

1 AN ACT concerning loans to local governments.

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

4 Section 5. The State Treasurer Act is amended by adding
5 Section 21 as follows:

6 (15 ILCS 505/21 new)

7 Sec. 21. Road grader revolving loan program. The State
8 Treasurer is the administrator of a road grader revolving
9 loan program. The purpose is to provide loans to units of
10 local government for the purchase of road graders that are
11 manufactured in the United States of America. For purposes of
12 this Section, "unit of local government" means a county,
13 township, or municipality. "Road grader" includes any
14 machinery with a purchase price of \$100,000 or more that is
15 used for the construction or maintenance of roads. The
16 Treasurer shall determine eligibility for the loans based on
17 need, as determined by the Treasurer. The Treasurer must
18 give priority in making loans to units of local government
19 without a road grader or with the oldest road grader.

20 The loan funds, subject to appropriation, shall be paid
21 out of the Road Grader Revolving Loan Fund, a special fund in
22 the State treasury. The Fund shall consist of any moneys
23 transferred into or appropriated to the Fund as well as all
24 repayments of loans made under this Section. The Fund shall
25 be used for loans to units of local government to purchase
26 road graders and for no other purpose. All interest earned on
27 moneys in the Fund shall be deposited into the Fund.

28 The annual rate of interest on the loan is 3%.

29 The aggregate outstanding principal balance of loans to
30 any one unit of local government for the purchase of road
31 graders may not exceed \$350,000. The repayment period for the

1 loan may not exceed 15 years. The unit of local government
2 shall repay each year at least 5% of the principal amount
3 borrowed or the remaining balance of the loan, whichever is
4 less. All repayments of loans, including any interest, shall
5 be deposited into the Road Grader Revolving Loan Fund.

6 The Treasurer must adopt rules to administer the program.

7 Section 10. The State Finance Act is amended by adding
8 Section 5.570 as follows:

9 (30 ILCS 105/5.570 new)

10 Sec. 5.570. The Road Grader Revolving Loan Fund.