 Section 15. Authority to issue bonds.

15 (a) The Agency is authorized to issue bonds, in one or more
16 series, in an aggregate principal amount not to exceed
17 \$2,000,000,000, for the purpose of providing funding for the
18 Lead Service Line Replacement Loans Program.

19 (b) Bonds issued under this Act may be used to:

20 (1) provide low-interest or zero-interest loans for
21 lead service line replacement projects;

22 (2) provide principal forgiveness or negative interest
23 loans to disadvantaged communities to the extent permitted
24 by law;

1 (3) pay costs of issuance, administration, and credit
2 enhancement related to the bonds; and

3 (4) refinance or refund outstanding obligations issued
4 for similar purposes, if determined to be in the best
5 interest of the State.