**Section 363.207 State Owned Facilities**

a) Bond Act grants for that portion of the local share of eligible project costs attributable to State owned facilities shall not be awarded unless the following conditions are met:

1) The grant is in conjunction with and in addition to a Title II grant or a Bond Act grant under Subpart C, D or E awarded to an eligible unit of local government;

2) The proposed treatment works project must provide service to residential, industrial and commercial users within the boundaries of the unit of local government in addition to providing service to the State owned facility;

3) The proposed sewage treatment works must be owned and operated by a unit of local government and must be located on property that is also owned by the unit of local government;

4) Grants to the applicant for a share of the local cost attributable to the State owned facility must be awarded to the unit of local government at the time that the Step 3 grant is awarded and prior to initiation of construction of the sewage treatment works;

5) The grant for the share of the local cost attributable to the State owned facility shall not be awarded unless the Agency has approved a cost effective analysis of the treatment works configuration in facility planning; and

6) The grant for the share of the local cost attributable to the State owned facility shall not exceed 100% of the State share of eligible project costs, as determined by a signed written service agreement between the applicant and the State agency that operates the State owned facility that is to be served by the treatment works.

b) No grant under this Section may be made if the State owned facility is eligible and has been approved by the Capital Development Board for securing its share of the local funding under the Capital Development Bond Act of 1972 [30 ILCS 420] or any other bonding program of the State of Illinois.

(Source: Amended at 41 Ill. Reg. 13225, effective October 20, 2017)