

HB5252



95TH GENERAL ASSEMBLY

State of Illinois

2007 and 2008

HB5252

by Rep. Elaine Nekritz

SYNOPSIS AS INTRODUCED:

20 ILCS 2705/2705-435

was 20 ILCS 2705/49.25g-1

Amends the Department of Transportation Law of the Civil Administrative Code of Illinois. Authorizes and directs the Department, subject to appropriation, to provide financial assistance to aid in the completion of the CREATE rail infrastructure improvement program in the Chicago area.

LRB095 16427 JAM 42452 b

FISCAL NOTE ACT
MAY APPLY

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 5. The Department of Transportation Law of the
5 Civil Administrative Code of Illinois is amended by changing
6 Section 2705-435 as follows:

7 (20 ILCS 2705/2705-435) (was 20 ILCS 2705/49.25g-1)

8 Sec. 2705-435. Loans, grants, or contracts to
9 rehabilitate, improve, or construct rail facilities; State
10 Rail Freight Loan Repayment Fund. In addition to the powers
11 under Section 105-430, the Department shall have the power to
12 enter into agreements to loan or grant State funds to any
13 railroad, unit of local government, rail user, or owner or
14 lessee of a railroad right of way to rehabilitate, improve, or
15 construct rail facilities.

16 For each project proposed for funding under this Section
17 the Department shall, to the extent possible, give preference
18 to cost effective projects that facilitate continuation of
19 existing rail freight service. In the exercise of its powers
20 under this Section, the Department shall coordinate its program
21 with the industrial retention and attraction programs of the
22 Department of Commerce and Economic Opportunity. No funds
23 provided under this Section shall be expended for the

1 acquisition of a right of way or for operating subsidies. The
2 costs of a project funded under this Section shall be
3 apportioned in accordance with the agreement of the parties for
4 the project. Projects are eligible for a loan or grant under
5 this Section only when the Department determines that the
6 transportation, economic, and public benefits associated with
7 a project are greater than the capital costs of that project
8 incurred by all parties to the agreement and that the project
9 would not have occurred without its participation. In addition,
10 a project to be eligible for assistance under this Section must
11 be included in a State plan for rail transportation and local
12 rail service prepared by the Department. The Department may
13 also expend State funds for professional engineering services
14 to conduct feasibility studies of projects proposed for funding
15 under this Section, to estimate the costs and material
16 requirements for those projects, to provide for the design of
17 those projects, including plans and specifications, and to
18 conduct investigations to ensure compliance with the project
19 agreements.

20 The Department is specifically authorized and directed to
21 provide financial assistance to aid in the completion of the
22 CREATE rail infrastructure improvement program in the Chicago
23 area, subject to appropriation by the General Assembly.

24 The Department, acting through the Department of Central
25 Management Services, shall also have the power to let contracts
26 for the purchase of railroad materials and supplies. The

1 Department shall also have the power to let contracts for the
2 rehabilitation, improvement, or construction of rail
3 facilities. Any such contract shall be let, after due public
4 advertisement, to the lowest responsible bidder or bidders,
5 upon terms and conditions to be fixed by the Department. With
6 regard to rehabilitation, improvement, or construction
7 contracts, the Department shall also require the successful
8 bidder or bidders to furnish good and sufficient bonds to
9 ensure proper and prompt completion of the work in accordance
10 with the provisions of the contracts.

11 In the case of an agreement under which State funds are
12 loaned under this Section, the agreement shall provide the
13 terms and conditions of repayment. The agreement shall provide
14 for the security that the Department shall determine to protect
15 the State's interest. The funds may be loaned with or without
16 interest. Loaned funds that are repaid to the Department shall
17 be deposited in a special fund in the State treasury to be
18 known as the State Rail Freight Loan Repayment Fund. In the
19 case of repaid funds deposited in the State Rail Freight Loan
20 Repayment Fund, the Department shall, subject to
21 appropriation, have the reuse of those funds and the interest
22 accrued thereon, which shall also be deposited by the State
23 Treasurer in the Fund, as the State share in other eligible
24 projects under this Section. However, no expenditures from the
25 State Rail Freight Loan Repayment Fund for those projects shall
26 at any time exceed the total sum of funds repaid and deposited

1 in the State Rail Freight Loan Repayment Fund and interest
2 earned by investment by the State Treasurer which the State
3 Treasurer shall have deposited in that Fund.

4 For the purposes of promoting efficient rail freight
5 service, the Department may also provide technical assistance
6 to railroads, units of local government or rail users, or
7 owners or lessees of railroad rights-of-way.

8 The Department shall take whatever actions are necessary or
9 appropriate to protect the State's interest in the event of
10 bankruptcy, default, foreclosure, or noncompliance with the
11 terms and conditions of financial assistance or participation
12 provided hereunder, including the power to sell, dispose,
13 lease, or rent, upon terms and conditions determined by the
14 Secretary to be appropriate, real or personal property that the
15 Department may receive as a result thereof.

16 The Department is authorized to make reasonable rules and
17 regulations consistent with law necessary to carry out the
18 provisions of this Section.

19 (Source: P.A. 94-793, eff. 5-19-06; 94-807, eff. 5-26-06.)