

Elaine Spencer, Editor
jcar@ilga.gov

Joint Committee on Administrative Rules
Illinois General Assembly

700 Stratton Bldg. Springfield IL 62706
217/785-2254 ilga.gov/commission/jcar

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Issue 2

Illinois Regulation is a summary of the weekly regulatory decisions of State agencies published in the Illinois Register and action taken by the Illinois General Assembly's Joint Committee on Administrative Rules. Illinois Regulation, also titled The Flinn Report in memory of founding JCAR member Rep. Monroe Flinn, is designed to inform and involve the public in changes taking place in agency administration.

New Rules

■ BUSINESS FUNDING

The SECRETARY OF STATE adopted amendments to Regulations Under Illinois Securities Law of 1953 (14 IAC 130; 40 Ill Reg 441 and 4835), effective 12/28/16, combining two separately proposed rulemakings. The amendments implement recent statutory changes that allow investment in a new or existing business via crowdfunding (collecting funds on the internet). The rulemaking requires crowdfunded businesses that sell shares or stocks to file notice with SOS at least 15 days before their first sale of securities, to provide this notice to investors, and to post the notice on the business' dedicated internet portal. These notices must be updated annually. Notice must also be provided if the business terminates its offering of securities; a filing fee of \$100 is

required for this notice. The amendments also establish registration requirements for crowdfunding Internet portals (online sites through which any interested person may invest in a new or expanding business) and set a \$300 filing fee. Additionally, Internet portals must keep records for 5 years, provide communications channels and provide notice of investment commitment. Other provisions address escrow agreements, required disclosures, the maximum and minimum number or amount of securities to be sold, the right of an investor to cancel, return of funds if an offering is not completed, qualification of investors, and factors that disqualify businesses from participating in the crowdfunding process. Businesses engaged in crowdfunding are affected by this rulemaking.

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Proposed Rulemakings

■ INSURANCE

The DEPARTMENT OF INSURANCE proposed amendments to Acquisition of Control of a Domestic Company (50 IAC 651; 41 Ill Reg 16499), Accident and Health Reserves (50 IAC 2004; 41 Ill Reg 16504), and Personal Information Privacy Protection (50 IAC 4002; 41 Ill Reg 16509), implementing changes in the National Association of Insurance Commissioners (NAIC) Model Law Number 440, adopted in 2010. Amendments to Part 651, in addition to defining commonly used terms (e.g., Code (referring to the Insurance Code), Department and Director) and making technical amendments, add a severability Section providing that the remainder of the Part is not affected if a provision of this Part is held

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NEW RULES: Rules adopted by agencies this week. **EMERGENCY RULES:** Adopted for a temporary period not to exceed 150 days.

PROPOSED RULES: Rules proposed by agencies this week, commencing a 45-day First Notice period during which public comments must be accepted.

PEREMPTORY RULES: Rules adopted without prior public notice or JCAR review as authorized by 5 ILCS 100/5-50.

■ Designates rules of special interest to small businesses, small municipalities, and not-for-profit corporations. Agencies are required to consider comments from these groups and minimize the regulatory burden on them.

QUESTIONS/COMMENTS: Submit mail, email or phone calls to the agency personnel listed below each summary.

RULE TEXT: Available on the Secretary of State (www.cyberdriveillinois.com) and General Assembly (www.ilga.gov) websites under Illinois Register. Second Notice text (original version with changes made by the agency during First Notice included) is available on the JCAR website.

New Rules

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Questions/requests for copies: Tanya Solov, SOS, 69 W. Washington St., Suite 1220, Chicago IL 60602, tsolov@ilsos.net

■ FARM VEHICLES

SOS adopted an amendment to Issuance of Licenses (92 IAC 1030; 40 Ill Reg 11246) effective 12/29/16 implementing PA 99-607. The rulemaking allows farmers, or their family members who are 18 or older, to drive farm-waived non-CDL covered farm vehicles to or from a farm, provided they have completed core, combination, air brake and all three parts of the skills test for these vehicles. The vehicle must be used to transport farm products, equipment or supplies to or from a farm within Illinois, or to and from another state within 150 air miles of the farm, and may not be used in the operations of a common or contract carrier. Since 1st Notice, SOS removed the requirement that affected vehicles have Illinois farm vehicle plates.

Questions/requests for copies: Jennifer Egizii, SOS, 2701 S. Dirksen Parkway, Springfield IL 62723, 217/557-4462; email jegizii@ilsos.net

■ BAIID PROVIDERS

SOS also adopted amendments to Procedures and Standards (92 IAC 1001; 40 Ill Reg 11136) effective 12/28/16 concerning

certification of Breath Alcohol Ignition Interlock Device (BAIID) providers. (BAIIDs may be installed in vehicles belonging to certain DUI offenders as a condition of receiving a restricted driving permit.) The amendments add to the application for certification or recertification as a provider proof that the applicant is in good standing with SOS-Business Services; require images taken by the BAIID to be available to SOS via online account access; and limit field tests to 3 per model for certification. BAIID models failing 3 tests are ineligible for certification and the applicant or provider must provide another certified model. For BAIIDs installed on behalf of indigent clients, providers must submit invoices that include the names, driver's license numbers and brief description of services provided, to SOS by the 15th of the month following the end of each quarter. Failure to submit an invoice will result in nonpayment. Subsequent invoices filed to remedy underreporting of indigent clients will not be honored. Finally, the amendments delete a reference to an out of date opt out form. BAIID providers are affected by this rulemaking.

Questions/requests for copies: Brenda Glahn, SOS, 298 Howlett Bldg., Springfield IL 62756, 217/785-3094, email: bglahn@ilsos.net

RIVERBOAT GAMBLING

The ILLINOIS GAMING BOARD adopted amendments to Riverboat Gambling (86 IAC 3000; 40 Ill Reg 12538) effective 12/29/16 removing the requirement that an IGB agent process and complete all temporary and permanent ID badges issued to occupational licensees (employees) of riverboat casinos. The rulemaking also clarifies that an applicant may request a hearing upon denial or rescission of a temporary ID badge. Parties to a hearing may file exceptions to the recommendations of a hearing officer within 14 days after the recommendation is issued. Since 1st Notice, IGB removed proposed fixed size specification requirements for ID badges.

Questions/requests for copies: Agostino Lorenzini, IGB, 160 N. La Salle St., Chicago IL 60601, fax 312-814-7253.

TANF ELIGIBILITY

The DEPARTMENT OF HUMAN SERVICES adopted amendments to Temporary Assistance for Needy Families (89 IAC 112; 40 Ill Reg 14311), effective 1/1/17, implementing two Public Acts. The rulemaking increases the child support income disregard (amount not included when calculating net income eligibility) from \$50/month for all families to \$100/

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Proposed Rulemakings

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invalid. With regard to forms used to report acquisition of control of a domestic insurer, the rulemaking authorizes the Director of DOI to request further information for clarification and allows documents already filed with the Department to be incorporated by reference. Provisions in current rule regarding filing of a Notice and Summary Statement are being repealed. New provisions pertaining to financial statements and exhibits of an acquiring party are prescribed. The Part 653 rulemaking adds definitions and a severability clause, updates statutory references, and allows incorporation of required documents in reports filed with DOI. Amendments to Part 655 also implement provisions of Public Act 98-609, which altered statutory provisions governing insurance holding company systems to reflect changes made by the NAIC Model Law Number 440.

Questions/requests for copies/ comments on the 3 DOI rulemakings through 2/27/17: Susan Anders, DOI, 320 W. Washington St., Springfield IL 62767-0001, 217-558-0957, Fax: 217-524-9033.

PUBLIC INFORMATION

The ILLINOIS EDUCATIONAL LABOR RELATIONS BOARD proposed repeal of the Part titled Freedom of Information (2 IAC 2676; 41 Ill Reg 279) and proposed a new Part titled

Access to Records of the Illinois Educational Labor Relations Board (2 IAC 2676; 41 Ill Reg 289), both implementing changes to the Illinois Freedom of Information Act (FOIA). The new Part updates the types of records that can be disclosed upon FOIA requests, the type of records exempt from disclosure, and adds statutory exemptions to disclosure. It also updates the process for submission of requests (including requests for commercial purposes and for records maintained online), updates the timeline requirements for Agency responses (from 7 to 5 business days), and updates rules for determining whether a request is unduly burdensome. Other issues addressed include recurrent requesters, requests for records that require electronic retrieval, criteria and procedures for denying a request and appealing a denied FOIA request to the Public Access Counselor, and procedures for Circuit Court and Administrative Review. A fee schedule and procedures for inspection and copying, calculating fees, using outside contractors to inspect or copy records, and reducing or waiving fees are also added.

Questions/requests for copies/ comments on the 2 ELRB rulemakings through 2/27/17: Susan Willenborg, ELRB, 160 N. LaSalle, Ste. N-400, Chicago IL 60601-3103, 312/793-3170, Fax 3 1 2 / 7 9 3 - 3 3 6 9 , Susan.Willenborg@illinois.gov

STATE EMPLOYEES

The DEPARTMENT OF CENTRAL MANAGEMENT SERVICES proposed amendments to Pay Plan (80 IAC 310; 41 Ill Reg 213) adding new job titles and salary ranges recently established (corrections treatment officer, corrections treatment officer trainee, corrections treatment officer supervisor, corrections treatment senior security supervisor, retirement benefits representative, retirement benefits representative supervisor, retirement benefits representative trainee) and removing titles and salary ranges that have been abolished (physical therapy aide I, public service trainee) by the Civil Service Commission. In-hire rates effective 1/1/17 are added for temporary Department of Transportation employees appointed to non-bargaining unit positions as bridge tenders, deck hands and ferry operators.

Questions/requests for copies/ comments through 2/27/17: Jason Doggett, CMS, 503 Stratton Bldg., Springfield IL 62706, 217/524-1055, fax 217/558-4497, e-mail: CMS.PayPlan@illinois.gov

JCAR Membership Change

The Joint Committee on Administrative Rules wishes to thank former Rep. Mike Tryon (R-Crystal Lake), whose General Assembly term ended on 1/10/17, for his service as co-chairman of the Committee.

New Rules

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month for families with one child and \$200/month for families with two or more children. The rulemaking also allows any adult who has not earned a high school diploma or equivalency certificate to count participation in a HS equivalency program toward core work activity requirements. (Formerly, only parents age 19 and under could include HS classes or equivalency programs in their work requirement.)

Questions/requests for copies: Tracie Drew, DHS, 100 S. Grand Ave. East, 3rd Fl., Springfield IL 62762, 217/785-9772.

■ NATURAL GAS UTILITIES

The ILLINOIS COMMERCE COMMISSION adopted amendments to Standards of Service for Gas Utilities and Alternative Gas Suppliers (83 IAC 501; 40 Ill Reg 7246), effective 1/1/17, updating incorporations by reference to the Code of Federal Regulations, correcting cross-references within the Part, and allowing utilities to certify the accuracy of their meter testing equipment through the National Institute of Standards and Technology (NIST), the American Association of Laboratory Accreditation, or through the national measurement institutes of Canada (National Research

Council), Great Britain (National Physical Laboratory) or Germany (Physikalisch-Technische Bundesanstalt). Formerly, only NIST certification was accepted. ICC also repealed the Part titled Standards of Service for Gas Utilities (83 IAC 500; 40 Ill Reg 7217), which has now been replaced by 83 IAC 501. Natural gas suppliers are affected.

Questions/requests for copies of the 2 ICC rulemakings: Brian W. Allen, ICC, 527 East Capitol Avenue, Springfield IL 62701; 217/558-2387.

JCAR Meeting Action

At its 1/10/17 meeting, the Joint Committee on Administrative Rules took the following actions:

EXTENSIONS

JCAR and the respective agencies agreed to extend the Second Notice periods for the following rulemakings an additional 45 days. These rulemakings will be considered again at the 2/15/17 meeting.

Department of Human Services, Program Description (89 IAC 676; 40 Ill Reg 11079), Customer Rights and Responsibilities (89 IAC 677; 40 Ill Reg 11087), Service Planning and Provision (89 IAC 684; 40 Ill Reg 11093) and Provider Requirements, Type Services, and Rates of Payment (89 IAC 686; 40 Ill Reg 11101), all proposed 8/19/16

Department of Public Health, Child Health Examination Code (77 IAC 665; 40 Ill Reg 3429) and Immunization Code (Repealer) (77 IAC 695; 40 Ill Reg 3473) both proposed 3/4/16

Department of Corrections, Discipline and Grievances (20 IAC 504; 40 Ill Reg 8628) proposed 7/1/16

Illinois Gaming Board, Video Gaming (General) (11 IAC 1800; 40 Ill Reg 13299) proposed 9/23/16

POSTPONEMENT

JCAR has postponed consideration of the Department of Healthcare and Family Services rulemaking titled Child Support Services (89 IAC 160; 40 Ill Reg 5256) until the 2/15/17 meeting. This rulemaking is currently on extended Second Notice.

Second Notices

The following rulemakings were moved to Second Notice this week by the agencies listed below, commencing the JCAR review period. These rulemakings will be considered at the Committee's February 15, 2017 meeting. Other items not published in the *Illinois Register* or The Flinn Report may also be considered. Further comments concerning these rulemakings should be addressed to JCAR using the contact information on page 1.

DEPT OF HUMAN SERVICES

Developmental Disabilities Services (89 IAC 144; 40 Ill Reg 15040) proposed 11/4/16

DEPT OF CENTRAL MANAGEMENT SERVICES

Pay Plan (80 IAC 310; 40 Ill Reg 15444) proposed 11/18/16

Joint Committee on Administrative Rules

Senator Bill Brady

Representative Tom Demmer

Senator Karen McConaughay

Representative Greg Harris

Senator Don Harmon

Representative Lou Lang

Senator Tony Muñoz

Representative André Thapedi

Senator Ira Silverstein

Representative Keith Wheeler

Senator Chuck Weaver

**Vicki Thomas
Executive Director**