

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 adding  
6 Section 2705-605 as follows:

7 (20 ILCS 2705/2705-605 new)

8 Sec. 2705-605. Disadvantaged business revolving loan  
9 program.

10 (a) For the purposes of this Section:

11 "Contractor" means one who participates, through a  
12 contract or subcontract at any tier, in a United States  
13 Department of Transportation-assisted highway, transit, or  
14 airport program.

15 "Escrow account" means a fiduciary account established  
16 with (i) a banking corporation which is both organized  
17 under the Illinois Banking Act and authorized to accept and  
18 administer trusts in this State; (ii) a national banking  
19 association which has its principal place of business in  
20 this State and which is authorized to accept and administer  
21 trusts in this State; or (ii) an Illinois State agency.

22 "Fund Control Agent" means a person who holds the  
23 authority to manage a loan under this Section.

1       (b) The Department has the power to enter into agreements  
2 to make low-interest loans to minority-owned businesses,  
3 female-owned businesses, and disadvantaged business  
4 enterprises certified by the Department for participation on  
5 Department-procured construction and construction-related  
6 contracts. For purposes of this Section, the terms  
7 "minority-owned business" and "female-owned business" have the  
8 meanings ascribed to them by Section 2 of the Business  
9 Enterprise for Minorities, Females, and Persons with  
10 Disabilities Act. For purposes of this Section, the term  
11 "disadvantaged business enterprise" has the meaning ascribed  
12 to it by 49 CFR Part 26.

13       (c) Loan funds shall be disbursed to the escrow account,  
14 subject to appropriation, from the Working Capital Revolving  
15 Loan Fund established as a special fund in the State treasury.  
16 Loaned funds that are repaid to the Department shall be  
17 deposited into the Working Capital Revolving Loan Fund. Other  
18 appropriations, grants, awards, and donations to the  
19 Department for the purpose of the revolving loan program  
20 established by this Section shall be deposited into the Working  
21 Capital Revolving Loan Fund.

22       (d) A funds control process will be established to serve as  
23 an intermediary between the Department and the contractor to  
24 verify payments and to ensure paperwork is properly filed. The  
25 Fund Control Agent and contractor shall enter into an agreement  
26 regarding the control and disbursement of all payments to be

1 made by the Fund Control Agent under the contract. The  
2 Department will authorize and direct the Fund Control Agent to  
3 review all disbursement requests and supporting documents  
4 received from the contractor. The Fund Control Agent will  
5 direct the escrow account to disburse escrow funds to the  
6 subcontractor, material supplier, and other appropriate  
7 entities by written request for the disbursement.

8 (e) Loan assistance funds shall be allowed for current  
9 liabilities or working capital expenses associated with  
10 participation in the performance of contracts procured by the  
11 Department for transportation construction and  
12 construction-related purposes. Loan funds shall not be used for  
13 (1) refinancing or payment of existing long-term debt; (2)  
14 payment of non-current taxes; (3) payments, advances, or loans  
15 to stockholders, officers, directors, partners, or member  
16 owners of limited liability companies; or (4) the purchase or  
17 lease of non-construction motor vehicles or equipment. The loan  
18 agreement shall provide for the terms and conditions of  
19 repayment which shall not extend repayment longer than one year  
20 after completion and acceptance of the work authorized for loan  
21 assistance under the program. The funds may be loaned with or  
22 without interest.

23 (f) The Department shall establish through administrative  
24 rules the requirements for eligibility and criteria for loan  
25 applications, approved use of funds, amount of loans, interest  
26 rates, collateral, and terms. The Department is authorized to

1 adopt rules to implement this Section.

2 (g) Nothing in this Section is intended nor shall be  
3 construed to vest applicants denied funds by the Department in  
4 accordance with this Section a right to challenge, protest, or  
5 contest the awarding of funds by the Department to successful  
6 applicants or any loan or agreement executed in connection  
7 therewith.

8 (h) Investment income which is attributable to the  
9 investment of moneys in the Working Capital Revolving Loan Fund  
10 shall be retained in the Working Capital Revolving Loan Fund.

11 (i) By January 1, 2014 and by January 1 of each succeeding  
12 year, the Department shall report to the Governor and the  
13 General Assembly on the utilization and status of the revolving  
14 loan program. The report shall, at a minimum, include the  
15 amount transferred from the Road Fund to the Working Capital  
16 Revolving Loan Fund, the number and size of approved loans, the  
17 amounts disbursed to and from the escrow account, the amounts,  
18 if any, repaid to the Working Capital Revolving Loan Fund, the  
19 interest and fees paid by loan recipients, and the interest  
20 earned on balances in the Working Capital Revolving Loan Fund.

21 (j) The Department's authority to execute additional loans  
22 or request transfers to the Working Capital Revolving Loan Fund  
23 expires on June 1, 2022. The Comptroller shall order  
24 transferred and the Treasurer shall transfer any available  
25 balance remaining in the Working Capital Revolving Loan Fund to  
26 the Road Fund on January 1, 2023, or as soon thereafter as may

1 be practical. Any loan repayments, interest, or fees that are  
2 by the terms of a loan agreement payable to the Working Capital  
3 Revolving Loan Fund after June 20, 2022 shall instead be paid  
4 into the Road Fund as the successor fund to the Working Capital  
5 Loan repayment Fund.

6 Section 10. The State Finance Act is amended by adding  
7 Sections 5.811 and 8r as follows:

8 (30 ILCS 105/5.811 new)

9 Sec. 5.811. The Working Capital Revolving Loan Fund.

10 (30 ILCS 105/8r new)

11 Sec. 8r. Transfer to the Working Capital Revolving Loan  
12 Fund.

13 (a) Except as provided in subsection (b), upon the written  
14 request of the Secretary of Transportation, the State  
15 Comptroller shall order and the State Treasurer shall transfer  
16 amounts not to exceed \$3,000,000 in aggregate during a fiscal  
17 year, for a period of 10 years, from the Road Fund to the  
18 Working Capital Revolving Loan Fund at such times as requested  
19 by the Secretary of Transportation or as soon thereafter as may  
20 be practical.

21 (b) No transfer may be requested or ordered if the  
22 available balance in the Working Capital Revolving Loan Fund is  
23 equal to or greater than \$6,000,000.

1           Section 99. Effective date. This Act takes effect upon  
2 becoming law.