

**STATE OF ILLINOIS**



# **HOUSE JOURNAL**

**HOUSE OF REPRESENTATIVES**

**NINETY-FIFTH GENERAL ASSEMBLY**

**1ST LEGISLATIVE DAY**

**SEVENTEENTH SPECIAL SESSION**

**WEDNESDAY, NOVEMBER 28, 2007**

**1:35 O'CLOCK P.M.**

NO. 1

**HOUSE OF REPRESENTATIVES  
Daily Journal Index  
1st Legislative Day**

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The House met pursuant to a proclamation from the Governor to convene Special Session.

Representative Hannig in the chair.

Prayer by Doorkeeper of the House Lee A. Crawford, who is the Pastor of the Cathedral of Praise Christian Center in Springfield, IL.

Representative Nekritz led the House in the Pledge of Allegiance.

By direction of the Speaker, a roll call was taken to ascertain the attendance of Members, as follows:

114 present. (ROLL CALL 1)

By unanimous consent, Representatives Coladipietro and Lindner were excused from attendance. At the hour of 6:52 o'clock p.m., by unanimous consent, Representative Schock was excused from attendance.

### **REQUEST TO BE SHOWN ON QUORUM**

Having been absent when the Quorum Roll Call for Attendance was taken, this is to advise you that I, Representative Franks, should be recorded as present at the hour of 1:40 o'clock p.m.

Having been absent when the Quorum Roll Call for Attendance was taken, this is to advise you that I, Representative Lindner, should be recorded as present at the hour of 4:17 o'clock p.m.

### **PROCLAMATION**

**07-694**

WHEREAS, the Regional Transportation Authority (RTA) is the financial oversight and regional planning body for the three public transit operators in northeastern Illinois: the Chicago Transit Authority (CTA), Metra commuter rail, and Pace suburban bus; and

WHEREAS, the RTA is an important public asset that, according to the RTA, generates an annual economic impact of more than \$12 billion to the State of Illinois; and

WHEREAS, approximately two million riders per day use the CTA, Metra commuter rail, or Pace suburban bus; and

WHEREAS, strengthening Illinois' transit system will enhance residents' quality of life by reducing pollution as well as traffic congestion; and

WHEREAS, according to the CTA, revenues to support transit are not keeping up with increased maintenance, repair and transit costs potentially necessitating additional state funding; and

WHEREAS, the CTA asserts that without additional funding by January 20, 2008, it is prepared to raise cash fares as high as \$3.25 for rail passengers who pay cash, cut 81 bus routes, and layoff 2,400 employees; and

WHEREAS, Metra officials have warned riders to expect fares to increase up to 30 % if additional funding is not received by the State of Illinois; and

WHEREAS, according to the RTA, without additional funding, Metra will face a \$40 million deficit in 2008; and

WHEREAS, the Legislature has been unable to reach a funding solution that is acceptable to its membership;

THEREFORE, pursuant to Article IV, Section 5 (b) of the Illinois Constitution of 1970, I hereby call and convene the 95<sup>th</sup> General Assembly, in duly constituted quorums capable of conducting business, in a special session to commence on November 28, 2007, at 1:00 p.m., to consider any and all funding options for the RTA, the CTA, Metra, and Pace.

s/ROD BLAGOJEVICH  
Governor

**TEMPORARY COMMITTEE ASSIGNMENTS**

Representative Osmond replaced Representative Hassert in the Committee on Rules (B) on November 28, 2007.

**REPORTS FROM THE COMMITTEE ON RULES**

Representative Currie, Chairperson, from the Committee on Rules to which the following were referred, action taken on November 28, 2007, reported the same back with the following recommendations:

**LEGISLATIVE MEASURES ASSIGNED TO COMMITTEE:**

Mass Transit: HOUSE AMENDMENT No. 1 to SENATE BILL 307.

The committee roll call vote on the foregoing Legislative Measures is as follows:

3, Yeas; 1, Nay; 0, Answering Present.

Y Currie(D), Chairperson  
Y Hannig(D)  
Y Turner(D)

N Black(R), Republican Spokesperson  
A Hassert(R)

Representative Currie, Chairperson, from the Committee on Rules to which the following were referred, action taken on November 28, 2007, (A) reported the same back with the following recommendations:

**LEGISLATIVE MEASURES ASSIGNED TO COMMITTEE:**

Mass Transit: HOUSE AMENDMENT No. 2 to SENATE BILL 307.

The committee roll call vote on the foregoing Legislative Measures is as follows:

3, Yeas; 1, Nay; 0, Answering Present.

Y Currie(D), Chairperson  
Y Hannig(D)  
Y Turner(D)

N Black(R), Republican Spokesperson  
A Hassert(R)

Representative Currie, Chairperson, from the Committee on Rules to which the following were referred, action taken on November 28, 2007, (B) reported the same back with the following recommendations:

**LEGISLATIVE MEASURES APPROVED FOR FLOOR CONSIDERATION:**

That the Floor Amendment be reported "recommends be adopted":  
Amendment No. 3 to SENATE BILL 307.

The committee roll call vote on the foregoing Legislative Measures is as follows:

3, Yeas; 1, Nay; 0, Answering Present.

Y Currie(D), Chairperson  
 Y Hannig(D)  
 Y Turner(D)

A Black(R), Republican Spokesperson  
 N Osmond(R) (replacing Hassert)

### REPORT FROM STANDING COMMITTEES

Representative Hamos, Chairperson, from the Committee on Mass Transit to which the following were referred, action taken on November 28, 2007, reported the same back with the following recommendations:

That the Floor Amendment be reported "recommends be adopted":

Amendments numbered 1 and 2 to SENATE BILL 307.

The committee roll call vote on Amendment No. 1 to Senate Bill 307 is as follows:

12, Yeas; 6, Nays; 5, Answering Present.

Y Hamos(D), Chairperson	Y Arroyo(D), Vice-Chairperson
N Mathias(R), Republican Spokesperson	P Bassi(R)
P Bellock(R)	Y Crespo(D)
Y Dunkin(D)	P Durkin(R)
Y Feigenholtz(D)	P Fortner(R)
Y Froehlich(D)	N Hassert(R)
P Krause(R)	Y Miller(D)
Y Molaro(D)	Y Osterman(D)
N Reboletti(R)	Y Riley(D)
N Ryg(D)	Y Soto(D)
N Sullivan(R)	N Tryon(R)
Y Washington(D)	

The committee roll call vote on Amendment No. 2 to Senate Bill 307 is as follows:

12, Yeas; 4, Nays; 5, Answering Present.

Y Hamos(D), Chairperson	Y Arroyo(D), Vice-Chairperson
N Mathias(R), Republican Spokesperson	P Bassi(R)
P Bellock(R)	Y Crespo(D)
Y Dunkin(D)	P Durkin(R)
Y Feigenholtz(D)	P Fortner(R)
Y Froehlich(D)	A Hassert(R)
P Krause(R)	Y Miller(D)
Y Molaro(D)	Y Osterman(D)
N Reboletti(R)	Y Riley(D)
N Ryg(D)	Y Soto(D)
A Sullivan(R)	N Tryon(R)
Y Washington(D)	

### MOTION SUBMITTED

Representative Hannig submitted the following written motion, which was placed on the order of Motions in Writing:

#### MOTION

Pursuant to Rule 65, and having voted on the prevailing side, I move to reconsider the vote by which Senate Bill No. 307 failed in the House on November 28, 2007.

### MESSAGES FROM THE SENATE

A message from the Senate by  
 Ms. Shipley, Secretary:

Mr. Speaker -- I am directed to inform the House of Representatives that the Senate has adopted the following Senate Resolution, to-wit:

**SENATE RESOLUTION NO. 1**

RESOLVED, BY THE SENATE OF THE NINETY-FIFTH GENERAL ASSEMBLY OF THE STATE OF ILLINOIS, AT THE SEVENTEENTH SPECIAL SESSION THEREOF, that the Secretary inform the House of Representatives that a majority of the members of the Senate has assembled pursuant to the proclamation of the Governor convening a Seventeenth Special Session of the General Assembly, and are now ready for the transaction of business.

Adopted by the Senate, November 28, 2007.

Deborah Shipley, Secretary of the Senate

**CHANGE OF SPONSORSHIP**

With the consent of the affected members, Representative Osterman was removed as principal sponsor, and Representative John Bradley became the new principal sponsor of HOUSE RESOLUTION 768.

**ACTION ON MOTIONS**

Representative Currie moved for the immediate consideration and suspension of applicable House Rules for the adoption of House Resolutions 1 and 2.

A voice vote was taken on the motion.

The motion prevailed.

**RESOLUTIONS**

Representative Currie offered the following Resolutions:

**HOUSE RESOLUTION 1  
SEVENTEENTH SPECIAL SESSION**

**RESOLVED**, that the Rules of the House of Representatives of the Ninety-Fifth General Assembly be adopted as the Rules of this Seventeenth Special Session, so far as the same may be applicable, and that the Committees of the House of Representatives of the Ninety-Fifth General Assembly, including the House Journal Review Committee and their membership, shall constitute the Committees of the House during this Seventeenth Special Session.

**HOUSE RESOLUTION 2  
SEVENTEENTH SPECIAL SESSION**

**RESOLVED**, that the Clerk inform the Senate that a majority of the House of Representatives has assembled, pursuant to the proclamation of the Governor, convening a Seventeenth Special Session of the General Assembly, and are now ready for the transaction of business.

Representative Currie then moved the adoption of the resolutions.

The motion prevailed and the Resolutions were adopted.

**RECESS**

At the hour of 1:56 o'clock p.m., Representative Hannig moved that the House do now take a recess until the call of the Chair.

The motion prevailed.

At the hour of 6:51 o'clock p.m., the House resumed its session.  
Representative Hannig in the Chair.

### SENATE BILL ON SECOND READING

SENATE BILL 307. Having been recalled on May 29, 2007, and held on the order of Second Reading, the same was again taken up.

Representative Hamos offered and withdrew Amendment No. 1.

Representative Hamos offered the following amendment and moved its adoption.

AMENDMENT NO. 2. Amend Senate Bill 307 by replacing everything after the enacting clause with the following:

"Section 5. The Illinois State Auditing Act is amended by adding Section 3-2.3 as follows:

(30 ILCS 5/3-2.3 new)

Sec. 3-2.3. Report on Chicago Transit Authority.

(a) No less than 60 days prior to the issuance of bonds or notes by the Chicago Transit Authority (referred to as the "Authority" in this Section) pursuant to Section 12c of the Metropolitan Transit Authority Act, the following documentation shall be submitted to the Auditor General and the Regional Transportation Authority:

(1) Retirement Plan Documentation. The Authority shall submit a certification that:

(A) it is legally authorized to issue the bonds or notes;

(B) scheduled annual payments of principal and interest on the bonds and notes to be issued meet the requirements of Section 12c(b)(5) of the Metropolitan Transit Authority Act;

(C) no bond or note shall mature later than December 31, 2039; and

(D) after payment of costs of issuance and necessary deposits to funds and accounts established with respect to debt service on the bonds or notes, the net bond and note proceeds (exclusive of any proceeds to be used to refund outstanding bonds or notes) will be deposited in the Retirement Plan for Chicago Transit Authority Employees and used only for the purposes required by Section 22-101 of the Illinois Pension Code.

(2) The Board of Trustees of the Retirement Plan for Chicago Transit Authority Employees shall submit a certification that the Retirement Plan for Chicago Transit Authority Employees is operating in accordance with all applicable legal and contractual requirements, including the following:

(A) the members of a new Board of Trustees have been appointed according to the requirements of Section 22-101(b) of the Illinois Pension Code; and

(B) contribution levels for employees and the Authority have been established according to the requirements of Section 22-101(d) of the Illinois Pension Code.

(3) Actuarial Report. The Board of Trustees of the Retirement Plan for Chicago Transit Authority Employees shall submit an actuarial report prepared by an enrolled actuary setting forth:

(A) the method of valuation and the underlying assumptions;

(B) a comparison of the debt service schedules of the bonds or notes proposed to be issued to the Retirement Plan's current unfunded actuarial accrued liability amortization schedule, as required by Section 22-101(e) of the Illinois Pension Code, using the projected interest cost of the bond or note issue as the discount rate to calculate the estimated net present value savings;

(C) the amount of the estimated net present value savings comparing the true interest cost of the bonds or notes with the actuarial investment return assumption of the Retirement Plan; and

(D) a certification that the net proceeds of the bonds or notes, together with anticipated earnings on contributions and deposits, will be sufficient to reasonably conclude on an actuarial basis that the total retirement assets of the Retirement Plan will not be less than 90% of its liabilities by the end of fiscal year 2058.

(4) The Authority shall submit a financial analysis prepared by an independent advisor. The financial analysis must include a determination that the issuance of bonds is in the best interest of the Retirement Plan for Chicago Transit Authority Employees and the Chicago Transit Authority. The independent advisor shall not act as underwriter or receive a legal, consulting, or other fee related to the issuance of any bond or notes issued by the Authority pursuant to Section 12c of the Metropolitan Transit Authority Act except

compensation due for the preparation of the financial analysis.

(5) Retiree Health Care Trust Documentation. The Authority shall submit a certification that:

(A) it is legally authorized to issue the bonds or notes;

(B) scheduled annual payments of principal and interest on the bonds and notes to be issued meets the requirements of Section 12c(b)(5) of the Metropolitan Transit Authority Act;

(C) no bond or note shall mature later than December 31, 2039; and

(D) after payment of costs of issuance and necessary deposits to funds and accounts established with respect to debt service on the bonds or notes, the net bond and note proceeds (exclusive of any proceeds to be used to refund outstanding bonds or notes) will be deposited in the Retiree Health Care Trust and used only for the purposes required by Section 22-101B of the Illinois Pension Code.

(6) The Board of Trustees of the Retiree Health Care Trust shall submit a certification that the Retiree Health Care Trust has been established in accordance with all applicable legal requirements, including the following:

(A) the Retiree Health Care Trust has been established and a Trust document is in effect to govern the Retiree Health Care Trust;

(B) the members of the Board of Trustees of the Retiree Health Care Trust have been appointed according to the requirements of Section 22-101B(b)(1) of the Illinois Pension Code;

(C) a health care benefit program for eligible retirees and their dependents and survivors has been established by the Board of Trustees according to the requirements of Section 22-101B(b)(2) of the Illinois Pension Code;

(D) contribution levels have been established for retirees, dependents and survivors according to the requirements of Section 22-101B(b)(5) of the Illinois Pension Code; and

(E) contribution levels have been established for employees of the Authority according to the requirements of Section 22-101B(b)(6) of the Illinois Pension Code.

(7) Actuarial Report. The Board of Trustees of the Retiree Health Care Trust shall submit an actuarial report prepared by an enrolled actuary setting forth:

(A) the method of valuation and the underlying assumptions;

(B) a comparison of the projected interest cost of the bonds or notes proposed to be issued with the actuarial investment return assumption of the Retiree Health Care Trust; and

(C) a certification that the net proceeds of the bonds or notes, together with anticipated earnings on contributions and deposits, will be sufficient to adequately fund the actuarial present value of projected benefits expected to be paid under the Retiree Health Care Trust, or a certification of the increases in contribution levels and decreases in benefit levels that would be required in order to cure any funding shortfall over a period of not more than 10 years.

(8) The Authority shall submit a financial analysis prepared by an independent advisor. The financial analysis must include a determination that the issuance of bonds is in the best interest of the Retiree Health Care Trust and the Chicago Transit Authority. The independent advisor shall not act as underwriter or receive a legal, consulting, or other fee related to the issuance of any bond or notes issued by the Authority pursuant to Section 12c of the Metropolitan Transit Authority Act except compensation due for the preparation of the financial analysis.

(b) The Auditor General shall examine the information submitted pursuant to Section 3-2.3(a)(1) through (4) and submit a report to the General Assembly, the Legislative Audit Commission, the Governor, the Regional Transportation Authority and the Authority indicating whether (i) the required certifications by the Authority and the Board of Trustees of the Retirement Plan have been made, and (ii) the actuarial reports have been provided, the reports include all required information, the assumptions underlying those reports are not unreasonable in the aggregate, and the reports appear to comply with all pertinent professional standards, including those issued by the Actuarial Standards Board. The Auditor General shall submit such report no later than 60 days after receiving the information required to be submitted by the Authority and the Board of Trustees of the Retirement Plan. Any bonds or notes issued by the Authority under item (1) of subsection (b) of Section 12c of the Metropolitan Transit Authority Act shall be issued within 120 days after receiving such report from the Auditor General. The Authority may not issue bonds or notes until it receives the report from the Auditor General indicating the above requirements have been met.

(c) The Auditor General shall examine the information submitted pursuant to Section 3-2.3(a)(5) through (8) and submit a report to the General Assembly, the Legislative Audit Commission, the Governor, the Regional Transportation Authority and the Authority indicating whether (i) the required certifications by the Authority and the Board of Trustees of the Retiree Health Care Trust have been made, and (ii) the



actuarial reports have been provided, the reports include all required information, the assumptions underlying those reports are not unreasonable in the aggregate, and the reports appear to comply with all pertinent professional standards, including those issued by the Actuarial Standards Board. The Auditor General shall submit such report no later than 60 days after receiving the information required to be submitted by the Authority and the Board of Trustees of the Retiree Health Care Trust. Any bonds or notes issued by the Authority under item (2) of subsection (b) of Section 12c of the Metropolitan Transit Authority Act shall be issued within 120 days after receiving such report from the Auditor General. The Authority may not issue bonds or notes until it receives a report from the Auditor General indicating the above requirements have been met.

(d) In fulfilling this duty, after receiving the information submitted pursuant to Section 3-2.3(a), the Auditor General may request additional information and support pertaining to the data and conclusions contained in the submitted documents and the Authority, the Board of Trustees of the Retirement Plan and the Board of Trustees of the Retiree Health Care Trust shall cooperate with the Auditor General and provide additional information as requested in a timely manner. The Auditor General may also request from the Regional Transportation Authority an analysis of the information submitted by the Authority relating to the sources of funds to be utilized for payment of the proposed bonds or notes of the Authority. The Auditor General's report shall not be in the nature of a post-audit or examination and shall not lead to the issuance of an opinion as that term is defined in generally accepted government auditing standards.

(e) Annual Retirement Plan Submission to Auditor General. The Board of Trustees of the Retirement Plan for Chicago Transit Authority Employees established by Section 22-101 of the Illinois Pension Code shall provide the following documents to the Auditor General annually no later than September 30:

(1) the most recent audit or examination of the Retirement Plan;

(2) an annual statement containing the information specified in Section 1A-109 of the Illinois Pension Code; and

(3) a complete actuarial statement applicable to the prior plan year, which may be the annual report of an enrolled actuary retained by the Retirement Plan specified in Section 22-101(e) of the Illinois Pension Code.

The Auditor General shall annually examine the information provided pursuant to this subsection and shall submit a report of the analysis thereof to the General Assembly, including the report specified in Section 22-101(e) of the Illinois Pension Code.

(f) The Auditor General shall annually examine the information submitted pursuant to Section 22-101B(b)(3)(iii) of the Illinois Pension Code and shall prepare the determination specified in Section 22-101B(b)(3)(iv) of the Illinois Pension Code.

(g) In fulfilling the duties under Sections 3-2.3(e) and (f) the Auditor General may request additional information and support pertaining to the data and conclusions contained in the submitted documents and the Authority, the Board of Trustees of the Retirement Plan and the Board of Trustees of the Retiree Health Care Trust shall cooperate with the Auditor General and provide additional information as requested in a timely manner. The Auditor General's review shall not be in the nature of a post-audit or examination and shall not lead to the issuance of an opinion as that term is defined in generally accepted government auditing standards. Upon request of the Auditor General, the Commission on Government Forecasting and Accountability and the Public Pension Division of the Illinois Department of Financial and Professional Regulation shall cooperate with and assist the Auditor General in the conduct of his review.

(h) The Auditor General shall submit a bill to the Authority for costs associated with the examinations and reports specified in subsections (b) and (c) of this Section 3-2.3, which the Authority shall reimburse in a timely manner. The costs associated with the examinations and reports which are reimbursed by the Authority shall constitute a cost of issuance of the bonds or notes under Section 12c(b)(1) and (2) of the Metropolitan Transit Authority Act. The amount received shall be deposited into the fund or funds from which such costs were paid by the Auditor General. The Auditor General shall submit a bill to the Retirement Plan for Chicago Transit Authority Employees for costs associated with the examinations and reports specified in subsection (e) of this Section, which the Retirement Plan for Chicago Transit Authority Employees shall reimburse in a timely manner. The amount received shall be deposited into the fund or funds from which such costs were paid by the Auditor General. The Auditor General shall submit a bill to the Retiree Health Care Trust for costs associated with the determination specified in subsection (f) of this Section, which the Retiree Health Care Trust shall reimburse in a timely manner. The amount received shall be deposited into the fund or funds from which such costs were paid by the Auditor General.

Section 6. The State Finance Act is amended by adding Section 5.676 as follows:

(30 ILCS 105/5.676 new)

Sec. 5.676. The Downstate Transit Improvement Fund.

Section 7. The Downstate Public Transportation Act is amended by changing Sections 2-2.04, 2-3, 2-6, 2-7, and 2-15 as follows:

(30 ILCS 740/2-2.04) (from Ch. 111 2/3, par. 662.04)

Sec. 2-2.04. "Eligible operating expenses" means all expenses required for public transportation, including employee wages and benefits, materials, fuels, supplies, rental of facilities, taxes other than income taxes, payment made for debt service (including principal and interest) on publicly owned equipment or facilities, and any other expenditure which is an operating expense according to standard accounting practices for the providing of public transportation. Eligible operating expenses shall not include allowances: (a) for depreciation whether funded or unfunded; (b) for amortization of any intangible costs; (c) for debt service on capital acquired with the assistance of capital grant funds provided by the State of Illinois; (d) for profits or return on investment; (e) for excessive payment to associated entities; (f) for Comprehensive Employment Training Act expenses; (g) for costs reimbursed under Sections 6 and 8 of the "Urban Mass Transportation Act of 1964", as amended; (h) for entertainment expenses; (i) for charter expenses; (j) for fines and penalties; (k) for charitable donations; (l) for interest expense on long term borrowing and debt retirement other than on publicly owned equipment or facilities; (m) for income taxes; or (n) for such other expenses as the Department may determine consistent with federal Department of Transportation regulations or requirements. In consultation with participants, the Department shall, by October 2008, promulgate or update rules, pursuant to the Illinois Administrative Procedure Act, concerning eligible expenses to ensure consistent application of the Act, and the Department shall provide written copies of those rules to all eligible recipients. The Department shall review this process in the same manner no less frequently than every 5 years.

With respect to participants other than any Metro-East Transit District participant and those receiving federal research development and demonstration funds pursuant to Section 6 of the "Urban Mass Transportation Act of 1964", as amended, during the fiscal year ending June 30, 1979, the maximum eligible operating expenses for any such participant in any fiscal year after Fiscal Year 1980 shall be the amount appropriated for such participant for the fiscal year ending June 30, 1980, plus in each year a 10% increase over the maximum established for the preceding fiscal year. For Fiscal Year 1980 the maximum eligible operating expenses for any such participant shall be the amount of projected operating expenses upon which the appropriation for such participant for Fiscal Year 1980 is based.

With respect to participants receiving federal research development and demonstration operating assistance funds for operating assistance pursuant to Section 6 of the "Urban Mass Transportation Act of 1964", as amended, during the fiscal year ending June 30, 1979, the maximum eligible operating expenses for any such participant in any fiscal year after Fiscal Year 1980 shall not exceed such participant's eligible operating expenses for the fiscal year ending June 30, 1980, plus in each year a 10% increase over the maximum established for the preceding fiscal year. For Fiscal Year 1980, the maximum eligible operating expenses for any such participant shall be the eligible operating expenses incurred during such fiscal year, or projected operating expenses upon which the appropriation for such participant for the Fiscal Year 1980 is based; whichever is less.

With respect to all participants other than any Metro-East Transit District participant, the maximum eligible operating expenses for any such participant in any fiscal year after Fiscal Year 1985 (except Fiscal Year 2008 and Fiscal Year 2009) shall be the amount appropriated for such participant for the fiscal year ending June 30, 1985, plus in each year a 10% increase over the maximum established for the preceding year. For Fiscal Year 1985, the maximum eligible operating expenses for any such participant shall be the amount of projected operating expenses upon which the appropriation for such participant for Fiscal Year 1985 is based.

With respect to any mass transit district participant that has increased its district boundaries by annexing counties since 1998 and is maintaining a level of local financial support, including all income and revenues, equal to or greater than the level in the State fiscal year ending June 30, 2001, the maximum eligible operating expenses for any State fiscal year after 2002 (except State fiscal years ~~year~~ 2006 through 2009) shall be the amount appropriated for that participant for the State fiscal year ending June 30, 2002, plus, in each State fiscal year, a 10% increase over the preceding State fiscal year. For State fiscal year 2002, the maximum eligible operating expenses for any such participant shall be the amount of projected operating expenses upon which the appropriation for that participant for State fiscal year 2002 is based. For that participant, eligible operating expenses for State fiscal year 2002 in excess of the eligible operating expenses for the State fiscal year ending June 30, 2001, plus 10%, must be attributed to the provision of services in the newly annexed counties.

With respect to a participant that receives an initial appropriation in State fiscal year 2002 or thereafter, the maximum eligible operating expenses for any State fiscal year after 2003 (except State fiscal years ~~year 2006 through 2009~~) shall be the amount appropriated for that participant for the State fiscal year in which it received its initial appropriation, plus, in each year, a 10% increase over the preceding year. For the initial State fiscal year in which a participant received an appropriation, the maximum eligible operating expenses for any such participant shall be the amount of projected operating expenses upon which the appropriation for that participant for that State fiscal year is based.

With respect to the District serving primarily the counties of Monroe and St. Clair, beginning July 1, 2005, the St. Clair County Transit District shall no longer be included for new appropriation funding purposes as part of the Metro-East Public Transportation Fund and instead shall be included for new appropriation funding purposes as part of the Downstate Public Transportation Fund; provided, however, that nothing herein shall alter the eligibility of that District for previously appropriated funds to which it would otherwise be entitled.

With respect to the District serving primarily Madison County, beginning July 1, 2008, the Madison County Transit District shall no longer be included for new appropriation funding purposes as part of the Metro-East Public Transportation Fund and instead shall be included for new appropriation funding purposes as part of the Downstate Public Transportation Fund; provided, however, that nothing herein shall alter the eligibility of that District for previously appropriated funds to which it would otherwise be entitled.

With respect to the fiscal year beginning July 1, 2007, and thereafter, the following shall be included for new appropriation funding purposes as part of the Downstate Public Transportation Fund: Bond County; Bureau County; Coles County; Edgar County; Stephenson County and the City of Freeport; Henry County; Jo Daviess County; Kankakee and McLean Counties; Peoria County; Piatt County; Shelby County; Tazewell and Woodford Counties; Vermillion County; Williamson County; and Kendall County.

(Source: P.A. 94-70, eff. 6-22-05.)

(30 ILCS 740/2-3) (from Ch. 111 2/3, par. 663)

Sec. 2-3. (a) As soon as possible after the first day of each month, beginning July 1, 1984, upon certification of the Department of Revenue, the Comptroller shall order transferred, and the Treasurer shall transfer, from the General Revenue Fund to a special fund in the State Treasury which is hereby created, to be known as the "Downstate Public Transportation Fund", an amount equal to 2/32 (beginning July 1, 2005, 3/32) of the net revenue realized from the "Retailers' Occupation Tax Act", as now or hereafter amended, the "Service Occupation Tax Act", as now or hereafter amended, the "Use Tax Act", as now or hereafter amended, and the "Service Use Tax Act", as now or hereafter amended, from persons incurring municipal or county retailers' or service occupation tax liability for the benefit of any municipality or county located wholly within the boundaries of each participant other than any Metro-East Transit District participant certified pursuant to subsection (c) of this Section during the preceding month, except that the Department shall pay into the Downstate Public Transportation Fund 2/32 (beginning July 1, 2005, 3/32) of 80% of the net revenue realized under the State tax Acts named above within any municipality or county located wholly within the boundaries of each participant, other than any Metro-East participant, for tax periods beginning on or after January 1, 1990; ~~provided, however, that beginning with fiscal year 1985, the transfers into the Downstate Public Transportation Fund during any fiscal year shall not exceed the annual appropriation from the Downstate Public Transportation Fund for that year. The Department of Transportation shall notify the Department of Revenue and the Comptroller at the beginning of each fiscal year of the amount of the annual appropriation from the Downstate Public Transportation Fund.~~ Net revenue realized for a month shall be the revenue collected by the State pursuant to such Acts during the previous month from persons incurring municipal or county retailers' or service occupation tax liability for the benefit of any municipality or county located wholly within the boundaries of a participant, less the amount paid out during that same month as refunds or credit memoranda to taxpayers for overpayment of liability under such Acts for the benefit of any municipality or county located wholly within the boundaries of a participant.

(b) As soon as possible after the first day of each month, beginning July 1, 1989, upon certification of the Department of Revenue, the Comptroller shall order transferred, and the Treasurer shall transfer, from the General Revenue Fund to a special fund in the State Treasury which is hereby created, to be known as the "Metro-East Public Transportation Fund", an amount equal to 2/32 of the net revenue realized, as above, from within the boundaries of Madison, Monroe, and St. Clair Counties, except that the Department shall pay into the Metro-East Public Transportation Fund 2/32 of 80% of the net revenue realized under the State tax Acts specified in subsection (a) of this Section within the boundaries of Madison, Monroe and St. Clair

Counties for tax periods beginning on or after January 1, 1990. A local match equivalent to an amount which could be raised by a tax levy at the rate of .05% on the assessed value of property within the boundaries of Madison County is required annually to cause a total of 2/32 of the net revenue to be deposited in the Metro-East Public Transportation Fund. Failure to raise the required local match annually shall result in only 1/32 being deposited into the Metro-East Public Transportation Fund after July 1, 1989, or 1/32 of 80% of the net revenue realized for tax periods beginning on or after January 1, 1990.

(b-5) As soon as possible after the first day of each month, beginning July 1, 2005, upon certification of the Department of Revenue, the Comptroller shall order transferred, and the Treasurer shall transfer, from the General Revenue Fund to the Downstate Public Transportation Fund, an amount equal to 3/32 of 80% of the net revenue realized from within the boundaries of Monroe and St. Clair Counties under the State Tax Acts specified in subsection (a) of this Section and provided further that, beginning July 1, 2005, the provisions of subsection (b) shall no longer apply with respect to such tax receipts from Monroe and St. Clair Counties.

(b-6) As soon as possible after the first day of each month, beginning July 1, 2008, upon certification by the Department of Revenue, the Comptroller shall order transferred and the Treasurer shall transfer, from the General Revenue Fund to the Downstate Public Transportation Fund, an amount equal to 3/32 of 80% of the net revenue realized from within the boundaries of Madison County under the State Tax Acts specified in subsection (a) of this Section and provided further that, beginning July 1, 2008, the provisions of subsection (b) shall no longer apply with respect to such tax receipts from Madison County.

(c) The Department shall certify to the Department of Revenue the eligible participants under this Article and the territorial boundaries of such participants for the purposes of the Department of Revenue in subsections (a) and (b) of this Section.

(d) For the purposes of this Article the Department shall include in its annual request for appropriation of ordinary and contingent expenses an amount equal to the sum total funds projected to be paid to the participants pursuant to Section 2-7.

~~(e) In addition to any other permitted use of moneys in the Fund, and notwithstanding any restriction on the use of the Fund, moneys in the Downstate Public Transportation Fund may be transferred to the General Revenue Fund as authorized by Public Act 87-14. The General Assembly finds that an excess of moneys existed in the Fund on July 30, 1991, and the Governor's order of July 30, 1991, and the Governor's order of July 30, 1991, requesting the Comptroller and Treasurer to transfer an amount from the Fund to the General Revenue Fund is hereby validated.~~

(Source: P.A. 94-70, eff. 6-22-05.)

(30 ILCS 740/2-6) (from Ch. 111 2/3, par. 666)

Sec. 2-6. Allocation of funds.

(a) With respect to all participants other than any Metro-East Transit District participant, the Department shall allocate the funds to be made available to each participant under this Article for the following fiscal year and shall notify the chief official of each participant not later than the first day of the fiscal year of this amount. For Fiscal Year 1975, notification shall be made not later than January 1, 1975, of the amount of such allocation. In determining the allocation for each participant, the Department shall estimate the funds available to the participant from the Downstate Public Transportation Fund for the purposes of this Article during the succeeding fiscal year, and shall allocate to each participant the amount attributable to it which shall be the amount paid into the Downstate Public Transportation Fund under Section 2-3 from within its boundaries. Said allocations may be exceeded for participants receiving assistance equal to one-third of their eligible operating expenses, only if an allocation is less than one-third of such participant's eligible operating expenses, provided, however, that no other participant is denied its one-third of eligible operating expenses. Beginning in Fiscal Year 1997, said allocation may be exceeded for participants receiving assistance equal to the percentage of their eligible operating expenses provided for in paragraph (b) of Section 2-7, only if allocation is less than the percentage of such participant's eligible operating expenses provided for in paragraph (b) of Section 2-7, provided however, that no other participant is denied its percentage of eligible operating expenses.

(b) With regard to any Metro-East Transit District organized under the Local Mass Transit District Act and serving one or more of the Counties of Madison, Monroe and St. Clair during Fiscal Year 1989, the Department shall allocate the funds to be made available to each participant for the following and succeeding fiscal years and shall notify the chief official of each participant not later than the first day of the fiscal year of this amount. Beginning July 1, 2005, and ending June 30, 2008, the Department shall allocate the amount paid into the Metro-East Public Transportation Fund to the District serving primarily the County of Madison.

(Source: P.A. 94-70, eff. 6-22-05.)

(30 ILCS 740/2-7) (from Ch. 111 2/3, par. 667)

Sec. 2-7. Quarterly reports; annual audit.

(a) Any Metro-East Transit District participant shall, no later than 60 days following the end of each quarter of any fiscal year, file with the Department on forms provided by the Department for that purpose, a report of the actual operating deficit experienced during that quarter. The Department shall, upon receipt of the quarterly report, determine whether the operating deficits were incurred in conformity with the program of proposed expenditures approved by the Department pursuant to Section 2-11. Any Metro-East District may either monthly or quarterly for any fiscal year file a request for the participant's eligible share, as allocated in accordance with Section 2-6, of the amounts transferred into the Metro-East Public Transportation Fund.

(b) Each participant other than any Metro-East Transit District participant shall, 30 days before the end of each quarter, file with the Department on forms provided by the Department for such purposes a report of the projected eligible operating expenses to be incurred in the next quarter and 30 days before the third and fourth quarters of any fiscal year a statement of actual eligible operating expenses incurred in the preceding quarters. Except as otherwise provided in subsection (b-5), within 45 days of receipt by the Department of such quarterly report, the Comptroller shall order paid and the Treasurer shall pay from the Downstate Public Transportation Fund to each participant an amount equal to one-third of such participant's eligible operating expenses; provided, however, that in Fiscal Year 1997, the amount paid to each participant from the Downstate Public Transportation Fund shall be an amount equal to 47% of such participant's eligible operating expenses and shall be increased to 49% in Fiscal Year 1998, 51% in Fiscal Year 1999, 53% in Fiscal Year 2000, ~~and 55% in Fiscal Year 2001~~ through 2007, 65% in Fiscal Year 2008, and 70% in Fiscal Year 2009 and thereafter; however, in any year that a participant receives funding under subsection (i) of Section 2705-305 of the Department of Transportation Law (20 ILCS 2705/2705-305), that participant shall be eligible only for assistance equal to the following percentage of its eligible operating expenses: 42% in Fiscal Year 1997, 44% in Fiscal Year 1998, 46% in Fiscal Year 1999, 48% in Fiscal Year 2000, and 50% in Fiscal Year 2001 and thereafter. Any such payment for the third and fourth quarters of any fiscal year shall be adjusted to reflect actual eligible operating expenses for preceding quarters of such fiscal year. However, no participant shall receive an amount less than that which was received in the immediate prior year, provided in the event of a shortfall in the fund those participants receiving less than their full allocation pursuant to Section 2-6 of this Article shall be the first participants to receive an amount not less than that received in the immediate prior year.

~~(b-5) (Blank.) With respect to the District serving primarily the counties of Monroe and St. Clair, beginning July 1, 2005 and each fiscal year thereafter, the District may, as an alternative to the provisions of subsection (b) of Section 2-7, file a request with the Department for a monthly payment of 1/12 of the amount appropriated to the District for that fiscal year; except that, for the final month of the fiscal year, the District's request shall be in an amount such that the total payments made to the District in that fiscal year do not exceed the lesser of (i) 55% of the District's eligible operating expenses for that fiscal year or (ii) the total amount appropriated to the District for that fiscal year.~~

(b-10) On July 1, 2009, each participant shall receive an appropriation in an amount equal to 70% of its fiscal year 2008 eligible operating expenses adjusted by the annual 10% increase required by Section 2-2.04 of this Act. In no case shall any participant receive an appropriation that is less than its fiscal year 2008 appropriation. Every fiscal year thereafter, each participant's appropriation shall increase by 10% over the appropriation established for the preceding fiscal year as required by Section 2-2.04 of this Act.

(b-15) Beginning on July 1, 2007, and for each fiscal year thereafter, each participant shall maintain a minimum local share contribution (from farebox and all other local revenues) equal to the actual amount provided in Fiscal Year 2006 or, for new recipients, an amount equivalent to the local share provided in the first year of participation.

(b-20) Any participant in the Downstate Public Transportation Fund may use State operating assistance pursuant to this Section to provide transportation services within any county that is contiguous to its territorial boundaries as defined by the Department and subject to Departmental approval. Any such contiguous-area service provided by a participant after July 1, 2007 must meet the requirements of subsection (a) of Section 2-5.1.

(c) No later than 180 days following the last day of the Fiscal Year each participant shall provide the Department with an audit prepared by a Certified Public Accountant covering that Fiscal Year. For those participants other than a Metro-East Transit District, any discrepancy between the grants paid and the percentage of the eligible operating expenses provided for by paragraph (b) of this Section shall be

reconciled by appropriate payment or credit. In the case of any Metro-East Transit District, any amount of payments from the Metro-East Public Transportation Fund which exceed the eligible deficit of the participant shall be reconciled by appropriate payment or credit.

(Source: P.A. 94-70, eff. 6-22-05.)

(30 ILCS 740/2-15) (from Ch. 111 2/3, par. 675.1)

Sec. 2-15. Except as otherwise provided in this Section, all funds which remain in the Downstate Public Transportation Fund or the Metro-East Public Transportation Fund after the payment of the fourth quarterly payment to participants other than Metro-East Transit District participants and the last monthly payment to Metro-East Transit participants in each fiscal year shall be transferred (i) to the General Revenue Fund through fiscal year 2008 and (ii) to the Downstate Transit Improvement Fund for fiscal year 2009 and each fiscal year thereafter. Transfers shall be made no later than 90 days following the end of such fiscal year. Beginning fiscal year 2010, all moneys each year in the Downstate Transit Improvement Fund, held solely for the benefit of the participants in the Downstate Public Transportation Fund and the Metro-East Transit Fund, shall be appropriated to the Department to make competitive capital grants to the participants of the respective funds. However, such amount as the Department determines to be necessary for (1) allocation to participants for the purposes of Section 2-7 for the first quarter of the succeeding fiscal year and (2) an amount equal to 2% of the total allocations to participants in the fiscal year just ended to be used for the purpose of audit adjustments shall be retained in such Funds to be used by the Department for such purposes.

(Source: P.A. 86-590.)

Section 7.5. The Retailers' Occupation Tax Act is amended by changing Section 3 as follows:

(35 ILCS 120/3) (from Ch. 120, par. 442)

Sec. 3. Except as provided in this Section, on or before the twentieth day of each calendar month, every person engaged in the business of selling tangible personal property at retail in this State during the preceding calendar month shall file a return with the Department, stating:

1. The name of the seller;
2. His residence address and the address of his principal place of business and the address of the principal place of business (if that is a different address) from which he engages in the business of selling tangible personal property at retail in this State;
3. Total amount of receipts received by him during the preceding calendar month or quarter, as the case may be, from sales of tangible personal property, and from services furnished, by him during such preceding calendar month or quarter;
4. Total amount received by him during the preceding calendar month or quarter on charge and time sales of tangible personal property, and from services furnished, by him prior to the month or quarter for which the return is filed;
5. Deductions allowed by law;
6. Gross receipts which were received by him during the preceding calendar month or quarter and upon the basis of which the tax is imposed;
7. The amount of credit provided in Section 2d of this Act;
8. The amount of tax due;
9. The signature of the taxpayer; and
10. Such other reasonable information as the Department may require.

If a taxpayer fails to sign a return within 30 days after the proper notice and demand for signature by the Department, the return shall be considered valid and any amount shown to be due on the return shall be deemed assessed.

Each return shall be accompanied by the statement of prepaid tax issued pursuant to Section 2e for which credit is claimed.

Prior to October 1, 2003, and on and after September 1, 2004 a retailer may accept a Manufacturer's Purchase Credit certification from a purchaser in satisfaction of Use Tax as provided in Section 3-85 of the Use Tax Act if the purchaser provides the appropriate documentation as required by Section 3-85 of the Use Tax Act. A Manufacturer's Purchase Credit certification, accepted by a retailer prior to October 1, 2003 and on and after September 1, 2004 as provided in Section 3-85 of the Use Tax Act, may be used by that retailer to satisfy Retailers' Occupation Tax liability in the amount claimed in the certification, not to exceed 6.25% of the receipts subject to tax from a qualifying purchase. A Manufacturer's Purchase Credit reported on any original or amended return filed under this Act after October 20, 2003 for reporting periods prior to September 1, 2004 shall be disallowed. Manufacturer's Purchaser Credit reported on annual returns due on or after January 1, 2005 will be disallowed for periods prior to September 1, 2004. No

Manufacturer's Purchase Credit may be used after September 30, 2003 through August 31, 2004 to satisfy any tax liability imposed under this Act, including any audit liability.

The Department may require returns to be filed on a quarterly basis. If so required, a return for each calendar quarter shall be filed on or before the twentieth day of the calendar month following the end of such calendar quarter. The taxpayer shall also file a return with the Department for each of the first two months of each calendar quarter, on or before the twentieth day of the following calendar month, stating:

1. The name of the seller;
2. The address of the principal place of business from which he engages in the business of selling tangible personal property at retail in this State;
3. The total amount of taxable receipts received by him during the preceding calendar month from sales of tangible personal property by him during such preceding calendar month, including receipts from charge and time sales, but less all deductions allowed by law;
4. The amount of credit provided in Section 2d of this Act;
5. The amount of tax due; and
6. Such other reasonable information as the Department may require.

Beginning on October 1, 2003, any person who is not a licensed distributor, importing distributor, or manufacturer, as defined in the Liquor Control Act of 1934, but is engaged in the business of selling, at retail, alcoholic liquor shall file a statement with the Department of Revenue, in a format and at a time prescribed by the Department, showing the total amount paid for alcoholic liquor purchased during the preceding month and such other information as is reasonably required by the Department. The Department may adopt rules to require that this statement be filed in an electronic or telephonic format. Such rules may provide for exceptions from the filing requirements of this paragraph. For the purposes of this paragraph, the term "alcoholic liquor" shall have the meaning prescribed in the Liquor Control Act of 1934.

Beginning on October 1, 2003, every distributor, importing distributor, and manufacturer of alcoholic liquor as defined in the Liquor Control Act of 1934, shall file a statement with the Department of Revenue, no later than the 10th day of the month for the preceding month during which transactions occurred, by electronic means, showing the total amount of gross receipts from the sale of alcoholic liquor sold or distributed during the preceding month to purchasers; identifying the purchaser to whom it was sold or distributed; the purchaser's tax registration number; and such other information reasonably required by the Department. A distributor, importing distributor, or manufacturer of alcoholic liquor must personally deliver, mail, or provide by electronic means to each retailer listed on the monthly statement a report containing a cumulative total of that distributor's, importing distributor's, or manufacturer's total sales of alcoholic liquor to that retailer no later than the 10th day of the month for the preceding month during which the transaction occurred. The distributor, importing distributor, or manufacturer shall notify the retailer as to the method by which the distributor, importing distributor, or manufacturer will provide the sales information. If the retailer is unable to receive the sales information by electronic means, the distributor, importing distributor, or manufacturer shall furnish the sales information by personal delivery or by mail. For purposes of this paragraph, the term "electronic means" includes, but is not limited to, the use of a secure Internet website, e-mail, or facsimile.

Beginning with the month immediately following the effective date of this amendatory Act of the 95th General Assembly and for each month thereafter, a retailer of motor fuel that is located in the metropolitan region must separately record the gross receipts received by him or her from the retail sale of motor fuel and the amount of tax properly due and required to be paid on those sales (including amounts prepaid by the retailer to the motor fuel distributor under Section 2d of this Act). Beginning with the second month immediately following the effective date of this amendatory Act of the 95th General Assembly and for each month thereafter, each retailer of motor fuel that is located within the metropolitan region must file a report to the Department of Revenue detailing the gross receipts that were received by him or her from the retail sale of motor fuel during the preceding calendar month or quarter, as the case may be, and the amount of tax properly due and paid on those sales (including amounts prepaid by the retailer to the motor fuel distributor under Section 2d of this Act). The report must be filed in the manner and format as prescribed by the Department of Revenue and is due at the same time as the return filed by the retailer under this Act. For purposes of this paragraph, "motor fuel" means that term as defined in the Motor Fuel Tax Law, not including aviation fuel, and "metropolitan region" means that term as defined in the Regional Transportation Authority Act.

If a total amount of less than \$1 is payable, refundable or creditable, such amount shall be disregarded if it is less than 50 cents and shall be increased to \$1 if it is 50 cents or more.

Beginning October 1, 1993, a taxpayer who has an average monthly tax liability of \$150,000 or more

shall make all payments required by rules of the Department by electronic funds transfer. Beginning October 1, 1994, a taxpayer who has an average monthly tax liability of \$100,000 or more shall make all payments required by rules of the Department by electronic funds transfer. Beginning October 1, 1995, a taxpayer who has an average monthly tax liability of \$50,000 or more shall make all payments required by rules of the Department by electronic funds transfer. Beginning October 1, 2000, a taxpayer who has an annual tax liability of \$200,000 or more shall make all payments required by rules of the Department by electronic funds transfer. The term "annual tax liability" shall be the sum of the taxpayer's liabilities under this Act, and under all other State and local occupation and use tax laws administered by the Department, for the immediately preceding calendar year. The term "average monthly tax liability" shall be the sum of the taxpayer's liabilities under this Act, and under all other State and local occupation and use tax laws administered by the Department, for the immediately preceding calendar year divided by 12. Beginning on October 1, 2002, a taxpayer who has a tax liability in the amount set forth in subsection (b) of Section 2505-210 of the Department of Revenue Law shall make all payments required by rules of the Department by electronic funds transfer.

Before August 1 of each year beginning in 1993, the Department shall notify all taxpayers required to make payments by electronic funds transfer. All taxpayers required to make payments by electronic funds transfer shall make those payments for a minimum of one year beginning on October 1.

Any taxpayer not required to make payments by electronic funds transfer may make payments by electronic funds transfer with the permission of the Department.

All taxpayers required to make payment by electronic funds transfer and any taxpayers authorized to voluntarily make payments by electronic funds transfer shall make those payments in the manner authorized by the Department.

The Department shall adopt such rules as are necessary to effectuate a program of electronic funds transfer and the requirements of this Section.

Any amount which is required to be shown or reported on any return or other document under this Act shall, if such amount is not a whole-dollar amount, be increased to the nearest whole-dollar amount in any case where the fractional part of a dollar is 50 cents or more, and decreased to the nearest whole-dollar amount where the fractional part of a dollar is less than 50 cents.

If the retailer is otherwise required to file a monthly return and if the retailer's average monthly tax liability to the Department does not exceed \$200, the Department may authorize his returns to be filed on a quarter annual basis, with the return for January, February and March of a given year being due by April 20 of such year; with the return for April, May and June of a given year being due by July 20 of such year; with the return for July, August and September of a given year being due by October 20 of such year, and with the return for October, November and December of a given year being due by January 20 of the following year.

If the retailer is otherwise required to file a monthly or quarterly return and if the retailer's average monthly tax liability with the Department does not exceed \$50, the Department may authorize his returns to be filed on an annual basis, with the return for a given year being due by January 20 of the following year.

Such quarter annual and annual returns, as to form and substance, shall be subject to the same requirements as monthly returns.

Notwithstanding any other provision in this Act concerning the time within which a retailer may file his return, in the case of any retailer who ceases to engage in a kind of business which makes him responsible for filing returns under this Act, such retailer shall file a final return under this Act with the Department not more than one month after discontinuing such business.

Where the same person has more than one business registered with the Department under separate registrations under this Act, such person may not file each return that is due as a single return covering all such registered businesses, but shall file separate returns for each such registered business.

In addition, with respect to motor vehicles, watercraft, aircraft, and trailers that are required to be registered with an agency of this State, every retailer selling this kind of tangible personal property shall file, with the Department, upon a form to be prescribed and supplied by the Department, a separate return for each such item of tangible personal property which the retailer sells, except that if, in the same transaction, (i) a retailer of aircraft, watercraft, motor vehicles or trailers transfers more than one aircraft, watercraft, motor vehicle or trailer to another aircraft, watercraft, motor vehicle retailer or trailer retailer for the purpose of resale or (ii) a retailer of aircraft, watercraft, motor vehicles, or trailers transfers more than one aircraft, watercraft, motor vehicle, or trailer to a purchaser for use as a qualifying rolling stock as provided in Section 2-5 of this Act, then that seller may report the transfer of all aircraft, watercraft, motor vehicles or trailers involved in that transaction to the Department on the same uniform invoice-transaction



reporting return form. For purposes of this Section, "watercraft" means a Class 2, Class 3, or Class 4 watercraft as defined in Section 3-2 of the Boat Registration and Safety Act, a personal watercraft, or any boat equipped with an inboard motor.

Any retailer who sells only motor vehicles, watercraft, aircraft, or trailers that are required to be registered with an agency of this State, so that all retailers' occupation tax liability is required to be reported, and is reported, on such transaction reporting returns and who is not otherwise required to file monthly or quarterly returns, need not file monthly or quarterly returns. However, those retailers shall be required to file returns on an annual basis.

The transaction reporting return, in the case of motor vehicles or trailers that are required to be registered with an agency of this State, shall be the same document as the Uniform Invoice referred to in Section 5-402 of The Illinois Vehicle Code and must show the name and address of the seller; the name and address of the purchaser; the amount of the selling price including the amount allowed by the retailer for traded-in property, if any; the amount allowed by the retailer for the traded-in tangible personal property, if any, to the extent to which Section 1 of this Act allows an exemption for the value of traded-in property; the balance payable after deducting such trade-in allowance from the total selling price; the amount of tax due from the retailer with respect to such transaction; the amount of tax collected from the purchaser by the retailer on such transaction (or satisfactory evidence that such tax is not due in that particular instance, if that is claimed to be the fact); the place and date of the sale; a sufficient identification of the property sold; such other information as is required in Section 5-402 of The Illinois Vehicle Code, and such other information as the Department may reasonably require.

The transaction reporting return in the case of watercraft or aircraft must show the name and address of the seller; the name and address of the purchaser; the amount of the selling price including the amount allowed by the retailer for traded-in property, if any; the amount allowed by the retailer for the traded-in tangible personal property, if any, to the extent to which Section 1 of this Act allows an exemption for the value of traded-in property; the balance payable after deducting such trade-in allowance from the total selling price; the amount of tax due from the retailer with respect to such transaction; the amount of tax collected from the purchaser by the retailer on such transaction (or satisfactory evidence that such tax is not due in that particular instance, if that is claimed to be the fact); the place and date of the sale, a sufficient identification of the property sold, and such other information as the Department may reasonably require.

Such transaction reporting return shall be filed not later than 20 days after the day of delivery of the item that is being sold, but may be filed by the retailer at any time sooner than that if he chooses to do so. The transaction reporting return and tax remittance or proof of exemption from the Illinois use tax may be transmitted to the Department by way of the State agency with which, or State officer with whom the tangible personal property must be titled or registered (if titling or registration is required) if the Department and such agency or State officer determine that this procedure will expedite the processing of applications for title or registration.

With each such transaction reporting return, the retailer shall remit the proper amount of tax due (or shall submit satisfactory evidence that the sale is not taxable if that is the case), to the Department or its agents, whereupon the Department shall issue, in the purchaser's name, a use tax receipt (or a certificate of exemption if the Department is satisfied that the particular sale is tax exempt) which such purchaser may submit to the agency with which, or State officer with whom, he must title or register the tangible personal property that is involved (if titling or registration is required) in support of such purchaser's application for an Illinois certificate or other evidence of title or registration to such tangible personal property.

No retailer's failure or refusal to remit tax under this Act precludes a user, who has paid the proper tax to the retailer, from obtaining his certificate of title or other evidence of title or registration (if titling or registration is required) upon satisfying the Department that such user has paid the proper tax (if tax is due) to the retailer. The Department shall adopt appropriate rules to carry out the mandate of this paragraph.

If the user who would otherwise pay tax to the retailer wants the transaction reporting return filed and the payment of the tax or proof of exemption made to the Department before the retailer is willing to take these actions and such user has not paid the tax to the retailer, such user may certify to the fact of such delay by the retailer and may (upon the Department being satisfied of the truth of such certification) transmit the information required by the transaction reporting return and the remittance for tax or proof of exemption directly to the Department and obtain his tax receipt or exemption determination, in which event the transaction reporting return and tax remittance (if a tax payment was required) shall be credited by the Department to the proper retailer's account with the Department, but without the 2.1% or 1.75% discount provided for in this Section being allowed. When the user pays the tax directly to the Department, he shall pay the tax in the same amount and in the same form in which it would be remitted if the tax had been

remitted to the Department by the retailer.

Refunds made by the seller during the preceding return period to purchasers, on account of tangible personal property returned to the seller, shall be allowed as a deduction under subdivision 5 of his monthly or quarterly return, as the case may be, in case the seller had theretofore included the receipts from the sale of such tangible personal property in a return filed by him and had paid the tax imposed by this Act with respect to such receipts.

Where the seller is a corporation, the return filed on behalf of such corporation shall be signed by the president, vice-president, secretary or treasurer or by the properly accredited agent of such corporation.

Where the seller is a limited liability company, the return filed on behalf of the limited liability company shall be signed by a manager, member, or properly accredited agent of the limited liability company.

Except as provided in this Section, the retailer filing the return under this Section shall, at the time of filing such return, pay to the Department the amount of tax imposed by this Act less a discount of 2.1% prior to January 1, 1990 and 1.75% on and after January 1, 1990, or \$5 per calendar year, whichever is greater, which is allowed to reimburse the retailer for the expenses incurred in keeping records, preparing and filing returns, remitting the tax and supplying data to the Department on request. Any prepayment made pursuant to Section 2d of this Act shall be included in the amount on which such 2.1% or 1.75% discount is computed. In the case of retailers who report and pay the tax on a transaction by transaction basis, as provided in this Section, such discount shall be taken with each such tax remittance instead of when such retailer files his periodic return.

Before October 1, 2000, if the taxpayer's average monthly tax liability to the Department under this Act, the Use Tax Act, the Service Occupation Tax Act, and the Service Use Tax Act, excluding any liability for prepaid sales tax to be remitted in accordance with Section 2d of this Act, was \$10,000 or more during the preceding 4 complete calendar quarters, he shall file a return with the Department each month by the 20th day of the month next following the month during which such tax liability is incurred and shall make payments to the Department on or before the 7th, 15th, 22nd and last day of the month during which such liability is incurred. On and after October 1, 2000, if the taxpayer's average monthly tax liability to the Department under this Act, the Use Tax Act, the Service Occupation Tax Act, and the Service Use Tax Act, excluding any liability for prepaid sales tax to be remitted in accordance with Section 2d of this Act, was \$20,000 or more during the preceding 4 complete calendar quarters, he shall file a return with the Department each month by the 20th day of the month next following the month during which such tax liability is incurred and shall make payment to the Department on or before the 7th, 15th, 22nd and last day of the month during which such liability is incurred. If the month during which such tax liability is incurred began prior to January 1, 1985, each payment shall be in an amount equal to 1/4 of the taxpayer's actual liability for the month or an amount set by the Department not to exceed 1/4 of the average monthly liability of the taxpayer to the Department for the preceding 4 complete calendar quarters (excluding the month of highest liability and the month of lowest liability in such 4 quarter period). If the month during which such tax liability is incurred begins on or after January 1, 1985 and prior to January 1, 1987, each payment shall be in an amount equal to 22.5% of the taxpayer's actual liability for the month or 27.5% of the taxpayer's liability for the same calendar month of the preceding year. If the month during which such tax liability is incurred begins on or after January 1, 1987 and prior to January 1, 1988, each payment shall be in an amount equal to 22.5% of the taxpayer's actual liability for the month or 26.25% of the taxpayer's liability for the same calendar month of the preceding year. If the month during which such tax liability is incurred begins on or after January 1, 1988, and prior to January 1, 1989, or begins on or after January 1, 1996, each payment shall be in an amount equal to 22.5% of the taxpayer's actual liability for the month or 25% of the taxpayer's liability for the same calendar month of the preceding year. If the month during which such tax liability is incurred begins on or after January 1, 1989, and prior to January 1, 1996, each payment shall be in an amount equal to 22.5% of the taxpayer's actual liability for the month or 25% of the taxpayer's liability for the same calendar month of the preceding year or 100% of the taxpayer's actual liability for the quarter monthly reporting period. The amount of such quarter monthly payments shall be credited against the final tax liability of the taxpayer's return for that month. Before October 1, 2000, once applicable, the requirement of the making of quarter monthly payments to the Department by taxpayers having an average monthly tax liability of \$10,000 or more as determined in the manner provided above shall continue until such taxpayer's average monthly liability to the Department during the preceding 4 complete calendar quarters (excluding the month of highest liability and the month of lowest liability) is less than \$9,000, or until such taxpayer's average monthly liability to the Department as computed for each calendar quarter of the 4 preceding complete calendar quarter period is less than \$10,000. However, if a taxpayer can show the Department that a substantial change in the taxpayer's business has occurred which

causes the taxpayer to anticipate that his average monthly tax liability for the reasonably foreseeable future will fall below the \$10,000 threshold stated above, then such taxpayer may petition the Department for a change in such taxpayer's reporting status. On and after October 1, 2000, once applicable, the requirement of the making of quarter monthly payments to the Department by taxpayers having an average monthly tax liability of \$20,000 or more as determined in the manner provided above shall continue until such taxpayer's average monthly liability to the Department during the preceding 4 complete calendar quarters (excluding the month of highest liability and the month of lowest liability) is less than \$19,000 or until such taxpayer's average monthly liability to the Department as computed for each calendar quarter of the 4 preceding complete calendar quarter period is less than \$20,000. However, if a taxpayer can show the Department that a substantial change in the taxpayer's business has occurred which causes the taxpayer to anticipate that his average monthly tax liability for the reasonably foreseeable future will fall below the \$20,000 threshold stated above, then such taxpayer may petition the Department for a change in such taxpayer's reporting status. The Department shall change such taxpayer's reporting status unless it finds that such change is seasonal in nature and not likely to be long term. If any such quarter monthly payment is not paid at the time or in the amount required by this Section, then the taxpayer shall be liable for penalties and interest on the difference between the minimum amount due as a payment and the amount of such quarter monthly payment actually and timely paid, except insofar as the taxpayer has previously made payments for that month to the Department in excess of the minimum payments previously due as provided in this Section. The Department shall make reasonable rules and regulations to govern the quarter monthly payment amount and quarter monthly payment dates for taxpayers who file on other than a calendar monthly basis.

The provisions of this paragraph apply before October 1, 2001. Without regard to whether a taxpayer is required to make quarter monthly payments as specified above, any taxpayer who is required by Section 2d of this Act to collect and remit prepaid taxes and has collected prepaid taxes which average in excess of \$25,000 per month during the preceding 2 complete calendar quarters, shall file a return with the Department as required by Section 2f and shall make payments to the Department on or before the 7th, 15th, 22nd and last day of the month during which such liability is incurred. If the month during which such tax liability is incurred began prior to the effective date of this amendatory Act of 1985, each payment shall be in an amount not less than 22.5% of the taxpayer's actual liability under Section 2d. If the month during which such tax liability is incurred begins on or after January 1, 1986, each payment shall be in an amount equal to 22.5% of the taxpayer's actual liability for the month or 27.5% of the taxpayer's liability for the same calendar month of the preceding calendar year. If the month during which such tax liability is incurred begins on or after January 1, 1987, each payment shall be in an amount equal to 22.5% of the taxpayer's actual liability for the month or 26.25% of the taxpayer's liability for the same calendar month of the preceding year. The amount of such quarter monthly payments shall be credited against the final tax liability of the taxpayer's return for that month filed under this Section or Section 2f, as the case may be. Once applicable, the requirement of the making of quarter monthly payments to the Department pursuant to this paragraph shall continue until such taxpayer's average monthly prepaid tax collections during the preceding 2 complete calendar quarters is \$25,000 or less. If any such quarter monthly payment is not paid at the time or in the amount required, the taxpayer shall be liable for penalties and interest on such difference, except insofar as the taxpayer has previously made payments for that month in excess of the minimum payments previously due.

The provisions of this paragraph apply on and after October 1, 2001. Without regard to whether a taxpayer is required to make quarter monthly payments as specified above, any taxpayer who is required by Section 2d of this Act to collect and remit prepaid taxes and has collected prepaid taxes that average in excess of \$20,000 per month during the preceding 4 complete calendar quarters shall file a return with the Department as required by Section 2f and shall make payments to the Department on or before the 7th, 15th, 22nd and last day of the month during which the liability is incurred. Each payment shall be in an amount equal to 22.5% of the taxpayer's actual liability for the month or 25% of the taxpayer's liability for the same calendar month of the preceding year. The amount of the quarter monthly payments shall be credited against the final tax liability of the taxpayer's return for that month filed under this Section or Section 2f, as the case may be. Once applicable, the requirement of the making of quarter monthly payments to the Department pursuant to this paragraph shall continue until the taxpayer's average monthly prepaid tax collections during the preceding 4 complete calendar quarters (excluding the month of highest liability and the month of lowest liability) is less than \$19,000 or until such taxpayer's average monthly liability to the Department as computed for each calendar quarter of the 4 preceding complete calendar quarters is less than \$20,000. If any such quarter monthly payment is not paid at the time or in the amount

required, the taxpayer shall be liable for penalties and interest on such difference, except insofar as the taxpayer has previously made payments for that month in excess of the minimum payments previously due.

If any payment provided for in this Section exceeds the taxpayer's liabilities under this Act, the Use Tax Act, the Service Occupation Tax Act and the Service Use Tax Act, as shown on an original monthly return, the Department shall, if requested by the taxpayer, issue to the taxpayer a credit memorandum no later than 30 days after the date of payment. The credit evidenced by such credit memorandum may be assigned by the taxpayer to a similar taxpayer under this Act, the Use Tax Act, the Service Occupation Tax Act or the Service Use Tax Act, in accordance with reasonable rules and regulations to be prescribed by the Department. If no such request is made, the taxpayer may credit such excess payment against tax liability subsequently to be remitted to the Department under this Act, the Use Tax Act, the Service Occupation Tax Act or the Service Use Tax Act, in accordance with reasonable rules and regulations prescribed by the Department. If the Department subsequently determined that all or any part of the credit taken was not actually due to the taxpayer, the taxpayer's 2.1% and 1.75% vendor's discount shall be reduced by 2.1% or 1.75% of the difference between the credit taken and that actually due, and that taxpayer shall be liable for penalties and interest on such difference.

If a retailer of motor fuel is entitled to a credit under Section 2d of this Act which exceeds the taxpayer's liability to the Department under this Act for the month which the taxpayer is filing a return, the Department shall issue the taxpayer a credit memorandum for the excess.

Beginning January 1, 1990, each month the Department shall pay into the Local Government Tax Fund, a special fund in the State treasury which is hereby created, the net revenue realized for the preceding month from the 1% tax on sales of food for human consumption which is to be consumed off the premises where it is sold (other than alcoholic beverages, soft drinks and food which has been prepared for immediate consumption) and prescription and nonprescription medicines, drugs, medical appliances and insulin, urine testing materials, syringes and needles used by diabetics.

Beginning January 1, 1990, each month the Department shall pay into the County and Mass Transit District Fund, a special fund in the State treasury which is hereby created, 4% of the net revenue realized for the preceding month from the 6.25% general rate.

Beginning August 1, 2000, each month the Department shall pay into the County and Mass Transit District Fund 20% of the net revenue realized for the preceding month from the 1.25% rate on the selling price of motor fuel and gasohol.

Beginning January 1, 1990, each month the Department shall pay into the Local Government Tax Fund 16% of the net revenue realized for the preceding month from the 6.25% general rate on the selling price of tangible personal property.

Beginning August 1, 2000, each month the Department shall pay into the Local Government Tax Fund 80% of the net revenue realized for the preceding month from the 1.25% rate on the selling price of motor fuel and gasohol.

Of the remainder of the moneys received by the Department pursuant to this Act, (a) 1.75% thereof shall be paid into the Build Illinois Fund and (b) prior to July 1, 1989, 2.2% and on and after July 1, 1989, 3.8% thereof shall be paid into the Build Illinois Fund; provided, however, that if in any fiscal year the sum of (1) the aggregate of 2.2% or 3.8%, as the case may be, of the moneys received by the Department and required to be paid into the Build Illinois Fund pursuant to this Act, Section 9 of the Use Tax Act, Section 9 of the Service Use Tax Act, and Section 9 of the Service Occupation Tax Act, such Acts being hereinafter called the "Tax Acts" and such aggregate of 2.2% or 3.8%, as the case may be, of moneys being hereinafter called the "Tax Act Amount", and (2) the amount transferred to the Build Illinois Fund from the State and Local Sales Tax Reform Fund shall be less than the Annual Specified Amount (as hereinafter defined), an amount equal to the difference shall be immediately paid into the Build Illinois Fund from other moneys received by the Department pursuant to the Tax Acts; the "Annual Specified Amount" means the amounts specified below for fiscal years 1986 through 1993:

Fiscal Year	Annual Specified Amount
1986	\$54,800,000
1987	\$76,650,000
1988	\$80,480,000
1989	\$88,510,000
1990	\$115,330,000
1991	\$145,470,000
1992	\$182,730,000
1993	\$206,520,000;

and means the Certified Annual Debt Service Requirement (as defined in Section 13 of the Build Illinois Bond Act) or the Tax Act Amount, whichever is greater, for fiscal year 1994 and each fiscal year thereafter; and further provided, that if on the last business day of any month the sum of (1) the Tax Act Amount required to be deposited into the Build Illinois Bond Account in the Build Illinois Fund during such month and (2) the amount transferred to the Build Illinois Fund from the State and Local Sales Tax Reform Fund shall have been less than 1/12 of the Annual Specified Amount, an amount equal to the difference shall be immediately paid into the Build Illinois Fund from other moneys received by the Department pursuant to the Tax Acts; and, further provided, that in no event shall the payments required under the preceding proviso result in aggregate payments into the Build Illinois Fund pursuant to this clause (b) for any fiscal year in excess of the greater of (i) the Tax Act Amount or (ii) the Annual Specified Amount for such fiscal year. The amounts payable into the Build Illinois Fund under clause (b) of the first sentence in this paragraph shall be payable only until such time as the aggregate amount on deposit under each trust indenture securing Bonds issued and outstanding pursuant to the Build Illinois Bond Act is sufficient, taking into account any future investment income, to fully provide, in accordance with such indenture, for the defeasance of or the payment of the principal of, premium, if any, and interest on the Bonds secured by such indenture and on any Bonds expected to be issued thereafter and all fees and costs payable with respect thereto, all as certified by the Director of the Bureau of the Budget (now Governor's Office of Management and Budget). If on the last business day of any month in which Bonds are outstanding pursuant to the Build Illinois Bond Act, the aggregate of moneys deposited in the Build Illinois Bond Account in the Build Illinois Fund in such month shall be less than the amount required to be transferred in such month from the Build Illinois Bond Account to the Build Illinois Bond Retirement and Interest Fund pursuant to Section 13 of the Build Illinois Bond Act, an amount equal to such deficiency shall be immediately paid from other moneys received by the Department pursuant to the Tax Acts to the Build Illinois Fund; provided, however, that any amounts paid to the Build Illinois Fund in any fiscal year pursuant to this sentence shall be deemed to constitute payments pursuant to clause (b) of the first sentence of this paragraph and shall reduce the amount otherwise payable for such fiscal year pursuant to that clause (b). The moneys received by the Department pursuant to this Act and required to be deposited into the Build Illinois Fund are subject to the pledge, claim and charge set forth in Section 12 of the Build Illinois Bond Act.

Subject to payment of amounts into the Build Illinois Fund as provided in the preceding paragraph or in any amendment thereto hereafter enacted, the following specified monthly installment of the amount requested in the certificate of the Chairman of the Metropolitan Pier and Exposition Authority provided under Section 8.25f of the State Finance Act, but not in excess of sums designated as "Total Deposit", shall be deposited in the aggregate from collections under Section 9 of the Use Tax Act, Section 9 of the Service Use Tax Act, Section 9 of the Service Occupation Tax Act, and Section 3 of the Retailers' Occupation Tax Act into the McCormick Place Expansion Project Fund in the specified fiscal years.

Fiscal Year	Total Deposit
1993	\$0
1994	53,000,000
1995	58,000,000
1996	61,000,000
1997	64,000,000
1998	68,000,000
1999	71,000,000
2000	75,000,000
2001	80,000,000
2002	93,000,000
2003	99,000,000
2004	103,000,000
2005	108,000,000
2006	113,000,000
2007	119,000,000
2008	126,000,000
2009	132,000,000
2010	139,000,000
2011	146,000,000
2012	153,000,000

2013	161,000,000
2014	170,000,000
2015	179,000,000
2016	189,000,000
2017	199,000,000
2018	210,000,000
2019	221,000,000
2020	233,000,000
2021	246,000,000
2022	260,000,000
2023 and	275,000,000

each fiscal year  
thereafter that bonds  
are outstanding under  
Section 13.2 of the  
Metropolitan Pier and  
Exposition Authority Act,  
but not after fiscal year 2042.

Beginning July 20, 1993 and in each month of each fiscal year thereafter, one-eighth of the amount requested in the certificate of the Chairman of the Metropolitan Pier and Exposition Authority for that fiscal year, less the amount deposited into the McCormick Place Expansion Project Fund by the State Treasurer in the respective month under subsection (g) of Section 13 of the Metropolitan Pier and Exposition Authority Act, plus cumulative deficiencies in the deposits required under this Section for previous months and years, shall be deposited into the McCormick Place Expansion Project Fund, until the full amount requested for the fiscal year, but not in excess of the amount specified above as "Total Deposit", has been deposited.

Subject to payment of amounts into the Build Illinois Fund and the McCormick Place Expansion Project Fund pursuant to the preceding paragraphs or in any amendments thereto hereafter enacted, beginning July 1, 1993, the Department shall each month pay into the Illinois Tax Increment Fund 0.27% of 80% of the net revenue realized for the preceding month from the 6.25% general rate on the selling price of tangible personal property.

Subject to payment of amounts into the Build Illinois Fund and the McCormick Place Expansion Project Fund pursuant to the preceding paragraphs or in any amendments thereto hereafter enacted, beginning with the receipt of the first report of taxes paid by an eligible business and continuing for a 25-year period, the Department shall each month pay into the Energy Infrastructure Fund 80% of the net revenue realized from the 6.25% general rate on the selling price of Illinois-mined coal that was sold to an eligible business. For purposes of this paragraph, the term "eligible business" means a new electric generating facility certified pursuant to Section 605-332 of the Department of Commerce and Economic Opportunity Law of the Civil Administrative Code of Illinois.

Of the remainder of the moneys received by the Department pursuant to this Act, 75% thereof shall be paid into the State Treasury and 25% shall be reserved in a special account and used only for the transfer to the Common School Fund as part of the monthly transfer from the General Revenue Fund in accordance with Section 8a of the State Finance Act.

The Department may, upon separate written notice to a taxpayer, require the taxpayer to prepare and file with the Department on a form prescribed by the Department within not less than 60 days after receipt of the notice an annual information return for the tax year specified in the notice. Such annual return to the Department shall include a statement of gross receipts as shown by the retailer's last Federal income tax return. If the total receipts of the business as reported in the Federal income tax return do not agree with the gross receipts reported to the Department of Revenue for the same period, the retailer shall attach to his annual return a schedule showing a reconciliation of the 2 amounts and the reasons for the difference. The retailer's annual return to the Department shall also disclose the cost of goods sold by the retailer during the year covered by such return, opening and closing inventories of such goods for such year, costs of goods used from stock or taken from stock and given away by the retailer during such year, payroll information of the retailer's business during such year and any additional reasonable information which the Department deems would be helpful in determining the accuracy of the monthly, quarterly or annual returns filed by such retailer as provided for in this Section.

If the annual information return required by this Section is not filed when and as required, the taxpayer

shall be liable as follows:

(i) Until January 1, 1994, the taxpayer shall be liable for a penalty equal to 1/6 of 1% of the tax due from such taxpayer under this Act during the period to be covered by the annual return for each month or fraction of a month until such return is filed as required, the penalty to be assessed and collected in the same manner as any other penalty provided for in this Act.

(ii) On and after January 1, 1994, the taxpayer shall be liable for a penalty as described in Section 3-4 of the Uniform Penalty and Interest Act.

The chief executive officer, proprietor, owner or highest ranking manager shall sign the annual return to certify the accuracy of the information contained therein. Any person who willfully signs the annual return containing false or inaccurate information shall be guilty of perjury and punished accordingly. The annual return form prescribed by the Department shall include a warning that the person signing the return may be liable for perjury.

The provisions of this Section concerning the filing of an annual information return do not apply to a retailer who is not required to file an income tax return with the United States Government.

As soon as possible after the first day of each month, upon certification of the Department of Revenue, the Comptroller shall order transferred and the Treasurer shall transfer from the General Revenue Fund to the Motor Fuel Tax Fund an amount equal to 1.7% of 80% of the net revenue realized under this Act for the second preceding month. Beginning April 1, 2000, this transfer is no longer required and shall not be made.

Net revenue realized for a month shall be the revenue collected by the State pursuant to this Act, less the amount paid out during that month as refunds to taxpayers for overpayment of liability.

For greater simplicity of administration, manufacturers, importers and wholesalers whose products are sold at retail in Illinois by numerous retailers, and who wish to do so, may assume the responsibility for accounting and paying to the Department all tax accruing under this Act with respect to such sales, if the retailers who are affected do not make written objection to the Department to this arrangement.

Any person who promotes, organizes, provides retail selling space for concessionaires or other types of sellers at the Illinois State Fair, DuQuoin State Fair, county fairs, local fairs, art shows, flea markets and similar exhibitions or events, including any transient merchant as defined by Section 2 of the Transient Merchant Act of 1987, is required to file a report with the Department providing the name of the merchant's business, the name of the person or persons engaged in merchant's business, the permanent address and Illinois Retailers Occupation Tax Registration Number of the merchant, the dates and location of the event and other reasonable information that the Department may require. The report must be filed not later than the 20th day of the month next following the month during which the event with retail sales was held. Any person who fails to file a report required by this Section commits a business offense and is subject to a fine not to exceed \$250.

Any person engaged in the business of selling tangible personal property at retail as a concessionaire or other type of seller at the Illinois State Fair, county fairs, art shows, flea markets and similar exhibitions or events, or any transient merchants, as defined by Section 2 of the Transient Merchant Act of 1987, may be required to make a daily report of the amount of such sales to the Department and to make a daily payment of the full amount of tax due. The Department shall impose this requirement when it finds that there is a significant risk of loss of revenue to the State at such an exhibition or event. Such a finding shall be based on evidence that a substantial number of concessionaires or other sellers who are not residents of Illinois will be engaging in the business of selling tangible personal property at retail at the exhibition or event, or other evidence of a significant risk of loss of revenue to the State. The Department shall notify concessionaires and other sellers affected by the imposition of this requirement. In the absence of notification by the Department, the concessionaires and other sellers shall file their returns as otherwise required in this Section.

(Source: P.A. 94-1074, eff. 12-26-06; 95-331, eff. 8-21-07.)

Section 7.7. The Uniform Penalty and Interest Act is amended by adding Section 3-7.7 as follows:

(35 ILCS 735/3-7.7 new)

Sec. 3-7.7. Penalty for failure to timely file a report or accurately report on sales of motor fuel in the metropolitan region.

(a) Any retailer who fails to timely file the report required by Section 3 of the Retailers' Occupation Tax Act concerning gross receipts from and tax properly due and paid on the sale of motor fuel in the metropolitan region shall pay the following penalty:

<u>First occurrence.....</u>	<u>\$ 250</u>
<u>Second and each occurrence thereafter.....</u>	<u>\$1,000</u>

(b) Any retailer who fails to accurately report the amount required by Section 3 of the Retailers'

Occupation Tax Act concerning gross receipts from and tax properly due and paid on the sale of motor fuel in the metropolitan region shall pay the following penalty:

- First occurrence .....\$ 250
- Second and each occurrence thereafter.....\$1,000

(c) For purposes of this Section, "motor fuel" means that term as defined in the Motor Fuel Tax Law, not including aviation fuel, and "metropolitan region" means that term as defined in the Regional Transportation Authority Act.

(d) The penalty imposed under this Section shall be deemed assessed at the time of notice by the Department and shall be treated for all purposes, including collection and allocation, as part of the tax to which the report relates.

Section 8. The Illinois Pension Code is amended by changing Section 22-101 and by adding Section 22-101B as follows:

(40 ILCS 5/22-101) (from Ch. 108 1/2, par. 22-101)

Sec. 22-101. Retirement Plan for Chicago Transit Authority Employees, Metropolitan Transit Authority (CTA) Pension Fund.

(a) There shall be established and maintained by the Authority created by the "Metropolitan Transit Authority Act", approved April 12, 1945, as amended, (referred to in this Section as the "Authority") a financially sound pension and retirement system adequate to provide for all payments when due under such established system or as modified from time to time by ordinance of the Chicago Transit Board or collective bargaining agreement. For this purpose, the Board must make contributions to the established system as required under this Section and may make any additional contributions provided for by Board ordinance or collective bargaining agreement. The participating employees shall make such periodic payments to the established system as required under this Section and may make any additional contributions provided for may be determined by Board ordinance or collective bargaining agreement. The Board, in lieu of social security payments required to be paid by private corporations engaged in similar activity, shall make payments into such established system at least equal in amount to the amount so required to be paid by such private corporations.

Provisions shall be made by the Board for all Board members, officers and employees of the Authority appointed pursuant to the "Metropolitan Transit Authority Act" to become, subject to reasonable rules and regulations, participants members or beneficiaries of the pension or retirement system with uniform rights, privileges, obligations and status as to the class in which such officers and employees belong. The terms, conditions and provisions of any pension or retirement system or of any amendment or modification thereof affecting employees who are members of any labor organization may be established, amended or modified by agreement with such labor organization, provided the terms, conditions and provisions must be consistent with this Act, the annual funding levels for the retirement system established by law must be met and the benefits paid to future participants in the system may not exceed the benefit ceilings set for future participants under this Act and the contribution levels required by the Authority and its employees may not be less than the contribution levels established under this Act but must be consistent with the requirements of this Section.

(b) The Board of Trustees shall consist of 11 members appointed as follows: (i) 5 trustees shall be appointed by the Chicago Transit Board; (ii) 3 trustees shall be appointed by an organization representing the highest number of Chicago Transit Authority participants; (iii) one trustee shall be appointed by an organization representing the second-highest number of Chicago Transit Authority participants; (iv) one trustee shall be appointed by the recognized coalition representatives of participants who are not represented by an organization with the highest or second-highest number of Chicago Transit Authority participants; and (v) one trustee shall be selected by the Regional Transportation Authority Board of Directors, and the trustee shall be a professional fiduciary who has experience in the area of collectively bargained pension plans. Trustees shall serve until a successor has been appointed and qualified, or until resignation, death, incapacity, or disqualification.

Any person appointed as a trustee of the board shall qualify by taking an oath of office that he or she will diligently and honestly administer the affairs of the system and will not knowingly violate or willfully permit the violation of any of the provisions of law applicable to the Plan, including Sections 1-109, 1-109.1, 1-109.2, 1-110, 1-111, 1-114, and 1-115 of the Illinois Pension Code.

Each trustee shall cast individual votes, and a majority vote shall be final and binding upon all interested parties, provided that the Board of Trustees may require a supermajority vote with respect to the investment of the assets of the Retirement Plan, and may set forth that requirement in the Retirement Plan documents, by-laws, or rules of the Board of Trustees. Each trustee shall have the rights, privileges, authority, and



obligations as are usual and customary for such fiduciaries.

The Board of Trustees may cause amounts on deposit in the Retirement Plan to be invested in those investments that are permitted investments for the investment of moneys held under any one or more of the pension or retirement systems of the State, any unit of local government or school district, or any agency or instrumentality thereof. The Board, by a vote of at least two-thirds of the trustees, may transfer investment management to the Illinois State Board of Investment, which is hereby authorized to manage these investments when so requested by the Board of Trustees.

(c) All individuals who were previously participants in the Retirement Plan for Chicago Transit Authority Employees shall remain participants, and shall receive the same benefits established by the Retirement Plan for Chicago Transit Authority Employees, except as provided in this amendatory Act or by subsequent legislative enactment or amendment to the Retirement Plan. For Authority employees hired on or after January 1, 2008, the Retirement Plan for Chicago Transit Authority Employees shall be the exclusive retirement plan and such employees shall not be eligible for any supplemental plan, except for a deferred compensation plan funded only by employee contributions.

For all Authority employees who are first hired on or after January 1, 2008 and are participants in the Retirement Plan for Chicago Transit Authority Employees, the following terms, conditions and provisions with respect to retirement shall be applicable:

(1) Such participant shall be eligible for an unreduced retirement allowance for life upon the attainment of age 64 with 25 years of continuous service.

(2) Such participant shall be eligible for a reduced retirement allowance for life upon the attainment of age 55 with 10 years of continuous service.

(3) For the purpose of determining the retirement allowance to be paid to a retiring employee, the term "Continuous Service" as used in the Retirement Plan for Chicago Transit Authority Employees shall also be deemed to include all pension credit for service with any retirement system established under Article 8 or Article 11 of this Code, provided that the employee forfeits and relinquishes all pension credit under Article 8 or Article 11 of this Code, and the contribution required under this subsection is made by the employee. The Retirement Plan's actuary shall determine the contribution paid by the employee as an amount equal to the normal cost of the benefit accrued, had the service been rendered as an employee, plus interest per annum from the time such service was rendered until the date the payment is made.

(d) From the effective date of this amendatory Act through December 31, 2008, all participating employees shall contribute to the Retirement Plan in an amount not less than 6% of compensation, and the Authority shall contribute to the Retirement Plan in an amount not less than 12% of compensation.

(e)(1) Beginning January 1, 2009 the Authority shall make contributions to the Retirement Plan in an amount equal to twelve percent (12%) of compensation and participating employees shall make contributions to the Retirement Plan in an amount equal to six percent (6%) of compensation. These contributions may be paid by the Authority and participating employees on a payroll or other periodic basis, but shall in any case be paid to the Retirement Plan at least monthly.

(2) For the period ending December 31, 2039, the amount paid by the Authority in any year with respect to debt service on bonds issued for the purposes of funding a contribution to the Retirement Plan under Section 12c of the Metropolitan Transit Authority Act, other than debt service paid with the proceeds of bonds or notes issued by the Authority for any year after calendar year 2008, shall be treated as a credit against the amount of required contribution to the Retirement Plan by the Authority under subsection (e)(1) for the following year up to an amount not to exceed 6% of compensation paid by the Authority in that following year.

(3) By September 15 of each year beginning in 2009 and ending on December 31, 2038, on the basis of a report prepared by an enrolled actuary retained by the Plan, the Board of Trustees of the Retirement Plan shall determine the estimated funded ratio of the total assets of the Retirement Plan to its total actuarially determined liabilities. A report containing that determination and the actuarial assumptions on which it is based shall be filed with the Authority, the representatives of its participating employees, the Auditor General of the State of Illinois, and the Regional Transportation Authority. If the funded ratio is projected to decline below 60% in any year before 2039, the Board of Trustees shall also determine the increased contribution required each year as a level percentage of payroll over the years remaining until 2039 using the projected unit credit actuarial cost method so the funded ratio does not decline below 60% and include that determination in its report. If the actual funded ratio declines below 60% in any year prior to 2039, the Board of Trustees shall also determine the increased contribution required each year as a level percentage of payroll during the years after the then current year using the projected unit credit actuarial cost method so the funded ratio is projected to reach at least 60% no later than 10 years after the then current year and

include that determination in its report. Within 60 days after receiving the report, the Auditor General shall review the determination and the assumptions on which it is based, and if he finds that the determination and the assumptions on which it is based are unreasonable in the aggregate, he shall issue a new determination of the funded ratio, the assumptions on which it is based and the increased contribution required each year as a level percentage of payroll over the years remaining until 2039 using the projected unit credit actuarial cost method so the funded ratio does not decline below 60%, or, in the event of an actual decline below 60%, so the funded ratio is projected to reach 60% by no later than 10 years after the then current year. If the Board of Trustees or the Auditor General determine that an increased contribution is required to meet the funded ratio required by the subsection, effective January 1 following the determination or 30 days after such determination, whichever is later, one-third of the increased contribution shall be paid by participating employees and two-thirds by the Authority, in addition to the contributions required by this subsection (1).

(4) For the period beginning 2039, the minimum contribution to the Retirement Plan for each fiscal year shall be an amount determined by the Board of Trustees of the Retirement Plan to be sufficient to bring the total assets of the Retirement Plan up to 90% of its total actuarial liabilities by the end of 2058. Participating employees shall be responsible for one-third of the required contribution and the Authority shall be responsible for two-thirds of the required contribution. In making these determinations, the Board of Trustees shall calculate the required contribution each year as a level percentage of payroll over the years remaining to and including fiscal year 2058 using the projected unit credit actuarial cost method. A report containing that determination and the actuarial assumptions on which it is based shall be filed by September 15 of each year with the Authority, the representatives of its participating employees, the Auditor General of the State of Illinois and the Regional Transportation Authority. If the funded ratio is projected to fail to reach 90% by December 31, 2058, the Board of Trustees shall also determine the increased contribution required each year as a level percentage of payroll over the years remaining until December 31, 2058 using the projected unit credit actuarial cost method so the funded ratio will meet 90% by December 31, 2058 and include that determination in its report. Within 60 days after receiving the report, the Auditor General shall review the determination and the assumptions on which it is based and if he finds that the determination and the assumptions on which it is based are unreasonable in the aggregate, he shall issue a new determination of the funded ratio, the assumptions on which it is based and the increased contribution required each year as a level percentage of payroll over the years remaining until December 31, 2058 using the projected unit credit actuarial cost method so the funded ratio reaches no less than 90% by December 31, 2058. If the Board of Trustees or the Auditor General determine that an increased contribution is required to meet the funded ratio required by this subsection, effective January 1 following the determination or 30 days after such determination, whichever is later, one-third of the increased contribution shall be paid by participating employees and two-thirds by the Authority, in addition to the contributions required by subsection (e)(1).

(5) Beginning in 2059, the minimum contribution for each year shall be the amount needed to maintain the total assets of the Retirement Plan at 90% of the total actuarial liabilities of the Plan, and the contribution shall be funded two-thirds by the Authority and one-third by the participating employees in accordance with this subsection.

(f) The Authority shall take the steps necessary to comply with Section 414(h)(2) of the Internal Revenue Code of 1986, as amended, to permit the pick-up of employee contributions under subsections (d) and (e) on a tax-deferred basis.

(g) The Board of Trustees shall certify to the Governor, the General Assembly, the Auditor General, the Board of the Regional Transportation Authority, and the Authority at least 90 days prior to the end of each fiscal year the amount of the required contributions to the retirement system for the next retirement system fiscal year under this Section. The certification shall include a copy of the actuarial recommendations upon which it is based. In addition, copies of the certification shall be sent to the Commission on Government Forecasting and Accountability and the Mayor of Chicago.

(h)(1) As to an employee who first becomes entitled to a retirement allowance commencing on or after November 30, 1989, the retirement allowance shall be the amount determined in accordance with the following formula:

(A) One percent (1%) of his "Average Annual Compensation in the highest four (4) completed Plan Years" for each full year of continuous service from the date of original employment to the effective date of the Plan; plus

(B) One and seventy-five hundredths percent (1.75%) of his "Average Annual Compensation in the highest four (4) completed Plan Years" for each year (including fractions thereof to completed calendar

months) of continuous service as provided for in the Retirement Plan for Chicago Transit Authority Employees.

Provided, however that:

(2) As to an employee who first becomes entitled to a retirement allowance commencing on or after January 1, 1993, the retirement allowance shall be the amount determined in accordance with the following formula:

(A) One percent (1%) of his "Average Annual Compensation in the highest four (4) completed Plan Years" for each full year of continuous service from the date of original employment to the effective date of the Plan; plus

(B) One and eighty hundredths percent (1.80%) of his "Average Annual Compensation in the highest four (4) completed Plan Years" for each year (including fractions thereof to completed calendar months) of continuous service as provided for in the Retirement Plan for Chicago Transit Authority Employees.

Provided, however that:

(3) As to an employee who first becomes entitled to a retirement allowance commencing on or after January 1, 1994, the retirement allowance shall be the amount determined in accordance with the following formula:

(A) One percent (1%) of his "Average Annual Compensation in the highest four (4) completed Plan Years" for each full year of continuous service from the date of original employment to the effective date of the Plan; plus

(B) One and eighty-five hundredths percent (1.85%) of his "Average Annual Compensation in the highest four (4) completed Plan Years" for each year (including fractions thereof to completed calendar months) of continuous service as provided for in the Retirement Plan for Chicago Transit Authority Employees.

Provided, however that:

(4) As to an employee who first becomes entitled to a retirement allowance commencing on or after January 1, 2000, the retirement allowance shall be the amount determined in accordance with the following formula:

(A) One percent (1%) of his "Average Annual Compensation in the highest four (4) completed Plan Years" for each full year of continuous service from the date of original employment to the effective date of the Plan; plus

(B) Two percent (2%) of his "Average Annual Compensation in the highest four (4) completed Plan Years" for each year (including fractions thereof to completed calendar months) of continuous service as provided for in the Retirement Plan for Chicago Transit Authority Employees.

Provided, however that:

(5) As to an employee who first becomes entitled to a retirement allowance commencing on or after January 1, 2001, the retirement allowance shall be the amount determined in accordance with the following formula:

(A) One percent (1%) of his "Average Annual Compensation in the highest four (4) completed Plan Years" for each full year of continuous service from the date of original employment to the effective date of the Plan; plus

(B) Two and fifteen hundredths percent (2.15%) of his "Average Annual Compensation in the highest four (4) completed Plan Years" for each year (including fractions thereof to completed calendar months) of continuous service as provided for in the Retirement Plan for Chicago Transit Authority Employees.

The changes made by this amendatory Act of the 95th General Assembly, to the extent that they affect the rights or privileges of Authority employees that are currently the subject of collective bargaining, have been agreed to between the authorized representatives of these employees and of the Authority prior to enactment of this amendatory Act, as evidenced by a Memorandum of Understanding between these representatives that will be filed with the Secretary of State Index Department and designated as "95-GA-C05". The General Assembly finds and declares that those changes are consistent with 49 U.S.C. 5333(b) (also known as Section 13(c) of the Federal Transit Act) because of this agreement between authorized representatives of these employees and of the Authority, and that any future amendments to the provisions of this amendatory Act of the 95th General Assembly, to the extent those amendments would affect the rights and privileges of Authority employees that are currently the subject of collective bargaining, would be consistent with 49 U.S.C. 5333(b) if and only if those amendments were agreed to between these authorized representatives prior to enactment.

(i) Early retirement incentive plan; funded ratio.

(1) Beginning on the effective date of this Section, no early retirement incentive shall be offered to

participants of the Plan unless the Funded Ratio of the Plan is at least 80% or more.

(2) For the purposes of this Section, the Funded Ratio shall be the Adjusted Assets divided by the Actuarial Accrued Liability developed in accordance with Statement #25 promulgated by the Government Accounting Standards Board and the actuarial assumptions described in the Plan. The Adjusted Assets shall be calculated based on the methodology described in the Plan.

(j) Nothing in this amendatory Act of the 95th General Assembly shall impair the rights or privileges of Authority employees under any other law.

~~(b) Beginning January 1, 2009, the Authority shall make contributions to the retirement system in an amount which, together with the contributions of participants, interest earned on investments, and other income, will meet the cost of maintaining and administering the retirement plan in accordance with applicable actuarial recommendations and assumptions and the requirements of this Section. These contributions may be paid on a payroll or other periodic basis, but shall in any case be paid at least monthly.~~

~~For retirement system fiscal years 2009 through 2058, the minimum contribution to the retirement system to be made by the Authority for each fiscal year shall be an amount determined jointly by the Authority and the trustee of the retirement system to be sufficient to bring the total assets of the retirement system up to 90% of its total actuarial liabilities by the end of fiscal year 2058. In making these determinations, the required Authority contribution shall be calculated each year as a level percentage of payroll over the years remaining to and including fiscal year 2058 and shall be determined under the projected unit credit actuarial cost method. Beginning in retirement system fiscal year 2059, the minimum Authority contribution for each fiscal year shall be the amount needed to maintain the total assets of the retirement system at 90% of the total actuarial liabilities of the system.~~

~~For purposes of determining employer contributions and actuarial liabilities under this subsection, contributions and liabilities relating to health care benefits shall not be included. As used in this Section, "retirement system fiscal year" means the calendar year, or such other plan year as may be defined from time to time in the agreement known as the Retirement Plan for Chicago Transit Authority Employees, or its successor agreement.~~

~~(c) The Authority and the trustee shall jointly certify to the Governor, the General Assembly, and the Board of the Regional Transportation Authority on or before November 15 of 2008 and of each year thereafter the amount of the required Authority contributions to the retirement system for the next retirement system fiscal year under subsection (b). The certification shall include a copy of the actuarial recommendations upon which it is based. In addition, copies of the certification shall be sent to the Commission on Government Forecasting and Accountability, the Mayor of Chicago, the Chicago City Council, and the Cook County Board.~~

~~(d) The Authority shall take all actions lawfully available to it to separate the funding of health care benefits for retirees and their dependents and survivors from the funding for its retirement system. The Authority shall endeavor to achieve this separation as soon as possible, and in any event no later than January 1, 2009.~~

~~(e) This amendatory Act of the 94th General Assembly does not affect or impair the right of either the Authority or its employees to collectively bargain the amount or level of employee contributions to the retirement system.~~

(Source: P.A. 94-839, eff. 6-6-06.)

(40 ILCS 5/22-101B new)

Sec. 22-101B. Health Care Benefits.

(a) The Chicago Transit Authority (hereinafter referred to in this Section as the "Authority") shall take all actions lawfully available to it to separate the funding of health care benefits for retirees and their dependents and survivors from the funding for its retirement system. The Authority shall endeavor to achieve this separation as soon as possible, and in any event no later than January 1, 2009.

(b) Effective January 1, 2008, a Retiree Health Care Trust is established for the purpose of providing health care benefits to eligible retirees and their dependents and survivors in accordance with the terms and conditions set forth in this Section 22-101B. The Retiree Health Care Trust shall be solely responsible for providing health care benefits to eligible retirees and their dependents and survivors by no later than January 1, 2009, but no earlier than July 1, 2008.

(1) The Board of Trustees shall consist of 7 members appointed as follows: (i) 3 trustees shall be appointed by the Chicago Transit Board; (ii) one trustee shall be appointed by an organization representing the highest number of Chicago Transit Authority participants; (iii) one trustee shall be appointed by an organization representing the second-highest number of Chicago Transit Authority participants; (iv) one

trustee shall be appointed by the recognized coalition representatives of participants who are not represented by an organization with the highest or second-highest number of Chicago Transit Authority participants; and (v) one trustee shall be selected by the Regional Transportation Authority Board of Directors, and the trustee shall be a professional fiduciary who has experience in the area of collectively bargained retiree health plans. Trustees shall serve until a successor has been appointed and qualified, or until resignation, death, incapacity, or disqualification.

Any person appointed as a trustee of the board shall qualify by taking an oath of office that he or she will diligently and honestly administer the affairs of the system, and will not knowingly violate or willfully permit the violation of any of the provisions of law applicable to the Plan, including Sections 1-109, 1-109.1, 1-109.2, 1-110, 1-111, 1-114, and 1-115 of Article 1 of the Illinois Pension Code.

Each trustee shall cast individual votes, and a majority vote shall be final and binding upon all interested parties, provided that the Board of Trustees may require a supermajority vote with respect to the investment of the assets of the Retiree Health Care Trust, and may set forth that requirement in the trust agreement or by-laws of the Board of Trustees. Each trustee shall have the rights, privileges, authority and obligations as are usual and customary for such fiduciaries.

(2) The Board of Trustees shall establish and administer a health care benefit program for eligible retirees and their dependents and survivors. The health care benefit program for eligible retirees and their dependents and survivors shall not contain any plan which provides for more than 90% coverage for in-network services or 70% coverage for out-of-network services after any deductible has been paid.

(3) The Retiree Health Care Trust shall be administered by the Board of Trustees according to the following requirements:

(i) The Board of Trustees may cause amounts on deposit in the Retiree Health Care Trust to be invested in those investments that are permitted investments for the investment of moneys held under any one or more of the pension or retirement systems of the State, any unit of local government or school district, or any agency or instrumentality thereof. The Board, by a vote of at least two-thirds of the trustees, may transfer investment management to the Illinois State Board of Investment, which is hereby authorized to manage these investments when so requested by the Board of Trustees.

(ii) The Board of Trustees shall establish and maintain an appropriate funding reserve level which shall not be less than the amount of incurred and unreported claims plus 12 months of expected claims and administrative expenses.

(iii) The Board of Trustees shall make an annual assessment of the funding levels of the Retiree Health Care Trust and shall submit a report to the Auditor General at least 90 days prior to the end of the fiscal year. The report shall provide the following:

(A) the actuarial present value of projected benefits expected to be paid to current and future retirees and their dependents and survivors;

(B) the actuarial present value of projected contributions and trust income plus assets;

(C) the reserve required by subsection (b)(3)(ii); and

(D) an assessment of whether the actuarial present value of projected benefits expected to be paid to current and future retirees and their dependents and survivors exceeds or is less than the actuarial present value of projected contributions and trust income plus assets in excess of the reserve required by subsection (b)(3)(ii).

If the actuarial present value of projected benefits expected to be paid to current and future retirees and their dependents and survivors exceeds the actuarial present value of projected contributions and trust income plus assets in excess of the reserve required by subsection (b)(3)(ii), then the report shall provide a plan of increases in employee, retiree, dependent, or survivor contribution levels, decreases in benefit levels, or both, which is projected to cure the shortfall over a period of not more than 10 years. If the actuarial present value of projected benefits expected to be paid to current and future retirees and their dependents and survivors is less than the actuarial present value of projected contributions and trust income plus assets in excess of the reserve required by subsection (b)(3)(ii), then the report may provide a plan of decreases in employee, retiree, dependent, or survivor contribution levels, increases in benefit levels, or both, to the extent of the surplus.

(iv) The Auditor General shall review the report and plan provided in subsection (b)(3)(iii) and issue a determination within 90 days after receiving the report and plan, with a copy of such determination provided to the General Assembly and the Regional Transportation Authority, as follows:

(A) In the event of a projected shortfall, if the Auditor General determines that the assumptions stated in the report are not unreasonable in the aggregate and that the plan of increases in employee, retiree, dependent, or survivor contribution levels, decreases in benefit levels, or both, is reasonably projected to

cure the shortfall over a period of not more than 10 years, then the Board of Trustees shall implement the plan. If the Auditor General determines that the assumptions stated in the report are unreasonable in the aggregate, or that the plan of increases in employee, retiree, dependent, or survivor contribution levels, decreases in benefit levels, or both, is not reasonably projected to cure the shortfall over a period of not more than 10 years, then the Board of Trustees shall not implement the plan, the Auditor General shall explain the basis for such determination to the Board of Trustees, and the Auditor General may make recommendations as to an alternative report and plan.

(B) In the event of a projected surplus, if the Auditor General determines that the assumptions stated in the report are not unreasonable in the aggregate and that the plan of decreases in employee, retiree, dependent, or survivor contribution levels, increases in benefit levels, or both, is not unreasonable in the aggregate, then the Board of Trustees shall implement the plan. If the Auditor General determines that the assumptions stated in the report are unreasonable in the aggregate, or that the plan of decreases in employee, retiree, dependent, or survivor contribution levels, increases in benefit levels, or both, is unreasonable in the aggregate, then the Board of Trustees shall not implement the plan, the Auditor General shall explain the basis for such determination to the Board of Trustees, and the Auditor General may make recommendations as to an alternative report and plan.

(C) The Board of Trustees shall submit an alternative report and plan within 45 days after receiving a rejection determination by the Auditor General. A determination by the Auditor General on any alternative report and plan submitted by the Board of Trustees shall be made within 90 days after receiving the alternative report and plan, and shall be accepted or rejected according to the requirements of this subsection (b)(3)(iv). The Board of Trustees shall continue to submit alternative reports and plans to the Auditor General, as necessary, until a favorable determination is made by the Auditor General.

(4) For any retiree who first retires effective January 1, 2008 or thereafter, to be eligible for retiree health care benefits upon retirement, the retiree must be at least 55 years of age, retire with 10 or more years of continuous service and satisfy the preconditions established by this amendatory Act in addition to any rules or regulations promulgated by the Board of Trustees. This paragraph (4) shall not apply to a disability allowance.

(5) Effective July 1, 2008, the aggregate amount of retiree, dependent and survivor contributions to the cost of their health care benefits shall not exceed more than 45% of the total cost of such benefits. The Board of Trustees shall have the discretion to provide different contribution levels for retirees, dependents and survivors based on their years of service, level of coverage or Medicare eligibility, provided that the total contribution from all retirees, dependents, and survivors shall be not more than 45% of the total cost of such benefits. The term "total cost of such benefits" for purposes of this subsection shall be the total amount expended by the retiree health benefit program in the prior plan year, as calculated and certified in writing by the Retiree Health Care Trust's enrolled actuary to be appointed and paid for by the Board of Trustees.

(6) Effective January 1, 2008, all employees of the Authority shall contribute to the Retiree Health Care Trust in an amount not less than 3% of compensation.

(7) No earlier than July 1, 2008 and no later than January 1, 2009 as the Retiree Health Care Trust becomes solely responsible for providing health care benefits to eligible retirees and their dependents and survivors in accordance with subsection (b) of this Section 22-101B, the Authority shall not have any obligation to provide health care to current or future retirees and their dependents or survivors. Employees, retirees, dependents, and survivors who are required to make contributions to the Retiree Health Care Trust shall make contributions at the level set by the Board of Trustees pursuant to the requirements of this Section 22-101B.

Section 15. The Metropolitan Transit Authority Act is amended by changing Sections 15, 28a, 34, and 46 and by adding Sections 12c and 50 as follows:

(70 ILCS 3605/12c new)

Sec. 12c. Retiree Benefits Bonds and Notes.

(a) In addition to all other bonds or notes that it is authorized to issue, the Authority is authorized to issue its bonds or notes for the purposes of providing funds for the Authority to make the deposits described in Section 12c(b)(1) and (2), for refunding any bonds authorized to be issued under this Section, as well as for the purposes of paying costs of issuance, obtaining bond insurance or other credit enhancement or liquidity facilities, paying costs of obtaining related swaps as authorized in the Bond Authorization Act ("Swaps"), providing a debt service reserve fund, paying Debt Service (as defined in paragraph (i) of this Section 12c), and paying all other costs related to any such bonds or notes.

(b)(1) After its receipt of a certified copy of a report of the Auditor General of the State of Illinois

meeting the requirements of Section 3-2.3 of the Illinois State Auditing Act, the Authority may issue \$1,227,000,000 aggregate original principal amount of bonds and notes. After payment of the costs of issuance and necessary deposits to funds and accounts established with respect to debt service, the net proceeds of such bonds or notes shall be deposited only in the Retirement Plan for Chicago Transit Authority Employees and used only for the purposes required by Section 22-101 of the Illinois Pension Code. Provided that no less than \$1,000,000,000 has been deposited in the Retirement Plan, remaining proceeds of bonds issued under this subparagraph (b)(1) may be used to pay costs of issuance and make necessary deposits to funds and accounts with respect to debt service for bonds and notes issued under this subparagraph or subparagraph (b)(2).

(2) After its receipt of a certified copy of a report of the Auditor General of the State of Illinois meeting the requirements of Section 3-2.3 of the Illinois State Auditing Act, the Authority may issue \$553,000,000 aggregate original principal amount of bonds and notes. After payment of the costs of issuance and necessary deposits to funds and accounts established with respect to debt service, the net proceeds of such bonds or notes shall be deposited only in the Retiree Health Care Trust and used only for the purposes required by Section 22-101B of the Illinois Pension Code. Provided that no less than \$450,000,000 has been deposited in the Retiree Health Care Trust, remaining proceeds of bonds issued under this subparagraph (b)(2) may be used to pay costs of issuance and make necessary deposits to funds and accounts with respect to debt service for bonds and notes issued under this subparagraph or subparagraph (b)(1).

(3) In addition, refunding bonds are authorized to be issued for the purpose of refunding outstanding bonds or notes issued under this Section 12c.

(4) The bonds or notes issued under 12c(b)(1) shall be issued as soon as practicable after the Auditor General issues the report provided in Section 3-2.3(b) of the Illinois State Auditing Act. The bonds or notes issued under 12c(b)(2) shall be issued as soon as practicable after the Auditor General issues the report provided in Section 3-2.3(c) of the Illinois State Auditing Act.

(5) With respect to bonds and notes issued under subparagraph (b), scheduled aggregate annual payments of interest or deposits into funds and accounts established for the purpose of such payment shall commence within one year after the bonds and notes are issued. With respect to principal and interest, scheduled aggregate annual payments of principal and interest or deposits into funds and accounts established for the purpose of such payment shall be not less than 70% in 2009, 80% in 2010, and 90% in 2011, respectively, of scheduled payments or deposits of principal and interest in 2012 and shall be substantially equal beginning in 2012 and each year thereafter. For purposes of this subparagraph (b), "substantially equal" means that debt service in any full year after calendar year 2011 is not more than 115% of debt service in any other full year after calendar year 2011 during the term of the bonds or notes. For the purposes of this subsection (b), with respect to bonds and notes that bear interest at a variable rate, interest shall be assumed at a rate equal to the rate for United States Treasury Securities - State and Local Government Series for the same maturity, plus 75 basis points. If the Authority enters into a Swap with a counterparty requiring the Authority to pay a fixed interest rate on a notional amount, and the Authority has made a determination that such Swap was entered into for the purpose of providing substitute interest payments for variable interest rate bonds or notes of a particular maturity or maturities in a principal amount equal to the notional amount of the Swap, then during the term of the Swap for purposes of any calculation of interest payable on such bonds or notes, the interest rate on the bonds or notes of such maturity or maturities shall be determined as if such bonds or notes bore interest at the fixed interest rate payable by the Authority under such Swap.

(6) No bond or note issued under this Section 12c shall mature later than December 31, 2039.

(c) The Chicago Transit Board shall provide for the issuance of bonds or notes as authorized in this Section 12c by the adoption of an ordinance. The ordinance, together with the bonds or notes, shall constitute a contract among the Authority, the owners from time to time of the bonds or notes, any bond trustee with respect to the bonds or notes, any related credit enhancer and any provider of any related Swaps.

(d) The Authority is authorized to cause the proceeds of the bonds or notes, and any interest or investment earnings on the bonds or notes, and of any Swaps, to be invested until the proceeds and any interest or investment earnings have been deposited with the Retirement Plan or the Retiree Health Care Trust.

(e) Bonds or notes issued pursuant to this Section 12c may be general obligations of the Authority, to which shall be pledged the full faith and credit of the Authority, or may be obligations payable solely from particular sources of funds all as may be provided in the authorizing ordinance. The authorizing ordinance for the bonds and notes, whether or not general obligations of the Authority, may provide for the Debt

Service (as defined in paragraph (i) of this Section 12c) to have a claim for payment from particular sources of funds, including, without limitation, amounts to be paid to the Authority or a bond trustee. The authorizing ordinance may provide for the means by which the bonds or notes (and any related Swaps) may be secured, which may include, a pledge of any revenues or funds of the Authority from whatever source which may by law be utilized for paying Debt Service. In addition to any other security, upon the written approval of the Regional Transportation Authority by the affirmative vote of 12 of its then Directors, the ordinance may provide a specific pledge or assignment of and lien on or security interest in amounts to be paid to the Authority by the Regional Transportation Authority and direct payment thereof to the bond trustee for payment of Debt Service with respect to the bonds or notes, subject to the provisions of existing lease agreements of the Authority with any public building commission. Any such pledge, assignment, lien or security interest for the benefit of owners of bonds or notes shall be valid and binding from the time the bonds or notes are issued, without any physical delivery or further act, and shall be valid and binding as against and prior to the claims of all other parties having claims of any kind against the Authority or any other person, irrespective of whether such other parties have notice of such pledge, assignment, lien or security interest, all as provided in the Local Government Debt Reform Act, as it may be amended from time to time. The bonds or notes of the Authority issued pursuant to this Section 12c shall have such priority of payment and as to their claim for payment from particular sources of funds, including their priority with respect to obligations of the Authority issued under other Sections of this Act, all as shall be provided in the ordinances authorizing the issuance of the bonds or notes. The ordinance authorizing the issuance of any bonds or notes under this Section may provide for the creation of, deposits in, and regulation and disposition of sinking fund or reserve accounts relating to those bonds or notes and related agreements. The ordinance authorizing the issuance of any such bonds or notes authorized under this Section 12c may contain provisions for the creation of a separate fund to provide for the payment of principal of and interest on those bonds or notes and related agreements. The ordinance may also provide limitations on the issuance of additional bonds or notes of the Authority.

(f) Bonds or notes issued under this Section 12c shall not constitute an indebtedness of the Regional Transportation Authority, the State of Illinois, or of any other political subdivision of or municipality within the State, except the Authority.

(g) The ordinance of the Chicago Transit Board authorizing the issuance of bonds or notes pursuant to this Section 12c may provide for the appointment of a corporate trustee (which may be any trust company or bank having the powers of a trust company within Illinois) with respect to bonds or notes issued pursuant to this Section 12c. The ordinance shall prescribe the rights, duties, and powers of the trustee to be exercised for the benefit of the Authority and the protection of the owners of bonds or notes issued pursuant to this Section 12c. The ordinance may provide for the trustee to hold in trust, invest and use amounts in funds and accounts created as provided by the ordinance with respect to the bonds or notes in accordance with this Section 12c. The Authority may apply, as it shall determine, any amounts received upon the sale of the bonds or notes to pay any Debt Service on the bonds or notes. The ordinance may provide for a trust indenture to set forth terms of, sources of payment for and security for the bonds and notes.

(h) The State of Illinois pledges to and agrees with the owners of the bonds or notes issued pursuant to Section 12c that the State of Illinois will not limit the powers vested in the Authority by this Act to pledge and assign its revenues and funds as security for the payment of the bonds or notes, or vested in the Regional Transportation Authority by the Regional Transportation Authority Act or this Act, so as to materially impair the payment obligations of the Authority under the terms of any contract made by the Authority with those owners or to materially impair the rights and remedies of those owners until those bonds or notes, together with interest and any redemption premium, and all costs and expenses in connection with any action or proceedings by or on behalf of such owners are fully met and discharged. The Authority is authorized to include these pledges and agreements of the State of Illinois in any contract with owners of bonds or notes issued pursuant to this Section 12c.

(i) For purposes of this Section, "Debt Service" with respect to bonds or notes includes, without limitation, principal (at maturity or upon mandatory redemption), redemption premium, interest, periodic, upfront, and termination payments on Swaps, fees for bond insurance or other credit enhancement, liquidity facilities, the funding of bond or note reserves, bond trustee fees, and all other costs of providing for the security or payment of the bonds or notes.

(j) The Authority shall adopt a procurement program with respect to contracts relating to the following service providers in connection with the issuance of debt for the benefit of the Retirement Plan for Chicago Transit Authority Employees: underwriters, bond counsel, financial advisors, and accountants. The program shall include goals for the payment of not less than 30% of the total dollar value of the fees from



these contracts to minority owned businesses and female owned businesses as defined in the Business Enterprise for Minorities, Females, and Persons with Disabilities Act. The Authority shall conduct outreach to minority owned businesses and female owned businesses. Outreach shall include, but is not limited to, advertisements in periodicals and newspapers, mailings, and other appropriate media. The Authority shall submit to the General Assembly a comprehensive report that shall include, at a minimum, the details of the procurement plan, outreach efforts, and the results of the efforts to achieve goals for the payment of fees. The service providers selected by the Authority pursuant to such program shall not be subject to approval by the Regional Transportation Authority, and the Regional Transportation Authority's approval pursuant to subsection (e) of this Section 12c related to the issuance of debt shall not be based in any way on the service providers selected by the Authority pursuant to this Section.

(k) No person holding an elective office in this State, holding a seat in the General Assembly, serving as a director, trustee, officer, or employee of the Regional Transportation Authority or the Chicago Transit Authority, including the spouse or minor child of that person, may receive a legal, banking, consulting, or other fee related to the issuance of any bond issued by the Chicago Transit Authority pursuant to this Section.

(70 ILCS 3605/15) (from Ch. 111 2/3, par. 315)

Sec. 15. The Authority shall have power to apply for and accept grants and loans from the Federal Government or any agency or instrumentality thereof, from the State, or from any county, municipal corporation or other political subdivision of the State to be used for any of the purposes of the Authority, including, but not by way of limitation, grants and loans in aid of mass transportation and for studies in mass transportation, and may provide matching funds when necessary to qualify for such grants or loans. The Authority may enter into any agreement with the Federal Government, the State, and any county, municipal corporation or other political subdivision of the State in relation to such grants or loans; provided that such agreement does not conflict with any of the provisions of any trust agreement securing the payment of bonds or certificates of the Authority.

The Authority may also accept from the state, or from any county or other political subdivision, or from any municipal corporation, or school district, or school authorities, grants or other funds authorized by law to be paid to the Authority for any of the purposes of this Act.

(Source: Laws 1961, p. 3135.)

(70 ILCS 3605/28a) (from Ch. 111 2/3, par. 328a)

Sec. 28a. (a) The Board may deal with and enter into written contracts with the employees of the Authority through accredited representatives of such employees or representatives of any labor organization authorized to act for such employees, concerning wages, salaries, hours, working conditions and pension or retirement provisions; provided, nothing herein shall be construed to permit hours of labor in excess of those provided by law or to permit working conditions prohibited by law. In case of dispute over wages, salaries, hours, working conditions, or pension or retirement provisions the Board may arbitrate any question or questions and may agree with such accredited representatives or labor organization that the decision of a majority of any arbitration board shall be final, provided each party shall agree in advance to pay half of the expense of such arbitration.

No contract or agreement shall be made with any labor organization, association, group or individual for the employment of members of such organization, association, group or individual for the construction, improvement, maintenance, operation or administration of any property, plant or facilities under the jurisdiction of the Authority, where such organization, association, group or individual denies on the ground of race, creed, color, sex, religion, physical or mental handicap unrelated to ability, or national origin membership and equal opportunities for employment to any citizen of Illinois.

(b)(1) The provisions of this paragraph (b) apply to collective bargaining agreements (including extensions and amendments of existing agreements) entered into on or after January 1, 1984.

(2) The Board shall deal with and enter into written contracts with their employees, through accredited representatives of such employees authorized to act for such employees concerning wages, salaries, hours, working conditions, and pension or retirement provisions about which a collective bargaining agreement has been entered prior to the effective date of this amendatory Act of 1983. Any such agreement of the Authority shall provide that the agreement may be reopened if the amended budget submitted pursuant to Section 2.18a of the Regional Transportation Authority Act is not approved by the Board of the Regional Transportation Authority. The agreement may not include a provision requiring the payment of wage increases based on changes in the Consumer Price Index. The Board shall not have the authority to enter into collective bargaining agreements with respect to inherent management rights, which include such areas of discretion or policy as the functions of the employer, standards of services, its overall budget, the

organizational structure and selection of new employees and direction of personnel. Employers, however, shall be required to bargain collectively with regard to policy matters directly affecting wages, hours and terms and conditions of employment, as well as the impact thereon upon request by employee representatives. To preserve the rights of employers and exclusive representatives which have established collective bargaining relationships or negotiated collective bargaining agreements prior to the effective date of this amendatory Act of 1983, employers shall be required to bargain collectively with regard to any matter concerning wages, hours or conditions of employment about which they have bargained prior to the effective date of this amendatory Act of 1983.

(3) The collective bargaining agreement may not include a prohibition on the use of part-time operators on any service operated by or funded by the Board, except where prohibited by federal law.

(4) Within 30 days of the signing of any such collective bargaining agreement, the Board shall determine the costs of each provision of the agreement, prepare an amended budget incorporating the costs of the agreement, and present the amended budget to the Board of the Regional Transportation Authority for its approval under Section 4.11 of the Regional Transportation Act. The Board of the Regional Transportation Authority may approve the amended budget by an affirmative vote of 12 two thirds of its then Directors. If the budget is not approved by the Board of the Regional Transportation Authority, the agreement may be reopened and its terms may be renegotiated. Any amended budget which may be prepared following renegotiation shall be presented to the Board of the Regional Transportation Authority for its approval in like manner.

(Source: P.A. 83-886.)

(70 ILCS 3605/34) (from Ch. 111 2/3, par. 334)

Sec. 34. Budget and Program. The Authority, subject to the powers of the Regional Transportation Authority in Section 4.11 of the Regional Transportation Authority Act, shall control the finances of the Authority. It shall by ordinance appropriate money to perform the Authority's purposes and provide for payment of debts and expenses of the Authority. Each year the Authority shall prepare and publish a comprehensive annual budget and five-year capital program document, and a financial plan for the 2 years thereafter describing the state of the Authority and presenting for the forthcoming fiscal year and the two following years the Authority's plans for such operations and capital expenditures as it intends to undertake and the means by which it intends to finance them. The proposed budget, ~~and financial plan~~, and five-year capital program shall be based on the Regional Transportation Authority's estimate of funds to be made available to the Authority by or through the Regional Transportation Authority and shall conform in all respects to the requirements established by the Regional Transportation Authority. The proposed ~~program and budget~~, financial plan, and five-year capital program shall contain a statement of the funds estimated to be on hand at the beginning of the fiscal year, the funds estimated to be received from all sources for such year and the funds estimated to be on hand at the end of such year. ~~After adoption of the Regional Transportation Authority's first Five Year Program, as provided in Section 2.01 of the Regional Transportation Authority Act, the proposed program and budget shall specifically identify any respect in which the recommended program deviates from the Regional Transportation Authority's then existing Five Year Program, giving the reasons for such deviation.~~ The proposed ~~program and budget~~, financial plan, and five-year capital program shall be available at no cost for public inspection at the Authority's main office and at the Regional Transportation Authority's main office at least 3 weeks prior to any public hearing. Before the proposed budget, ~~and program and financial plan~~, and five-year capital program are submitted to the Regional Transportation Authority, the Authority shall hold at least one public hearing thereon in each of the counties in which the Authority provides service. All Board members of the Authority shall attend a majority of the public hearings unless reasonable cause is given for their absence. After the public hearings, the Board of the Authority shall hold at least one meeting for consideration of the proposed program and budget with the Cook County Board. After conducting such hearings and holding such meetings and after making such changes in the proposed ~~program and budget~~, financial plan, and five-year capital program as the Board deems appropriate, it shall adopt an annual budget ordinance at least by November 15th preceding the beginning of each fiscal year. The budget, ~~and program, and financial plan~~, and five-year capital program shall then be submitted to the Regional Transportation Authority as provided in Section 4.11 of the Regional Transportation Authority Act. In the event that the Board of the Regional Transportation Authority determines that the budget, ~~and program, and financial plan~~, and five-year capital program do not meet the standards of said Section 4.11, the Board of the Authority shall make such changes as are necessary to meet such requirements and adopt an amended budget ordinance. The amended budget ordinance shall be resubmitted to the Regional Transportation Authority pursuant to said Section 4.11. The ordinance shall appropriate such sums of money as are deemed necessary to defray

all necessary expenses and obligations of the Authority, specifying purposes and the objects or programs for which appropriations are made and the amount appropriated for each object or program. Additional appropriations, transfers between items and other changes in such ordinance which do not alter the basis upon which the balanced budget determination was made by the Regional Transportation Authority may be made from time to time by the Board.

The budget shall:

(i) show a balance between (A) anticipated revenues from all sources including operating subsidies and (B) the costs of providing the services specified and of funding any operating deficits or encumbrances incurred in prior periods, including provision for payment when due of principal and interest on outstanding indebtedness;

(ii) show cash balances including the proceeds of any anticipated cash flow borrowing sufficient to pay with reasonable promptness all costs and expenses as incurred;

(iii) provide for a level of fares or charges and operating or administrative costs for the public transportation provided by or subject to the jurisdiction of the Board sufficient to allow the Board to meet its required system generated revenue recovery ratio as determined in accordance with subsection (a) of Section 4.11 of the Regional Transportation Authority Act;

(iv) be based upon and employ assumptions and projections which are reasonable and prudent;

(v) have been prepared in accordance with sound financial practices as determined by the Board of the Regional Transportation Authority; ~~and~~

(vi) meet such other financial, budgetary, or fiscal requirements that the Board of the Regional Transportation Authority may by rule or regulation establish; ~~and~~ -

(vii) be consistent with the goals and objectives adopted by the Regional Transportation Authority in the Strategic Plan.

The Board shall establish a fiscal operating year. At least thirty days prior to the beginning of the first full fiscal year after the creation of the Authority, and annually thereafter, the Board shall cause to be prepared a tentative budget which shall include all operation and maintenance expense for the ensuing fiscal year. The tentative budget shall be considered by the Board and, subject to any revision and amendments as may be determined, shall be adopted prior to the first day of the ensuing fiscal year as the budget for that year. No expenditures for operations and maintenance in excess of the budget shall be made during any fiscal year except by the affirmative vote of at least five members of the Board. It shall not be necessary to include in the annual budget any statement of necessary expenditures for pensions or retirement annuities, or for interest or principal payments on bonds or certificates, or for capital outlays, but it shall be the duty of the Board to make provision for payment of same from appropriate funds. The Board may not alter its fiscal year without the prior approval of the Board of the Regional Transportation Authority.

(Source: P.A. 87-1249.)

(70 ILCS 3605/46) (from Ch. 111 2/3, par. 346)

Sec. 46. Citizens Advisory Board. The Board shall establish a citizens advisory board composed of 11 residents of those portions of the metropolitan region in which the Authority provides service who have an interest in public transportation, one of whom shall be at least 65 years of age. The members of the advisory board shall be named for 2 year terms, shall select one of their members to serve as chairman and shall serve without compensation. The citizens advisory board shall meet with Board at least quarterly and advise the Board of the impact of its policies and programs on the communities it serves. Appointments to the citizens advisory board should, to the greatest extent possible, reflect the ethnic, cultural, and geographic diversity of all persons residing within the metropolitan region in which the Authority provides service.

(Source: P.A. 87-226.)

(70 ILCS 3605/50 new)

Sec. 50. Disadvantaged Business Enterprise Contracting and Equal Employment Opportunity Programs. The Authority shall, as soon as is practicable but in no event later than two years after the effective date of this amendatory Act of the 95th General Assembly, establish and maintain a disadvantaged business enterprise contracting program designed to ensure non-discrimination in the award and administration of contracts not covered under a federally mandated disadvantaged business enterprise program. The program shall establish narrowly tailored goals for the participation of disadvantaged business enterprises as the Authority determines appropriate. The goals shall be based on demonstrable evidence of the availability of ready, willing, and able disadvantaged business enterprises relative to all businesses ready, willing, and

able to participate on the program's contracts. The program shall require the Authority to monitor the progress of the contractors' obligations with respect to the program's goals. Nothing in this program shall conflict with or interfere with the maintenance or operation of, or compliance with, any federally mandated disadvantaged business enterprise program.

The Authority shall establish and maintain a program designed to promote equal employment opportunity. Each year, no later than October 1, the Authority shall report to the General Assembly on the number of employees of the Authority and the number of employees who have designated themselves as members of a minority group and gender.

Each year no later than October 1, and starting no later than the October 1 after the establishment of the disadvantaged business enterprise contracting program, the Authority shall submit a report with respect to such program to the General Assembly. In addition, no later than October 1 of each year, the Authority shall submit a copy of its federally mandated semi-annual Uniform Report of Disadvantaged Business Enterprises Awards or Commitments and Payments to the General Assembly.

Section 17. The Local Mass Transit District Act is amended by changing Section 3.1 as follows:  
(70 ILCS 3610/3.1) (from Ch. 111 2/3, par. 353.1)

Sec. 3.1. Also in the manner provided in this Act as amended, a "Local Mass Transit District" may be created with boundary to enclose a unit area of contiguous land, to be known as the "participating area". Such a "participating area" may be organized as a district under this Act without regard to boundaries of counties or other political subdivisions or municipal corporations.

(a) Any 500 or more legal voters who are residents within such "participating area" may file a petition in the circuit court of the county where the proposed district or a major part thereof is located, asking that the question of creating such district be submitted under this Act by referendum to the voters residing within the proposed district. By their power of attorney signed by them and filed in the cause the petitioners may authorize a committee of their number named by the petitioners, to conduct and pursue the cause for them to a conclusion. Such petition shall define the boundaries of the proposed district, shall indicate distances to nearest mass transportation lines in each direction, naming them, shall have attached a fair map of the proposed district, and shall suggest a name for the proposed district.

(b) The circuit clerk shall present to the circuit judge any petition so filed in the court. The judge shall enter an order of record to set a date, hour and place for judicial hearing on the petition. That order shall include instructions to the circuit clerk to give notice by newspaper publication to be made and completed at least 20 days before the hearing is to be held, in 2 or more newspapers published or circulating generally among the people residing within the proposed district. The circuit clerk shall prepare that notice and cause such publication notice to be given as directed.

(c) After proof of such newspaper publication of notice has been made and filed in the cause and shown to the court in full accord with the prior order, the circuit judge shall hear all persons who attend and so request, as to location and boundary and name for the proposed district. After the hearing on such petition is completed, the circuit court by an order of record, shall determine and establish the location, name and boundary for such proposed district, and shall order the proposition submitted at an election in accordance with the general election law to the voters resident within such proposed district. The circuit clerk shall certify the proposition to the proper election officials who shall submit the proposition in accordance with the general election law.

(d) The county clerk shall canvass the ballots and other returns from such referendum, and prepare a full certification of the result and shall file same in the cause pending in the circuit court. When the vote is in favor of the creation of such district as determined by the court order, a true map of such district shall be filed with such report in the circuit court.

(e) When the vote is in favor of creation of such district, the circuit court by an order of record shall confirm the result of election. If the district is wholly contained within a single county the presiding officer of the county board with the advice and consent of the county board shall appoint 5 trustees, not more than 3 of whom shall be affiliated with the same political party, to govern the district and serve one each for 1, 2, 3, 4 and 5 years respectively; upon the expiration of the term of a trustee who is in office on the effective date of this amendatory Act of 1989, the successor shall, at the time of the appointment, and thereafter at all times while serving as trustee, be a resident of the Mass Transit District for which such person is appointed as trustee. If a trustee removes his residence to a place outside of the District, a trustee shall be appointed in the same manner as herein provided to take the place of the trustee who so removed his residence. If however the district is located in more than one county, the number of trustees who are residents of a county shall be in proportion, as nearly as practicable, to the number of residents of the district who reside in that county in relation to the total population of the district.

Upon the expiration of the term of a trustee who is in office on the effective date of this amendatory Act of 1975, the successor shall be a resident of whichever county is entitled to such representation in order to bring about the proportional representation required herein, and he shall be appointed by the county board of that county, or in the case of a home rule county as defined by Article VII, Section 6 of the Constitution of 1970, the chief executive officer of that county, with the advice and consent of the county board in accordance with the provisions previously enumerated. Successors shall serve 5 year overlapping terms.

Thereafter, each trustee shall be succeeded by a resident of the same county who shall be appointed by the same appointing authority; however, the provisions of the preceding paragraph shall apply to the appointment of the successor to each trustee who is in office at the time of the publication of each decennial Federal census of population.

(f) Upon the creation of such district, the circuit clerk shall prepare and certify a copy of the final court order confirming the referendum creating the district, and a duplicate of the map of such district, from the record of the circuit court, and shall file the same with the county clerk for recording in his office as "Certificate of Incorporation" for the district. The county clerk shall cause a duplicate of such "Certificate of Incorporation" to be filed in the office of the Secretary of State of Illinois.

(g) The Board of Trustees of such "Local Mass Transit District" shall have and exercise all the powers and shall perform all the duties of any Board of Trustees of any district created under this Act, as now or hereafter amended.

(h) The circuit court shall require the petitioners to post a surety bond for the payment of all costs and expenses of such proceeding and such referendum. When a district is created, the circuit court shall order the district to pay or reimburse others for all such costs and expenses. The surety bond shall not be released until complete receipts for all such costs and expenses have been filed in the cause and fully audited by the circuit and county clerks.

(i) If the District is wholly contained within a single county, the County Board of such county may, by resolution, provide that, effective upon the next appointment of a Trustee, after the effective date of this amendatory Act of 1989, that the Board of Trustees of such Mass Transit District shall be comprised of 7 Trustees, with no more than 4 members of the same political party. This Subsection shall not apply to any Mass Transit District in the State which receives funding in whole or in part from the Regional Transportation Authority or any of its service boards.

(j) The Board of a district that is in existence on the effective date of this amendatory Act of the 95th General Assembly and whose participating area: (i) is entirely within a single county; and (ii) when created, was defined by township boundaries may, by an ordinance adopted by the affirmative vote of a majority of the members of the Board and approved by referendum, provide that the participating area of the district be coterminous and expand with the boundaries of the townships that originally established the district's participating area. The ordinance shall not be effective until it has been submitted by referendum to, and approved by, the legal voters of the district and the area within the township that is not within the district. The Board shall certify its ordinance and the proposition to the proper election officials, who shall submit the question to the voters at the next election in accordance with the general election law. The proposition shall be in substantially the following form:

"Shall the boundaries of (local mass transit district) be coterminous and expand with the boundaries of (townships)?"

Votes shall be recorded as "Yes" or "No". If a majority of the electors voting on the question vote in the affirmative, then the district shall be entitled to make its boundaries coterminous with the boundaries of the townships regardless of when the district was formed. The district's boundaries shall encompass all areas located within the townships at the time the ordinance becomes effective and all areas that become part of the townships at a future date. Nothing in this subsection shall allow expansion of a district into an area that is already a part of another local mass transit district.

(Source: P.A. 86-472.)

Section 20. The Regional Transportation Authority Act is amended by changing Sections 1.02, 2.01, 2.04, 2.05, 2.09, 2.12, 2.14, 2.18a, 2.30, 3.01, 3.03, 3.04, 3.05, 3A.10, 3A.11, 3A.14, 3B.02, 3B.03, 3B.05, 3B.07, 3B.09, 3B.10, 3B.11, 3B.12, 3B.13, 4.01, 4.02, 4.02a, 4.02b, 4.03, 4.04, 4.09, 4.11, 4.13, 4.14, and 5.01 and by adding Section 2.01a, 2.01b, 2.01c, 2.01d, 2.01e, 2.12b, 2.31, and 4.03.3 as follows:

(70 ILCS 3615/1.02) (from Ch. 111 2/3, par. 701.02)

Sec. 1.02. Findings and Purpose. (a) The General Assembly finds;

(i) Public transportation is, as provided in Section 7 of Article XIII of the Illinois Constitution, an essential public purpose for which public funds may be expended and that Section authorizes the State to provide financial assistance to units of local government for distribution to providers of public

transportation. There is an urgent need to reform and continue a unit of local government to assure the proper management of public transportation and to receive and distribute State or federal operating assistance and to raise and distribute revenues for local operating assistance. System generated revenues are not adequate for such service and a public need exists to provide for, aid and assist public transportation in the northeastern area of the State, consisting of Cook, DuPage, Kane, Lake, McHenry and Will Counties.

(ii) Comprehensive and coordinated regional public transportation is essential to the public health, safety and welfare. It is essential to economic well-being, maintenance of full employment, conservation of sources of energy and land for open space and reduction of traffic congestion and for providing and maintaining a healthful environment for the benefit of present and future generations in the metropolitan region. Public transportation improves the mobility of the public and improves access to jobs, commercial facilities, schools and cultural attractions. Public transportation decreases air pollution and other environmental hazards resulting from excessive use of automobiles and allows for more efficient land use and planning.

(iii) Because system generated receipts are not presently adequate, public transportation facilities and services in the northeastern area are in grave financial condition. With existing methods of financing, coordination and management, and relative convenience of automobiles, such public transportation facilities are not providing adequate public transportation to insure the public health, safety and welfare.

(iv) Additional commitments to the ~~special~~ public transportation ~~needs problems~~ of the disabled handicapped, the economically disadvantaged, and the elderly are necessary.

(v) To solve these problems, it is necessary to provide for the creation of a regional transportation authority with the powers necessary to insure adequate public transportation.

(b) The General Assembly further finds, in connection with this amendatory Act of 1983:

(i) Substantial, recurring deficits in the operations of public transportation services subject to the jurisdiction of the Regional Transportation Authority and periodic cash shortages have occurred either of which could bring about a loss of public transportation services throughout the metropolitan region at any time;

(ii) A substantial or total loss of public transportation services or any segment thereof would create an emergency threatening the safety and well-being of the people in the northeastern area of the State; and

(iii) To meet the urgent needs of the people of the metropolitan region that such an emergency be averted and to provide financially sound methods of managing the provision of public transportation services in the northeastern area of the State, it is necessary, while maintaining and continuing the existing Authority, to modify the powers and responsibilities of the Authority, to reallocate responsibility for operating decisions, to change the composition and appointment of the Board of Directors thereof, and to immediately establish a new Board of Directors.

(c) The General Assembly further finds in connection with this amendatory Act of the 95th General Assembly:

(i) The economic vitality of northeastern Illinois requires regionwide and systemwide efforts to increase ridership on the transit systems, constrain road congestion within the metropolitan region, and allocate resources for transportation so as to assist in the development of an adequate, efficient, and coordinated regional transportation system that is in a state of good repair.

(ii) To achieve the purposes of this amendatory Act of the 95th General Assembly, the powers and duties of the Authority must be enhanced to improve overall planning and coordination, to achieve an integrated and efficient regional transit system, to advance the mobility of transit users, and to increase financial transparency of the Authority and the Service Boards.

(d) ~~(e)~~ It is the purpose of this Act to provide for, aid and assist public transportation in the northeastern area of the State without impairing the overall quality of existing public transportation by providing for the creation of a single authority responsive to the people and elected officials of the area and with the power and competence to develop, implement, and enforce plans that promote adequate, efficient, and coordinated public transportation, provide financial review of the providers of public transportation in the metropolitan region and facilitate public transportation provided by Service Boards which is attractive and economical to users, comprehensive, coordinated among its various elements, economical, safe, efficient and coordinated with area and State plans.

(Source: P.A. 83-885; 83-886.)

(70 ILCS 3615/2.01) (from Ch. 111 2/3, par. 702.01)

Sec. 2.01. General Allocation of Responsibility for Public Transportation. ~~Provision of Public Transportation Review and Program.~~

(a) In order to accomplish the ~~its~~ purposes as set forth in this Act, the responsibility for planning,

operating, and funding public transportation in the metropolitan region shall be allocated as described in this Act. The Authority shall:

(i) adopt plans that implement the public policy of the State to provide adequate, efficient, and coordinated public transportation throughout the metropolitan region;

(ii) set goals, objectives, and standards for the Authority, the Service Boards, and transportation agencies;

(iii) develop performance measures to inform the public about the extent to which the provision of public transportation in the metropolitan region meets those goals, objectives, and standards;

(iv) allocate operating and capital funds made available to support public transportation in the metropolitan region;

(v) provide financial oversight of the Service Boards; and

(vi) coordinate the provision of public transportation and the investment in public transportation facilities to enhance the integration of public transportation throughout the metropolitan region, all as provided in this Act.

The ~~the~~ Service Boards shall, on a continuing basis determine the level, nature and kind of public transportation which should be provided for the metropolitan region in order to meet the plans, goals, objectives, and standards adopted by the Authority. The Service Boards may provide public transportation by purchasing such service from transportation agencies through purchase of service agreements, by grants to such agencies or by operating such service, all pursuant to this Act and the "Metropolitan Transit Authority Act", as now or hereafter amended. ~~Certain of its actions to implement the responsibilities allocated to the Authority in this subsection (a) shall be taken in 3 public documents adopted by the affirmative vote of at least 12 of its then Directors: A Strategic Plan; a Five-Year Capital Program; and an Annual Budget and Two-Year Financial Plan. The Authority shall establish a policy to provide adequate public transportation throughout the metropolitan region.~~

(b) The Authority shall subject the operating and capital plans and expenditures of the Service Boards in the metropolitan region with regard to public transportation to continuing review so that the Authority may budget and expend its funds with maximum effectiveness and efficiency. ~~The Authority shall conduct audits of each of the Service Boards no less than every 5 years. Such audits may include management, performance, financial, and infrastructure condition audits. The Authority may conduct management, performance, financial, and infrastructure condition audits of transportation agencies that receive funds from the Authority. The Authority may direct a Service Board to conduct any such audit of a transportation agency that receives funds from such Service Board, and the Service Board shall comply with such request to the extent it has the right to do so. These audits of the Service Boards or transportation agencies may be project or service specific audits to evaluate their achievement of the goals and objectives of that project or service and their compliance with any applicable requirements. ~~Certain of its recommendations in this regard shall be set forth in 2 public documents, the Five Year Program provided for in this Section and an Annual Budget and Program provided for in Section 4.01.~~~~

~~(c) The Authority shall, in consultation with the Service Boards, each year prepare and, by ordinance, adopt, after public hearings held in each county in the metropolitan region, a Five Year Program to inform the public and government officials of the Authority's objectives and program for operations and capital development during the forthcoming five year period. The Five Year Program shall set forth the standards of service which the public may expect; each Service Board's plans for coordinating routes and service of the various transportation agencies; the anticipated expense of providing public transportation at standards of service then existing and under alternative operating programs; the nature, location and expense of anticipated capital improvements exceeding \$250,000, by specific item and by fiscal year; and such demographic and other data developed by planning and other related agencies, as the Authority shall consider pertinent to the Service Boards' decisions as to levels and nature of service, including without limitation the patterns of population density and growth, projected commercial and residential development, environmental factors and the availability of alternative modes of transportation. The Five Year Program shall be adopted on the affirmative votes of 9 of the then Directors.~~

(Source: P.A. 83-886.)

(70 ILCS 3615/2.01a new)

Sec. 2.01a. Strategic Plan.

(a) By the affirmative vote of at least 12 of its then Directors, the Authority shall adopt a Strategic Plan, no less than every 5 years, after consultation with the Service Boards and after holding a minimum of 3 public hearings in Cook County and one public hearing in each of the other counties in the region. The Executive Director of the Authority shall review the Strategic Plan on an ongoing basis and make

recommendations to the Board of the Authority with respect to any update or amendment of the Strategic Plan. The Strategic Plan shall describe the specific actions to be taken by the Authority and the Service Boards to provide adequate, efficient, and coordinated public transportation.

(b) The Strategic Plan shall identify goals and objectives with respect to:

(i) increasing ridership and passenger miles on public transportation funded by the Authority;

(ii) coordination of public transportation services and the investment in public transportation facilities to enhance the integration of public transportation throughout the metropolitan region;

(iii) coordination of fare and transfer policies to promote transfers by riders among Service Boards, transportation agencies, and public transportation modes, which may include goals and objectives for development of a universal fare instrument that riders may use interchangeably on all public transportation funded by the Authority, and methods to be used to allocate revenues from transfers;

(iv) improvements in public transportation facilities to bring those facilities into a state of good repair, enhancements that attract ridership and improve customer service, and expansions needed to serve areas with sufficient demand for public transportation;

(v) access for transit-dependent populations, including access by low-income communities to places of employment, utilizing analyses provided by the Chicago Metropolitan Agency for Planning regarding employment and transportation availability, and giving consideration to the location of employment centers in each county and the availability of public transportation at off-peak hours and on weekends;

(vi) the financial viability of the public transportation system, including both operating and capital programs;

(vii) limiting road congestion within the metropolitan region and enhancing transit options to improve mobility; and

(viii) such other goals and objectives that advance the policy of the State to provide adequate, efficient, and coordinated public transportation in the metropolitan region.

(c) The Strategic Plan shall establish the process and criteria by which proposals for capital improvements by a Service Board or a transportation agency will be evaluated by the Authority for inclusion in the Five-Year Capital Program, which may include criteria for:

(i) allocating funds among maintenance, enhancement, and expansion improvements;

(ii) projects to be funded from the Innovation, Coordination, and Enhancement Fund;

(iii) projects intended to improve or enhance ridership or customer service;

(iv) design and location of station or transit improvements intended to promote transfers, increase ridership, and support transit-oriented land development;

(v) assessing the impact of projects on the ability to operate and maintain the existing transit system; and

(vi) other criteria that advance the goals and objectives of the Strategic Plan.

(d) The Strategic Plan shall establish performance standards and measurements regarding the adequacy, efficiency, and coordination of public transportation services in the region and the implementation of the goals and objectives in the Strategic Plan. At a minimum, such standards and measures shall include customer-related performance data measured by line, route, or sub-region, as determined by the Authority, on the following:

(i) travel times and on-time performance;

(ii) ridership data;

(iii) equipment failure rates;

(iv) employee and customer safety; and

(v) customer satisfaction.

The Service Boards and transportation agencies that receive funding from the Authority or Service Boards shall prepare, publish, and submit to the Authority such reports with regard to these standards and measurements in the frequency and form required by the Authority; however, the frequency of such reporting shall be no less than annual. The Service Boards shall publish such reports on their respective websites. The Authority shall compile and publish such reports on its website. Such performance standards and measures shall not be used as the basis for disciplinary action against any employee of the Authority or Service Boards, except to the extent the employment and disciplinary practices of the Authority or Service Board provide for such action.

(e) The Strategic Plan shall identify innovations to improve the delivery of public transportation and the construction of public transportation facilities.

(f) The Strategic Plan shall describe the expected financial condition of public transportation in the metropolitan region prospectively over a 10-year period, which may include information about the cash



position and all known obligations of the Authority and the Service Boards including operating expenditures, debt service, contributions for payment of pension and other post-employment benefits, the expected revenues from fares, tax receipts, grants from the federal, State, and local governments for operating and capital purposes and issuance of debt, the availability of working capital, and the resources needed to achieve the goals and objectives described in the Strategic Plan.

(g) In developing the Strategic Plan, the Authority shall rely on such demographic and other data, forecasts, and assumptions developed by the Chicago Metropolitan Agency for Planning with respect to the patterns of population density and growth, projected commercial and residential development, and environmental factors, within the metropolitan region and in areas outside the metropolitan region that may impact public transportation utilization in the metropolitan region. Before adopting or amending any Strategic Plan, the Authority shall consult with the Chicago Metropolitan Agency for Planning regarding the consistency of the Strategic Plan with the Regional Comprehensive Plan adopted pursuant to the Regional Planning Act.

(h) The Authority may adopt, by the affirmative vote of at least 12 of its then Directors, sub-regional or corridor plans for specific geographic areas of the metropolitan region in order to improve the adequacy, efficiency, and coordination of existing, or the delivery of new, public transportation. Such plans may also address areas outside the metropolitan region that may impact public transportation utilization in the metropolitan region. In preparing a sub-regional or corridor plan, the Authority may identify changes in operating practices or capital investment in the sub-region or corridor that could increase ridership, reduce costs, improve coordination, or enhance transit-oriented development. The Authority shall consult with any affected Service Boards in the preparation of any sub-regional or corridor plans.

(i) If the Authority determines, by the affirmative vote of at least 12 of its then Directors, that, with respect to any proposed new public transportation service or facility, (i) multiple Service Boards or transportation agencies are potential service providers and (ii) the public transportation facilities to be constructed or purchased to provide that service have an expected construction cost of more than \$25,000,000, the Authority shall have sole responsibility for conducting any alternatives analysis and preliminary environmental assessment required by federal or State law. Nothing in this subparagraph (i) shall prohibit a Service Board from undertaking alternatives analysis and preliminary environmental assessment for any public transportation service or facility identified in items (i) and (ii) above that is included in the Five-Year Capital Program as of the effective date of this amendatory Act of the 95th General Assembly; however, any expenditure related to any such public transportation service or facility must be included in a Five-Year Capital Program under the requirements of Sections 2.01b and 4.02 of this Act.

(70 ILCS 3615/2.01b new)

Sec. 2.01b. The Five-Year Capital Program. By the affirmative vote of at least 12 of its then Directors, the Authority, after consultation with the Service Boards and after holding a minimum of 3 public hearings in Cook County and one public hearing in each of the other counties in the metropolitan region, shall each year adopt a Five-Year Capital Program that shall include each capital improvement to be undertaken by or on behalf of a Service Board provided that the Authority finds that the improvement meets any criteria for capital improvements contained in the Strategic Plan, is not inconsistent with any sub-regional or corridor plan adopted by the Authority, and can be funded within amounts available with respect to the capital and operating costs of such improvement. In reviewing proposals for improvements to be included in a Five-Year Capital Program, the Authority may give priority to improvements that are intended to bring public transportation facilities into a state of good repair. The Five-Year Capital Program shall also identify capital improvements to be undertaken by a Service Board, a transportation agency, or a unit of local government and funded by the Authority from amounts in the Innovation, Coordination, and Enhancement Fund, provided that no improvement that is included in the Five-Year Capital Program as of the effective date of this amendatory Act of the 95th General Assembly may receive funding from the Innovation, Coordination, and Enhancement Fund. Before adopting a Five-Year Capital Program, the Authority shall consult with the Chicago Metropolitan Agency for Planning regarding the consistency of the Five-Year Capital Program with the Regional Comprehensive Plan adopted pursuant to the Regional Planning Act.

(70 ILCS 3615/2.01c new)

Sec. 2.01c. Innovation, Coordination, and Enhancement Fund.

(a) The Authority shall establish an Innovation, Coordination, and Enhancement Fund and each year deposit into the Fund the amounts directed by Section 4.03.3 of this Act. Amounts on deposit in such Fund and interest and other earnings on those amounts may be used by the Authority, upon the affirmative vote of 12 of its then Directors, and after a public participation process, for operating or capital grants or loans to

Service Boards, transportation agencies, or units of local government that advance the goals and objectives identified by the Authority in its Strategic Plan, provided that no improvement that has been included in a Five-Year Capital Program as of the effective date of this amendatory Act of the 95th General Assembly may receive any funding from the Innovation, Coordination, and Enhancement Fund. Unless the Board has determined by a vote of 12 of its then Directors that an emergency exists requiring the use of some or all of the funds then in the Innovation, Coordination, and Enhancement Fund, such funds may only be used to enhance the coordination and integration of public transportation and develop and implement innovations to improve the quality and delivery of public transportation.

(b) Any grantee that receives funds from the Innovation, Coordination, and Enhancement Fund for the operation of eligible programs must (i) implement such programs within one year of receipt of such funds and (ii) within 2 years following commencement of any program utilizing such funds, determine whether it is desirable to continue the program, and upon such a determination, either incorporate such program into its annual operating budget and capital program or discontinue such program. No additional funds from the Innovation, Coordination, and Enhancement Fund may be distributed to a grantee for any individual program beyond 2 years unless the Authority by the affirmative vote of at least 12 of its then Directors waives this limitation. Any such waiver will be with regard to an individual program and with regard to a one year-period, and any further waivers for such individual program require a subsequent vote of the Board.

(70 ILCS 3615/2.01d new)

Sec. 2.01d. ADA Paratransit Fund. The Authority shall establish an ADA Paratransit Fund and, each year, deposit into that Fund the amounts directed by Section 4.03.3 of this Act. The amounts on deposit in the Fund and interest and other earnings on those amounts shall be used by the Authority to make grants to the Suburban Bus Board for ADA paratransit services provided pursuant to plans approved by the Authority under Section 2.30 of this Act. Funds received by the Suburban Bus Board from the Authority's ADA Paratransit Fund shall be used only to provide ADA paratransit services to individuals who are determined to be eligible for such services by the Authority under the Americans with Disabilities Act of 1990 and its implementing regulations. Revenues from and costs of services provided by the Suburban Bus Board with grants made under this Section shall be included in the Annual Budget and Two-Year Financial Program of the Suburban Bus Board and shall be subject to all budgetary and financial requirements under this Act that apply to ADA paratransit services. Beginning in 2008, the Executive Director shall, no later than August 15 of each year, provide to the Board a written determination of the projected annual costs of ADA paratransit services that are required to be provided pursuant to the Americans with Disabilities Act of 1990 and its implementing regulations. The Authority shall conduct triennial financial, compliance, and performance audits of ADA paratransit services to assist in this determination.

(70 ILCS 3615/2.01e new)

Sec. 2.01e. Suburban Community Mobility Fund. The Authority shall establish a Suburban Community Mobility Fund and, each year, deposit into that Fund the amounts directed by Section 4.03.3 of this Act. The amounts on deposit in the Fund and interest and other earnings on those amounts shall be used by the Authority to make grants to the Suburban Bus Board for the purpose of operating transit services, other than traditional fixed-route services, that enhance suburban mobility, including, but not limited to, demand-responsive transit services, ride sharing, van pooling, service coordination, centralized dispatching and call taking, reverse commuting, service restructuring, and bus rapid transit. Revenues from and costs of services provided by the Suburban Bus Board with moneys from the Suburban Community Mobility Fund shall be included in the Annual Budget and Two-Year Financial Program of the Suburban Bus Board and shall be subject to all budgetary and financial requirements under this Act.

(70 ILCS 3615/2.04) (from Ch. 111 2/3, par. 702.04)

Sec. 2.04. Fares and Nature of Service.

(a) Whenever a Service Board provides any public transportation by operating public transportation facilities, the Service Board shall provide for the level and nature of fares or charges to be made for such services, and the nature and standards of public transportation to be so provided that meet the goals and objectives adopted by the Authority in the Strategic Plan. Provided, however that if the Board adopts a budget and financial plan for a Service Board in accordance with the provisions in Section 4.11(b)(5), the Board may consistent with the terms of any purchase of service contract provide for the level and nature of fares to be made for such services under the jurisdiction of that Service Board, and the nature and standards of public transportation to be so provided.

(b) Whenever a Service Board provides any public transportation pursuant to grants made after June 30, 1975, to transportation agencies for operating expenses (other than with regard to experimental programs)

or pursuant to any purchase of service agreement, the purchase of service agreement or grant contract shall provide for the level and nature of fares or charges to be made for such services, and the nature and standards of public transportation to be so provided. A Service Board shall require all transportation agencies with which it contracts, or from which it purchases transportation services or to which it makes grants to provide half fare transportation for their student riders if any of such agencies provide for half fare transportation to their student riders.

(c) In so providing for the fares or charges and the nature and standards of public transportation, any purchase of service agreements or grant contracts shall provide, among other matters, for the terms or cost of transfers or interconnections between different modes of transportation and different public transportation agencies, schedules or routes of such service, changes which may be made in such service, the nature and condition of the facilities used in providing service, the manner of collection and disposition of fares or charges, the records and reports to be kept and made concerning such service, ~~and~~ for interchangeable tickets or other coordinated or uniform methods of collection of charges, and shall further require that the transportation agency comply with any determination made by the Board of the Authority under and subject to the provisions of Section 2.12b of this Act. In regard to any such service, the Authority and the Service Boards shall give attention to and may undertake programs to promote use of public transportation and to provide coordinated ticket sales and passenger information. In the case of a grant to a transportation agency which remains subject to Illinois Commerce Commission supervision and regulation, the Service Boards shall exercise the powers set forth in this Section in a manner consistent with such supervision and regulation by the Illinois Commerce Commission.

(Source: P.A. 83-886.)

(70 ILCS 3615/2.05) (from Ch. 111 2/3, par. 702.05)

Sec. 2.05. Centralized Services; Acquisition and Construction.

(a) The Authority may at the request of two or more Service Boards, serve, or designate a Service Board to serve, as a centralized purchasing agent for the Service Boards so requesting.

(b) The Authority may at the request of two or more Service Boards perform other centralized services such as ridership information and transfers between services under the jurisdiction of the Service Boards where such centralized services financially benefit the region as a whole. Provided, however, that the Board may require transfers only upon an affirmative vote of 12 ~~9~~ of its then Directors.

(c) A Service Board or the Authority may for the benefit of a Service Board, to meet its purposes, construct or acquire any public transportation facility for use by a Service Board or for use by any transportation agency and may acquire any such facilities from any transportation agency, including also without limitation any reserve funds, employees' pension or retirement funds, special funds, franchises, licenses, patents, permits and papers, documents and records of the agency. In connection with any such acquisition from a transportation agency the Authority may assume obligations of the transportation agency with regard to such facilities or property or public transportation operations of such agency.

In connection with any construction or acquisition, the Authority shall make relocation payments as may be required by federal law or by the requirements of any federal agency authorized to administer any federal program of aid.

(d) The Authority shall, after consulting with the Service Boards, develop regionally coordinated and consolidated sales, marketing, advertising, and public information programs that promote the use and coordination of, and transfers among, public transportation services in the metropolitan region. The Authority shall develop and adopt, with the affirmative vote of at least 12 of its then Directors, rules and regulations for the Authority and the Service Boards regarding such programs to ensure that the Service Boards' independent programs conform with the Authority's regional programs.

(Source: P.A. 83-886.)

(70 ILCS 3615/2.09) (from Ch. 111 2/3, par. 702.09)

Sec. 2.09. Research and Development.

(a) The Authority and the Service Boards shall study public transportation problems and developments; encourage experimentation in developing new public transportation technology, financing methods, and management procedures; conduct, in cooperation with other public and private agencies, studies and demonstration and development projects to test and develop methods for improving public transportation, for reducing its costs to users or for increasing public use; and conduct, sponsor, and participate in other studies and experiments, which may include fare demonstration programs, useful to achieving the purposes of this Act. The cost for any such item authorized by this Section may be exempted by the Board in a budget ordinance from the "costs" included in determining that the Authority and its service boards meet the farebox recovery ratio or system generated revenues recovery ratio requirements of Sections 3A.10,

3B.10, 4.01(b), 4.09 and 4.11 of this Act and Section 34 of the Metropolitan Transit Authority Act during the Authority's fiscal year which begins January 1, 1986 and ends December 31, 1986, provided that the cost of any item authorized herein must be specifically approved within the budget adopted pursuant to Sections 4.01 and 4.11 of this Act for that fiscal year.

(b) To improve public transportation service in areas of the metropolitan region with limited access to commuter rail service, the Authority and the Suburban Bus Division shall evaluate the feasibility of implementing new bus rapid transit services using the expressway and tollway systems in the metropolitan region. The Illinois Department of Transportation and the Illinois Toll Highway Authority shall work cooperatively with the Authority and the Suburban Bus Division in that evaluation and in the implementation of bus rapid transit services. The Authority and the Suburban Bus Division, in cooperation with the Illinois Department of Transportation, shall develop a bus rapid transit demonstration project on Interstate 55 located in Will, DuPage, and Cook counties. This demonstration project shall test and refine approaches to bus rapid transit operations in the expressway or tollway shoulder or regular travel lanes and shall investigate technology options that facilitate the shared use of the transit lane and provide revenue for financing construction and operation of public transportation facilities.

(c) The Suburban Bus Division and the Authority shall cooperate in the development, funding, and operation of programs to enhance access to job markets for residents in south suburban Cook County. Beginning in 2008, the Authority shall allocate to the Suburban Bus Division an amount not less than \$7,500,000 annually for the costs of such programs.

(Source: P.A. 84-939.)

(70 ILCS 3615/2.12) (from Ch. 111 2/3, par. 702.12)

Sec. 2.12. Coordination with Planning Agencies. The Authority and the Service Boards shall cooperate with the various public agencies charged with responsibility for long-range or comprehensive planning for the metropolitan region. The Authority shall utilize the official forecasts and plans of the Chicago Metropolitan Agency for Planning in developing the Strategic Plan and the Five-Year Capital Program. The Authority and the Service Boards shall, prior to the adoption of any Strategic Plan, as provided in Section 2.01a of this Act, or the adoption of any Five-Year Capital Program, as provided in paragraph (b) of Section 2.01b 2.01 of this Act, submit its proposals to such agencies for review and comment. The Authority and the Service Boards may make use of existing studies, surveys, plans, data and other materials in the possession of any State agency or department, any planning agency or any unit of local government.

(Source: P.A. 83-886.)

(70 ILCS 3615/2.12b new)

Sec. 2.12b. Coordination of Fares and Service. Upon the request of a Service Board, the Executive Director of the Authority may, upon the affirmative vote of 9 of the then Directors of the Authority, intervene in any matter involving (i) a dispute between Service Boards or a Service Board and a transportation agency providing service on behalf of a Service Board with respect to the terms of transfer between, and the allocation of revenues from fares and charges for, transportation services provided by the parties or (ii) a dispute between 2 Service Boards with respect to coordination of service, route duplication, or a change in service. Any Service Board or transportation agency involved in such dispute shall meet with the Executive Director, cooperate in good faith to attempt to resolve the dispute, and provide any books, records, and other information requested by the Executive Director. If the Executive Director is unable to mediate a resolution of any dispute, he or she may provide a written determination recommending a change in the fares or charges or the allocation of revenues for such service or directing a change in the nature or provider of service that is the subject of the dispute. The Executive Director shall base such determination upon the goals and objectives of the Strategic Plan established pursuant to Section 2.01a(b). Such determination shall be presented to the Board of the Authority and, if approved by the affirmative vote of at least 9 of the then Directors of the Authority, shall be final and shall be implemented by any affected Service Board and transportation agency within the time frame required by the determination.

(70 ILCS 3615/2.14) (from Ch. 111 2/3, par. 702.14)

Sec. 2.14. Appointment of Officers and Employees. The Authority may appoint, retain and employ officers, attorneys, agents, engineers and employees. The officers shall include an Executive Director, who shall be the chief executive officer of the Authority, appointed by the Chairman with the concurrence of 11 9 of the other then Directors of the Board. The Executive Director shall organize the staff of the Authority, shall allocate their functions and duties, shall transfer such staff to the Suburban Bus Division and the Commuter Rail Division as is sufficient to meet their purposes, shall fix compensation and conditions of employment of the staff of the Authority, and consistent with the policies of and direction from the Board, take all actions necessary to achieve its purposes, fulfill its responsibilities and carry out its powers, and

shall have such other powers and responsibilities as the Board shall determine. The Executive Director must be an individual of proven transportation and management skills and may not be a member of the Board. The Authority may employ its own professional management personnel to provide professional and technical expertise concerning its purposes and powers and to assist it in assessing the performance of the Service Boards in the metropolitan region.

No unlawful discrimination, as defined and prohibited in the Illinois Human Rights Act, shall be made in any term or aspect of employment nor shall there be discrimination based upon political reasons or factors. The Authority shall establish regulations to insure that its discharges shall not be arbitrary and that hiring and promotion are based on merit.

The Authority shall be subject to the "Illinois Human Rights Act", as now or hereafter amended, and the remedies and procedure established thereunder. The Authority shall file an affirmative action program for employment by it with the Department of Human Rights to ensure that applicants are employed and that employees are treated during employment, without regard to unlawful discrimination. Such affirmative action program shall include provisions relating to hiring, upgrading, demotion, transfer, recruitment, recruitment advertising, selection for training and rates of pay or other forms of compensation.

(Source: P.A. 83-886.)

(70 ILCS 3615/2.18a) (from Ch. 111 2/3, par. 702.18a)

Sec. 2.18a. (a) The provisions of this Section apply to collective bargaining agreements (including extensions and amendments to existing agreements) between Service Boards or transportation agencies subject to the jurisdiction of Service Boards and their employees, which are entered into after January 1, 1984.

(b) The Authority shall approve amended budgets prepared by Service Boards which incorporate the costs of collective bargaining agreements between Service Boards and their employees. The Authority shall approve such an amended budget provided that it determines by the affirmative vote of 12 ~~9~~ of its then members that the amended budget meets the standards established in Section 4.11.

(Source: P.A. 83-886.)

(70 ILCS 3615/2.30)

Sec. 2.30. Paratransit services.

(a) For purposes of this Act, "ADA paratransit services" shall mean those comparable or specialized transportation services provided by, or under grant or purchase of service contracts of, the Service Boards to individuals with disabilities who are unable to use fixed route transportation systems and who are determined to be eligible, for some or all of their trips, for such services under the Americans with Disabilities Act of 1990 and its implementing regulations.

(b) Beginning July 1, 2005, the Authority is responsible for the funding, from amounts on deposit in the ADA Paratransit Fund established under Section 2.01d of this Act, financial review and oversight of all ADA paratransit services that are provided by the Authority or by any of the Service Boards. The Suburban Bus Board shall operate or provide for the operation of all ADA paratransit services by no later than July 1, 2006, except that this date may be extended to the extent necessary to obtain approval from the Federal Transit Administration of the plan prepared pursuant to subsection (c).

(c) No later than January 1, 2006, the Authority, in collaboration with the Suburban Bus Board and the Chicago Transit Authority, shall develop a plan for the provision of ADA paratransit services and submit such plan to the Federal Transit Administration for approval. Approval of such plan by the Authority shall require the affirmative votes of 12 ~~9~~ of the then Directors. The Suburban Bus Board, the Chicago Transit Authority and the Authority shall comply with the requirements of the Americans with Disabilities Act of 1990 and its implementing regulations in developing and approving such plan including, without limitation, consulting with individuals with disabilities and groups representing them in the community, and providing adequate opportunity for public comment and public hearings. The plan shall include the contents required for a paratransit plan pursuant to the Americans with Disabilities Act of 1990 and its implementing regulations. The plan shall also include, without limitation, provisions to:

(1) maintain, at a minimum, the levels of ADA paratransit service that are required to be provided by the Service Boards pursuant to the Americans with Disabilities Act of 1990 and its implementing regulations;

(2) transfer the appropriate ADA paratransit services, management, personnel, service contracts and assets from the Chicago Transit Authority to the Authority or the Suburban Bus Board, as necessary, by no later than July 1, 2006, except that this date may be extended to the extent necessary to obtain approval from the Federal Transit Administration of the plan prepared pursuant to this subsection (c);

(3) provide for consistent policies throughout the metropolitan region for scheduling of ADA paratransit service trips to and from destinations, with consideration of scheduling of return trips on a "will-call" open-ended basis upon request of the rider, if practicable, and with consideration of an increased number of trips available by subscription service than are available as of the effective date of this amendatory Act;

(4) provide that service contracts and rates, entered into or set after the approval by the Federal Transit Administration of the plan prepared pursuant to subsection (c) of this Section, with private carriers and taxicabs for ADA paratransit service are procured by means of an open procurement process;

(5) provide for fares, fare collection and billing procedures for ADA paratransit services throughout the metropolitan region;

(6) provide for performance standards for all ADA paratransit service transportation carriers, with consideration of door-to-door service;

(7) provide, in cooperation with the Illinois Department of Transportation, the Illinois Department of Public Aid and other appropriate public agencies and private entities, for the application and receipt of grants, including, without limitation, reimbursement from Medicaid or other programs for ADA paratransit services;

(8) provide for a system of dispatch of ADA paratransit services transportation carriers throughout the metropolitan region, with consideration of county-based dispatch systems already in place as of the effective date of this amendatory Act;

(9) provide for a process of determining eligibility for ADA paratransit services that complies with the Americans with Disabilities Act of 1990 and its implementing regulations;

(10) provide for consideration of innovative methods to provide and fund ADA paratransit services; and

(11) provide for the creation of one or more ADA advisory boards, or the reconstitution of the existing ADA advisory boards for the Service Boards, to represent the diversity of individuals with disabilities in the metropolitan region and to provide appropriate ongoing input from individuals with disabilities into the operation of ADA paratransit services.

(d) All revisions and annual updates to the ADA paratransit services plan developed pursuant to subsection (c) of this Section, or certifications of continued compliance in lieu of plan updates, that are required to be provided to the Federal Transit Administration shall be developed by the Authority, in collaboration with the Suburban Bus Board and the Chicago Transit Authority, and the Authority shall submit such revision, update or certification to the Federal Transit Administration for approval. Approval of such revisions, updates or certifications by the Authority shall require the affirmative votes of 12 9 of the then Directors.

(e) The Illinois Department of Transportation, the Illinois Department of Public Aid, the Authority, the Suburban Bus Board and the Chicago Transit Authority shall enter into intergovernmental agreements as may be necessary to provide funding and accountability for, and implementation of, the requirements of this Section.

(f) By no later than April 1, 2007, the Authority shall develop and submit to the General Assembly and the Governor a funding plan for ADA paratransit services. Approval of such plan by the Authority shall require the affirmative votes of 12 9 of the then Directors. The funding plan shall, at a minimum, contain an analysis of the current costs of providing ADA paratransit services, projections of the long-term costs of providing ADA paratransit services, identification of and recommendations for possible cost efficiencies in providing ADA paratransit services, and identification of and recommendations for possible funding sources for providing ADA paratransit services. The Illinois Department of Transportation, the Illinois Department of Public Aid, the Suburban Bus Board, the Chicago Transit Authority and other State and local public agencies as appropriate shall cooperate with the Authority in the preparation of such funding plan.

(g) Any funds derived from the federal Medicaid program for reimbursement of the costs of providing ADA paratransit services within the metropolitan region shall be directed to the Authority and shall be used to pay for or reimburse the costs of providing such services.

(h) Nothing in this amendatory Act shall be construed to conflict with the requirements of the Americans with Disabilities Act of 1990 and its implementing regulations.

(Source: P.A. 94-370, eff. 7-29-05.)

(70 ILCS 3615/2.31 new)

Sec. 2.31. Disadvantaged Business Enterprise Contracting and Equal Employment Opportunity

Programs. The Authority and each Service Board shall, as soon as is practicable but in no event later than two years after the effective date of this amendatory Act of the 95th General Assembly, establish and maintain a disadvantaged business enterprise contracting program designed to ensure non-discrimination in the award and administration of contracts not covered under a federally mandated disadvantaged business enterprise program. The program shall establish narrowly tailored goals for the participation of disadvantaged business enterprises as the Authority and each Service Board determines appropriate. The goals shall be based on demonstrable evidence of the availability of ready, willing, and able disadvantaged business enterprises relative to all businesses ready, willing, and able to participate on the program's contracts. The program shall require the Authority and each Service Board to monitor the progress of the contractors' obligations with respect to the program's goals. Nothing in this program shall conflict with or interfere with the maintenance or operation of, or compliance with, any federally mandated disadvantaged business enterprise program.

The Authority and each Service Board shall establish and maintain a program designed to promote equal employment opportunity. Each year, no later than October 1, the Authority and each Service Board shall report to the General Assembly on the number of their respective employees and the number of their respective employees who have designated themselves as members of a minority group and gender.

Each year no later than October 1, and starting no later than the October 1 after the establishment of their disadvantaged business enterprise contracting programs, the Authority and each Service Board shall submit a report with respect to such program to the General Assembly. In addition, each year no later than October 1, the Authority and each Service Board shall submit a copy of its federally mandated semi-annual Uniform Report of Disadvantaged Business Enterprises Awards or Commitments and Payments to the General Assembly.

(70 ILCS 3615/3.01) (from Ch. 111 2/3, par. 703.01)

Sec. 3.01. Board of Directors. ~~The Upon expiration of the term of the members of the Transition Board as provided for in Section 3.09, the~~ corporate authorities and governing body of the Authority shall be a Board consisting of 13 Directors until January 1, 2008, and 16 Directors thereafter, appointed as follows:

(a) Four Directors appointed by the Mayor of the City of Chicago, with the advice and consent of the City Council of the City of Chicago, and, only until January 1, 2008, a fifth director who shall be the Chairman of the Chicago Transit Authority. After January 1, 2008, the Mayor of the City of Chicago, with the advice and consent of the City Council of the City of Chicago, shall appoint a fifth Director. The Directors appointed by the Mayor of the City of Chicago shall not be the chairman or a director of the Chicago Transit Authority. Each such Director shall reside in the City of Chicago except the Chairman of the Chicago Transit Authority who shall reside within the metropolitan area as defined in the Metropolitan Transit Authority Act.

(b) Four Directors appointed by the votes of a majority of the members of the Cook County Board elected from ~~that part of Cook County outside of Chicago, or, in the event such Board of Commissioners becomes elected from single member districts, by those Commissioners elected from districts,~~ a majority of the electors of which reside outside Chicago. After January 1, 2008, a fifth Director appointed by the President of the Cook County Board with the advice and consent of the members of the Cook County Board. In either case, such appointment shall be with the concurrence of four such Commissioners. Each such Director appointed under this subparagraph shall reside in that part of Cook County outside Chicago.

(c) Until January 1, 2008, 3 Directors appointed by the Chairmen of the county boards of DuPage, Kane, Lake, McHenry, and Will Counties, as follows:

(i) Two Directors appointed by the Chairmen of the county boards of Kane, Lake, McHenry and Will Counties, with the concurrence of not less than a majority of the Chairmen from such counties, from nominees by the Chairmen. Each such Chairman may nominate not more than 2 persons for each position. Each such Director shall reside in a county in the metropolitan region other than Cook or DuPage Counties.

(ii) ~~(4)~~ One Director shall be appointed by the Chairman of the ~~Board of~~ DuPage County Board with the advice and consent of the ~~County Board of~~ DuPage County Board. Such Director ~~and~~ shall reside in DuPage County.

(d) After January 1, 2008, 5 Directors appointed by the Chairmen of the county boards of DuPage, Kane, Lake and McHenry Counties and the County Executive of Will County, as follows:

(i) One Director appointed by the Chairman of the Kane County Board with the advice and consent of the Kane County Board. Such Director shall reside in Kane County.

(ii) One Director appointed by the County Executive of Will County with the advice and consent of

the Will County Board. Such Director shall reside in Will County.

(iii) One Director appointed by the Chairman of the DuPage County Board with the advice and consent of the DuPage County Board. Such Director shall reside in DuPage County.

(iv) One Director appointed by the Chairman of the Lake County Board with the advice and consent of the Lake County Board. Such Director shall reside in Lake County.

(v) One Director appointed by the Chairman of the McHenry County Board with the advice and consent of the McHenry County Board. Such Director shall reside in McHenry County.

(vi) To implement the changes in appointing authority under this subparagraph (d) the three Directors appointed under subparagraph (c) and residing in Lake County, DuPage County, and Kane County respectively shall each continue to serve as Director until the expiration of their respective term of office and until his or her successor is appointed and qualified or a vacancy occurs in the office. Thereupon, the appointment shall be made by the officials given appointing authority with respect to the Director whose term has expired or office has become vacant.

(e) The Chairman serving on the effective date of this amendatory Act of the 95th General Assembly shall continue to serve as Chairman until the expiration of his or her term of office and until his or her successor is appointed and qualified or a vacancy occurs in the office. Before January 1, 1987, for the term expiring July 1, 1989, the Chairman shall be appointed by the Governor. Thereafter the Chairman shall be appointed by the other 12 Directors with the concurrence of three fourths of such Directors. Upon the expiration or vacancy of the term of the Chairman then serving upon the effective date of this amendatory Act of the 95th General Assembly, the Chairman shall be appointed by the other Directors, by the affirmative vote of at least 11 of the then Directors, with at least 2 affirmative votes from Directors who reside in the City of Chicago, at least 2 affirmative votes from Directors who reside in Cook County outside the City of Chicago, and at least 2 affirmative votes from Directors who reside in the Counties of DuPage, Lake, Will, Kane, or McHenry. The chairman shall not be appointed from among the other Directors. The chairman shall be a resident of the metropolitan region.

(f) Except as otherwise provided by this Act no Director shall, while serving as such, be an officer, a member of the Board of Directors or Trustees or an employee of any Service Board or transportation agency, or be an employee of the State of Illinois or any department or agency thereof, or of any unit of local government or receive any compensation from any elected or appointed office under the Constitution and laws of Illinois; except that a Director may be a member of a school board.

(g) Each appointment made under this Section and under Section 3.03 shall be certified by the appointing authority to the Board, which shall maintain the certifications as part of the official records of the Authority; ~~provided that the initial appointments shall be certified to the Secretary of State, who shall transmit the certifications to the Board following its organization. All appointments made by the Governor shall be made with the advice and consent of the Senate.~~

~~(h) (Blank). The Board of Directors shall be so appointed as to represent the City of Chicago, that part of Cook County outside the City of Chicago, and that part of the metropolitan region outside Cook County on the one man one vote basis. After each Federal decennial census the General Assembly shall review the composition of the Board and, if a change is needed to comply with this requirement, shall provide for the necessary revision by July 1 of the third year after such census. Provided, however, that the Chairman of the Chicago Transit Authority shall be a Director of the Authority and shall be considered as representing the City of Chicago for purposes of this paragraph.~~

~~Insofar as may be practicable, the changes in Board membership necessary to achieve this purpose shall take effect as appropriate members terms expire, no member's term being reduced by reason of such revision of the composition of the Board.~~

(Source: P.A. 83-1417.)

(70 ILCS 3615/3.03) (from Ch. 111 2/3, par. 703.03)

Sec. 3.03. Terms, vacancies. Each Director, ~~including the Chairman, shall be appointed for an initial term as provided for in Section 3.10 of this Act. Thereafter, each Director shall hold office for a term of 5 years, and until his successor has been appointed and has qualified. A vacancy shall occur upon resignation, death, conviction of a felony, or removal from office of a Director. Any Director may be removed from office upon concurrence of not less than 11 9 Directors, on a formal finding of incompetence, neglect of duty, or malfeasance in office. Within 30 days after the office of any member becomes vacant for any reason, the appointing authorities of such member shall make an appointment to fill the vacancy. A vacancy shall be filled for the unexpired term.~~

~~Whenever After October 1, 1984, whenever a vacancy for a Director, except as to the Chairman or those Directors appointed by the Governor or the Mayor of the City of Chicago, exists for longer than 4 months,~~



the new Director shall be chosen by election by all legislative members in the General Assembly representing the affected area. In order to qualify as a voting legislative member in this matter, the affected area must be more than 50% of the geographic area of the legislative district.

(Source: P.A. 86-1475.)

(70 ILCS 3615/3.04) (from Ch. 111 2/3, par. 703.04)

Sec. 3.04. Compensation. Each Director, ~~excluding including~~ the Chairman, ~~except for the Chairman of the Chicago Transit Authority who shall not be compensated by the Authority,~~ shall be compensated at the rate of \$25,000 per year. ~~The Chairman shall be compensated at the rate of \$50,000 per year.~~

Officers of the Authority shall not be required to comply with the requirements of "An Act requiring certain custodians of public moneys to file and publish statements of the receipts and disbursements thereof", approved June 24, 1919, as now or hereafter amended.

(Source: P.A. 83-885; 83-886.)

(70 ILCS 3615/3.05) (from Ch. 111 2/3, par. 703.05)

Sec. 3.05. Meetings. The Board shall prescribe the times and places for meetings and the manner in which special meetings may be called. The Board shall comply in all respects with the "Open Meetings Act", approved July 11, 1957, as now or hereafter amended. All records, documents and papers of the Authority, other than those relating to matters concerning which closed sessions of the Board may be held, shall be available for public examination, subject to such reasonable regulations as the Board may adopt.

A majority of the Directors holding office shall constitute a quorum for the conduct of business. Except as otherwise provided in this Act, the affirmative votes of at least ~~9~~ 7 Directors shall be necessary for approving any contract or agreement, adopting any rule or regulation, and any other action required by this Act to be taken by resolution or ordinance.

The Board shall meet with the Regional Citizens Advisory Board at least once every 4 months.

(Source: P.A. 83-886.)

(70 ILCS 3615/3A.10) (from Ch. 111 2/3, par. 703A.10)

Sec. 3A.10. Budget and Program. The Suburban Bus Board, subject to the powers of the Authority in Section 4.11, shall control the finances of the Division. It shall by ordinance appropriate money to perform the Division's purposes and provide for payment of debts and expenses of the Division. Each year the Suburban Bus Board shall prepare and publish a comprehensive annual budget and proposed five-year capital program document, and a financial plan for the 2 years thereafter describing the state of the Division and presenting for the forthcoming fiscal year and the 2 following years the Suburban Bus Board's plans for such operations and capital expenditures as it intends to undertake and the means by which it intends to finance them. The proposed budget, ~~and financial plan, and five-year capital program~~ shall be based on the Authority's estimate of funds to be made available to the Suburban Bus Board by or through the Authority and shall conform in all respects to the requirements established by the Authority. The proposed ~~program and budget, financial plan, and five-year capital program~~ shall contain a statement of the funds estimated to be on hand at the beginning of the fiscal year, the funds estimated to be received from all sources for such year and the funds estimated to be on hand at the end of such year. ~~After adoption of the Authority's first Five Year Program, as provided in Section 2.01 of this Act, the proposed program and budget shall specifically identify any respect in which the recommended program deviates from the Authority's then existing Five Year Program, giving the reasons for such deviation.~~ The fiscal year of the Division shall be the same as the fiscal year of the Authority. Before the proposed budget, ~~and program and financial plan, and five-year capital program~~ are submitted to the Authority, the Suburban Bus Board shall hold at least one public hearing thereon in each of the counties in the metropolitan region in which the Division provides service. The Suburban Bus Board shall hold at least one meeting for consideration of the proposed ~~program and budget, financial plan, and five-year capital program~~ with the county board of each of the several counties in the metropolitan region in which the Division provides service. After conducting such hearings and holding such meetings and after making such changes in the proposed ~~program and budget, financial plan, and five-year capital program~~ as the Suburban Bus Board deems appropriate, it shall adopt an annual budget ordinance at least by November 15 next preceding the beginning of each fiscal year. The budget, ~~and program, and financial plan, and five-year capital program~~ shall then be submitted to the Authority as provided in Section 4.11. In the event that the Board of the Authority determines that the budget ~~and program, and financial plan~~ do not meet the standards of Section 4.11, the Suburban Bus Board shall make such changes as are necessary to meet such requirements and adopt an amended budget ordinance. The amended budget ordinance shall be resubmitted to the Authority pursuant to Section 4.11. The ordinance shall appropriate such sums of money as are deemed necessary to defray all necessary expenses and obligations of the Division, specifying purposes and the objects or programs for which appropriations are

made and the amount appropriated for each object or program. Additional appropriations, transfers between items and other changes in such ordinance which do not alter the basis upon which the balanced budget determination was made by the Board of the Authority may be made from time to time by the Suburban Bus Board.

The budget shall:

(i) show a balance between (A) anticipated revenues from all sources including operating subsidies and (B) the costs of providing the services specified and of funding any operating deficits or encumbrances incurred in prior periods, including provision for payment when due of principal and interest on outstanding indebtedness;

(ii) show cash balances including the proceeds of any anticipated cash flow borrowing sufficient to pay with reasonable promptness all costs and expenses as incurred;

(iii) provide for a level of fares or charges and operating or administrative costs for the public transportation provided by or subject to the jurisdiction of the Suburban Bus Board sufficient to allow the Suburban Bus Board to meet its required system generated revenues recovery ratio and, beginning with the 2007 fiscal year, its system generated ADA paratransit services revenue recovery ratio;

(iv) be based upon and employ assumptions and projections which are reasonable and prudent;

(v) have been prepared in accordance with sound financial practices as determined by the Board of the Authority; ~~and~~

(vi) meet such other uniform financial, budgetary, or fiscal requirements that the Board of the Authority may by rule or regulation establish; and -

(vii) be consistent with the goals and objectives adopted by the Regional Transportation Authority in the Strategic Plan.

(Source: P.A. 94-370, eff. 7-29-05.)

(70 ILCS 3615/3A.11) (from Ch. 111 2/3, par. 703A.11)

Sec. 3A.11. Citizens Advisory Board. The Suburban Bus Board shall establish a citizens advisory board composed of 10 residents of those portions of the metropolitan region in which the Suburban Bus Board provides service who have an interest in public transportation. The members of the advisory board shall be named for 2 year terms, shall select one of their members to serve as chairman and shall serve without compensation. The citizens advisory board shall meet with the Suburban Bus Board at least quarterly and advise the Suburban Bus Board of the impact of its policies and programs on the communities it serves. Appointments to the citizens advisory board should, to the greatest extent possible, reflect the ethnic, cultural, and geographic diversity of all persons residing within the Suburban Bus Board's jurisdiction.

(Source: P.A. 83-886.)

(70 ILCS 3615/3A.14) (from Ch. 111 2/3, par. 703A.14)

Sec. 3A.14. Labor. (a) The provisions of this Section apply to collective bargaining agreements (including extensions and amendments of existing agreements) entered into on or after January 1, 1984.

(b) The Suburban Bus Board shall deal with and enter into written contracts with their employees, through accredited representatives of such employees authorized to act for such employees concerning wages, salaries, hours, working conditions, and pension or retirement provisions about which a collective bargaining agreement has been entered prior to the effective date of this amendatory Act of 1983. Any such agreement of the Suburban Bus Board shall provide that the agreement may be reopened if the amended budget submitted pursuant to Section 2.18a of this Act is not approved by the Board of the Authority. The agreement may not include a provision requiring the payment of wage increases based on changes in the Consumer Price Index. The Suburban Bus Board shall not have the authority to enter collective bargaining agreements with respect to inherent management rights, which include such areas of discretion or policy as the functions of the employer, standards of services, its overall budget, the organizational structure and selection of new employees and direction of personnel. Employers, however, shall be required to bargain collectively with regard to policy matters directly affecting wages, hours and terms and conditions of employment, as well as the impact thereon, upon request by employee representatives. To preserve the rights of employers and exclusive representatives which have established collective bargaining relationships or negotiated collective bargaining agreements prior to the effective date of this amendatory Act of 1983, employers shall be required to bargain collectively with regard to any matter concerning wages, hours or conditions of employment about which they have bargained prior to the effective date of this amendatory Act of 1983.

(c) The collective bargaining agreement may not include a prohibition on the use of part-time operators

on any service operated by the Suburban Bus Board except where prohibited by federal law.

(d) Within 30 days of the signing of any such collective bargaining agreement, the Suburban Bus Board shall determine the costs of each provision of the agreement, prepare an amended budget incorporating the costs of the agreement, and present the amended budget to the Board of the Authority for its approval under Section 4.11. The Board may approve the amended budget by an affirmative vote of 12 ~~9~~ of its then Directors. If the budget is not approved by the Board of the Authority, the agreement may be reopened and its terms may be renegotiated. Any amended budget which may be prepared following renegotiation shall be presented to the Board of the Authority for its approval in like manner.

(Source: P.A. 83-886.)

(70 ILCS 3615/3B.02) (from Ch. 111 2/3, par. 703B.02)

Sec. 3B.02. Commuter Rail Board.

(a) Until January 1, 2008, the ~~The~~ governing body of the Commuter Rail Division shall be a board consisting of 7 directors appointed pursuant to Sections 3B.03 and 3B.04, as follows:

(1) ~~(a)~~ One director shall be appointed by the Chairman of the Board of DuPage County with the advice and consent of the County Board of DuPage County and shall reside in DuPage County. ~~;~~

(2) ~~(b)~~ Two directors appointed by the Chairmen of the County Boards of Kane, Lake, McHenry and Will Counties with the concurrence of not less than a majority of the chairmen from such counties, from nominees by the Chairmen. Each such chairman may nominate not more than two persons for each position. Each such director shall reside in a county in the metropolitan region other than Cook or DuPage County.

(3) ~~(c)~~ Three directors appointed by the members of the Cook County Board elected from that part of Cook County outside of Chicago, or, in the event such Board of Commissioners becomes elected from single member districts, by those Commissioners elected from districts, a majority of the residents of which reside outside Chicago. In either case, such appointment shall be with the concurrence of four such Commissioners. Each such director shall reside in that part of Cook County outside Chicago.

(4) ~~(d)~~ One director appointed by the Mayor of the City of Chicago, with the advice and consent of the City Council of the City of Chicago. Such director shall reside in the City of Chicago.

(5) The chairman shall be appointed by the directors, from the members of the board, with the concurrence of 5 of such directors.

(b) After January 1, 2008 the governing body of the Commuter Rail Division shall be a board consisting of 11 directors appointed, pursuant to Sections 3B.03 and 3B.04, as follows:

(1) One Director shall be appointed by the Chairman of the DuPage County Board with the advice and consent of the DuPage County Board and shall reside in DuPage County. To implement the changes in appointing authority under this Section, upon the expiration of the term of or vacancy in office of the Director appointed under item (1) of subsection (a) of this Section who resides in DuPage County, a Director shall be appointed under this subparagraph.

(2) One Director shall be appointed by the Chairman of the McHenry County Board with the advice and consent of the McHenry County Board and shall reside in McHenry County. To implement the change in appointing authority under this Section, upon the expiration of the term of or vacancy in office of the Director appointed under item (2) of subsection (a) of this Section who resides in McHenry County, a Director shall be appointed under this subparagraph.

(3) One Director shall be appointed by the Will County Executive with the advice and consent of the Will County Board and shall reside in Will County. To implement the change in appointing authority under this Section, upon the expiration of the term of or vacancy in office of the Director appointed under item (2) of subsection (a) of this Section who resides in Will County, a Director shall be appointed under this subparagraph.

(4) One Director shall be appointed by the Chairman of the Lake County Board with the advice and consent of the Lake County Board and shall reside in Lake County.

(5) One Director shall be appointed by the Chairman of the Kane County Board with the advice and consent of the Kane County Board and shall reside in Kane County.

(6) One Director shall be appointed by the Mayor of the City of Chicago with the advice and consent of the City Council of the City of Chicago and shall reside in the City of Chicago. To implement the changes in appointing authority under this Section, upon the expiration of the term of or vacancy in office of the Director appointed under item (4) of subsection (a) of this Section who resides in the City of Chicago, a Director shall be appointed under this subparagraph.

(7) Five Directors residing in Cook County outside of the City of Chicago, as follows:

(i) One Director who resides in Cook County outside of the City of Chicago, appointed by the

President of the Cook County Board with the advice and consent of the members of the Cook County Board.

(ii) One Director who resides in the township of Barrington, Palatine, Wheeling, Hanover, Schaumburg, or Elk Grove. To implement the changes in appointing authority under this Section, upon the expiration of the term of or vacancy in office of the Director appointed under paragraph (3) of subsection (a) of this Section who resides in the geographic area described in this subparagraph, a Director shall be appointed under this subparagraph.

(iii) One Director who resides in the township of Northfield, New Trier, Maine, Niles, Evanston, Leyden, Norwood Park, River Forest, or Oak Park.

(iv) One Director who resides in the township of Proviso, Riverside, Berwyn, Cicero, Lyons, Stickney, Lemont, Palos, or Orland. To implement the changes in appointing authority under this Section, upon the expiration of the term of or vacancy in office of the Director appointed under paragraph (3) of subsection (a) of this Section who resides in the geographic area described in this subparagraph and whose term of office had not expired as of August 1, 2007, a Director shall be appointed under this subparagraph.

(v) One Director who resides in the township of Worth, Calumet, Bremen, Thornton, Rich, or Bloom. To implement the changes in appointing authority under this Section, upon the expiration of the term of or vacancy in office of the Director appointed under paragraph (3) of subsection (a) of this Section who resides in the geographic area described in this subparagraph and whose term of office had expired as of August 1, 2007, a Director shall be appointed under this subparagraph.

(vi) The Directors identified under the provisions of subparagraphs (ii) through (v) of this paragraph (7) shall be appointed by the members of the Cook County Board. Each individual Director shall be appointed by those members of the Cook County Board whose Board districts overlap in whole or in part with the geographic territory described in the relevant subparagraph. The vote of County Board members eligible to appoint directors under the provisions of subparagraphs (ii) through (v) of this paragraph (7) shall be weighted by the number of electors residing in those portions of their Board districts within the geographic territory described in the relevant subparagraph (ii) through (v) of this paragraph (7).

(8) The chairman shall be appointed by the directors, from the members of the board, with the concurrence of 8 of such directors. To implement the changes in appointing authority under this Section, upon the expiration of the term of or vacancy in office of the Chairman appointed under item (5) of subsection (a) of this Section, a Chairman shall be appointed under this subparagraph.

(c) No director, while serving as such, shall be an officer, a member of the board of directors or trustee or an employee of any transportation agency, or be an employee of the State of Illinois or any department or agency thereof, or of any unit of local government or receive any compensation from any elected or appointed office under the Constitution and laws of Illinois.

(d) Each appointment made under subsections (a) and (b) of this Section paragraphs (a) through (d) and under Section 3B.03 shall be certified by the appointing authority to the Commuter Rail Board which shall maintain the certifications as part of the official records of the Commuter Rail Board; ~~provided that the initial appointments shall be certified to the Secretary of State, who shall transmit the certifications to the Commuter Rail Board following its organization.~~

~~Appointments to the Commuter Rail Board shall be apportioned so as to represent the City of Chicago, that part of Cook County outside of the City of Chicago, and DuPage County and that part of the metropolitan region other than Cook and DuPage Counties based on morning boardings of the services provided by the Commuter Rail Division as certified to the Board of the Authority by the Commuter Rail Board, provided however that the Mayor of the City of Chicago shall appoint no fewer than 1 member of the Commuter Rail Board. Within two years after each federal decennial census, the Board of the Authority shall review the composition of the Commuter Rail Board and, if change is needed to comply with this requirement, shall provide for the necessary reapportionment by July 1 of the second year after such census. Insofar as may be practicable, the changes in board membership necessary to achieve this purpose shall take effect as appropriate members terms expire, no member's term being reduced by reason of such revision of the composition of the Commuter Rail Board.~~

(Source: P.A. 83-886.)

(70 ILCS 3615/3B.03) (from Ch. 111 2/3, par. 703B.03)

Sec. 3B.03. Terms, Vacancies. ~~Each~~ The initial term of the director appointed pursuant to subdivision (a) of Section 3B.02 and the initial term of one of the directors appointed pursuant to subdivision (b) of Section 3B.02 shall expire on June 30, 1985; the initial term of one of the directors appointed pursuant to subdivision (b) of Section 3B.02 and the initial term of one of the directors appointed pursuant to subdivision (c) of Section 3B.02 shall expire on June 30, 1986; the initial terms of two of the directors

~~appointed pursuant to subdivision (c) of Section 3B.02 shall expire on June 30, 1987; the initial term of the director appointed pursuant to subdivision (d) of Section 3B.02 shall expire on June 30, 1988. Thereafter, each~~ director shall be appointed for a term of 4 years, and until his successor has been appointed and qualified. A vacancy shall occur upon the resignation, death, conviction of a felony, or removal from office of a director. Any director may be removed from office upon the concurrence of not less than 8 ~~6~~ directors, on a formal finding of incompetence, neglect of duty, or malfeasance in office. Within 30 days after the office of any director becomes vacant for any reason, the appropriate appointing authorities of such director, as provided in Section 3B.02, shall make an appointment to fill the vacancy. A vacancy shall be filled for the unexpired term.

(Source: P.A. 84-939.)

(70 ILCS 3615/3B.05) (from Ch. 111 2/3, par. 703B.05)

Sec. 3B.05. Appointment of officers and employees. The Commuter Rail Board shall appoint an Executive Director who shall be the chief executive officer of the Division, appointed, retained or dismissed with the concurrence of 8 ~~6~~ of the directors of the Commuter Rail Board. The Executive Director shall appoint, retain and employ officers, attorneys, agents, engineers, employees and shall organize the staff, shall allocate their functions and duties, fix compensation and conditions of employment, and consistent with the policies of and direction from the Commuter Rail Board take all actions necessary to achieve its purposes, fulfill its responsibilities and carry out its powers, and shall have such other powers and responsibilities as the Commuter Rail Board shall determine. The Executive Director shall be an individual of proven transportation and management skills and may not be a member of the Commuter Rail Board. The Division may employ its own professional management personnel to provide professional and technical expertise concerning its purposes and powers and to assist it in assessing the performance of transportation agencies in the metropolitan region.

No unlawful discrimination, as defined and prohibited in the Illinois Human Rights Act, shall be made in any term or aspect of employment nor shall there be discrimination based upon political reasons or factors. The Commuter Rail Board shall establish regulations to insure that its discharges shall not be arbitrary and that hiring and promotion are based on merit.

The Division shall be subject to the "Illinois Human Rights Act", as now or hereafter amended, and the remedies and procedure established thereunder. The Commuter Rail Board shall file an affirmative action program for employment by it with the Department of Human Rights to ensure that applicants are employed and that employees are treated during employment, without regard to unlawful discrimination. Such affirmative action program shall include provisions relating to hiring, upgrading, demotion, transfer, recruitment, recruitment advertising, selection for training and rates of pay or other forms of compensation.

(Source: P.A. 83-885; 83-886.)

(70 ILCS 3615/3B.07) (from Ch. 111 2/3, par. 703B.07)

Sec. 3B.07. Meetings. The Commuter Rail Board shall prescribe the times and places for meetings and the manner in which special meetings may be called. The Commuter Rail Board shall comply in all respects with the "Open Meetings Act", as now or hereafter amended. All records, documents and papers of the Commuter Rail Division, other than those relating to matters concerning which closed sessions of the Commuter Rail Board may be held, shall be available for public examination, subject to such reasonable regulations as the board may adopt.

A majority of the members shall constitute a quorum for the conduct of business. The affirmative votes of at least 6 ~~4~~ members shall be necessary for any action required by this Act to be taken by ordinance.

(Source: P.A. 83-886.)

(70 ILCS 3615/3B.09) (from Ch. 111 2/3, par. 703B.09)

Sec. 3B.09. General Powers. In addition to any powers elsewhere provided to the Commuter Rail Board, it shall have all of the powers specified in Section 2.20 of this Act except for the powers specified in Section 2.20(a)(v). The Board shall also have the power:

(a) to cooperate with the Regional Transportation Authority in the exercise by the Regional Transportation Authority of all the powers granted it by such Act;

(b) to receive funds from the Regional Transportation Authority pursuant to Sections 2.02, 4.01, 4.02, 4.09 and 4.10 of the "Regional Transportation Authority Act", all as provided in the "Regional Transportation Authority Act"; ~~and~~

(c) to receive financial grants from the Regional Transportation Authority or a Service Board, as defined in the "Regional Transportation Authority Act", upon such terms and conditions as shall be set forth in a grant contract between either the Division and the Regional Transportation Authority or the Division and another Service Board, which contract or agreement may be for such number of years or duration as the

parties may agree, all as provided in the "Regional Transportation Authority Act"; and -

(d) to borrow money for the purpose of acquiring, constructing, reconstructing, extending, or improving any Public Transportation Facilities (as defined in Section 1.03 of the Regional Transportation Authority Act) operated by or to be operated by or on behalf of the Commuter Rail Division. For the purpose of evidencing the obligation of the Commuter Rail Board to repay any money borrowed as provided in this subsection, the Commuter Rail Board may issue revenue bonds from time to time pursuant to ordinance adopted by the Commuter Rail Board, subject to the approval of the Regional Transportation Authority of each such issuance by the affirmative vote of 12 of its then Directors; provided that the Commuter Rail Board may not issue bonds for the purpose of financing the acquisition, construction, or improvement of a corporate headquarters building. All such bonds shall be payable solely from the revenues or income or any other funds that the Commuter Rail Board may receive, provided that the Commuter Rail Board may not pledge as security for such bonds the moneys, if any, that the Commuter Rail Board receives from the Regional Transportation Authority pursuant to Section 4.03.3(d) of the Regional Transportation Authority Act. The bonds shall bear interest at a rate not to exceed the maximum rate authorized by the Bond Authorization Act and shall mature at such time or times not exceeding 25 years from their respective dates. Bonds issued pursuant to this paragraph must be issued with scheduled principal or mandatory redemption payments in equal amounts in each fiscal year over the term of the bonds, with the first principal or mandatory redemption payment scheduled within the fiscal year in which bonds are issued or within the next succeeding fiscal year. At least 25%, based on total principal amount, of all bonds authorized pursuant to this Section shall be sold pursuant to notice of sale and public bid. No more than 75%, based on total principal amount, of all bonds authorized pursuant to this Section shall be sold by negotiated sale. The maximum principal amount of the bonds that may be issued and outstanding at any time may not exceed \$1,000,000,000. The bonds shall have all the qualities of negotiable instruments under the laws of this State. To secure the payment of any or all of such bonds and for the purpose of setting forth the covenants and undertakings of the Commuter Rail Board in connection with the issuance thereof and the issuance of any additional bonds payable from such revenue or income as well as the use and application of the revenue or income received by the Commuter Rail Board, the Commuter Rail Board may execute and deliver a trust agreement or agreements; provided that no lien upon any physical property of the Commuter Rail Board shall be created thereby. A remedy for any breach or default of the terms of any such trust agreement by the Commuter Rail Board may be by mandamus proceedings in any court of competent jurisdiction to compel performance and compliance therewith, but the trust agreement may prescribe by whom or on whose behalf such action may be instituted. Under no circumstances shall any bonds issued by the Commuter Rail Board or any other obligation of the Commuter Rail Board in connection with the issuance of such bonds be or become an indebtedness or obligation of the State of Illinois, the Regional Transportation Authority, or any other political subdivision of or municipality within the State, nor shall any such bonds or obligations be or become an indebtedness of the Commuter Rail Board within the purview of any constitutional limitation or provision, and it shall be plainly stated on the face of each bond that it does not constitute such an indebtedness or obligation but is payable solely from the revenues or income as aforesaid.

(Source: P.A. 83-885; 83-886.)

(70 ILCS 3615/3B.10) (from Ch. 111 2/3, par. 703B.10)

Sec. 3B.10. Budget and Program. The Commuter Rail Board, subject to the powers of the Authority in Section 4.11, shall control the finances of the Division. It shall by ordinance appropriate money to perform the Division's purposes and provide for payment of debts and expenses of the Division. Each year the Commuter Rail Board shall prepare and publish a comprehensive annual budget and proposed five-year capital program document, and a financial plan for the two years thereafter describing the state of the Division and presenting for the forthcoming fiscal year and the two following years the Commuter Rail Board's plans for such operations and capital expenditures as the Commuter Rail Board intends to undertake and the means by which it intends to finance them. The proposed budget, ~~and~~ financial plan, and five-year capital program shall be based on the Authority's estimate of funds to be made available to the Commuter Rail Board by or through the Authority and shall conform in all respects to the requirements established by the Authority. The proposed ~~program and~~ budget, financial plan, and five-year capital program shall contain a statement of the funds estimated to be on hand at the beginning of the fiscal year, the funds estimated to be received from all sources for such year and the funds estimated to be on hand at the end of such year. ~~After adoption of the Authority's first Five-Year Program, as provided in Section 2.01 of this Act, the proposed program and budget shall specifically identify any respect in which the recommended program deviates from the Authority's then existing Five Year Program, giving the reasons~~

~~for such deviation.~~ The fiscal year of the Division shall be the same as the fiscal year of the Authority. Before the proposed budget, ~~and program and~~ financial plan, ~~and five-year capital program~~ are submitted to the Authority, the Commuter Rail Board shall hold at least one public hearing thereon in each of the counties in the metropolitan region in which the Division provides service. The Commuter Rail Board shall hold at least one meeting for consideration of the proposed ~~program and~~ budget, financial plan, and five-year capital plan with the county board of each of the several counties in the metropolitan region in which the Division provides service. After conducting such hearings and holding such meetings and after making such changes in the proposed ~~program and~~ budget, financial plan, and five-year capital plan as the Commuter Rail Board deems appropriate, the board shall adopt its annual budget ordinance at least by November 15 next preceding the beginning of each fiscal year. The budget, ~~and program, and~~ financial plan, ~~and five-year capital program~~ shall then be submitted to the Authority as provided in Section 4.11. In the event that the Board of the Authority determines that the budget and program, and financial plan do not meet the standards of Section 4.11, the Commuter Rail Board shall make such changes as are necessary to meet such requirements and adopt an amended budget ordinance. The amended budget ordinance shall be resubmitted to the Authority pursuant to Section 4.11. The ordinance shall appropriate such sums of money as are deemed necessary to defray all necessary expenses and obligations of the Division, specifying purposes and the objects or programs for which appropriations are made and the amount appropriated for each object or program. Additional appropriations, transfers between items and other changes in such ordinance which do not alter the basis upon which the balanced budget determination was made by the Board of the Authority may be made from time to time by the Commuter Rail Board.

The budget shall:

(i) show a balance between (A) anticipated revenues from all sources including operating subsidies and (B) the costs of providing the services specified and of funding any operating deficits or encumbrances incurred in prior periods, including provision for payment when due of principal and interest on outstanding indebtedness;

(ii) show cash balances including the proceeds of any anticipated cash flow borrowing sufficient to pay with reasonable promptness all costs and expenses as incurred;

(iii) provide for a level of fares or charges for the public transportation provided by or subject to the jurisdiction of such Commuter Rail Board sufficient to allow the Commuter Rail Board to meet its required system generated revenue recovery ratio;

(iv) be based upon and employ assumptions and projections which the Board of the Authority finds to be reasonable and prudent;

(v) have been prepared in accordance with sound financial practices as determined by the Board of the Authority; ~~and~~

(vi) meet such other uniform financial, budgetary, or fiscal requirements that the Board of the Authority may by rule or regulation establish; ~~and~~ -

(vii) be consistent with the goals and objectives adopted by the Regional Transportation Authority in the Strategic Plan.

(Source: P.A. 83-885; 83-886.)

(70 ILCS 3615/3B.11) (from Ch. 111 2/3, par. 703B.11)

Sec. 3B.11. Citizens Advisory Board. The Commuter Rail Board shall establish a citizens advisory board composed of ten residents of those portions of the metropolitan region in which the Commuter Rail Board provides service who have an interest in public transportation. The members of the advisory board shall be named for two year terms, shall select one of their members to serve as chairman and shall serve without compensation. The citizens advisory board shall meet with the Commuter Rail Board at least quarterly and advise the Commuter Rail Board of the impact of its policies and programs on the communities it serves. Appointments to the citizens advisory board should, to the greatest extent possible, reflect the ethnic, cultural, and geographic diversity of all persons residing within the Commuter Rail Division's jurisdiction.

(Source: P.A. 83-886.)

(70 ILCS 3615/3B.12) (from Ch. 111 2/3, par. 703B.12)

Sec. 3B.12. Working Cash Borrowing. The Commuter Rail Board with the affirmative vote of 7 ~~5~~ of its Directors may demand and direct the Board of the Authority to issue Working Cash Notes at such time and in such amounts and having such maturities as the Commuter Rail Board deems proper, provided however any such borrowing shall have been specifically identified in the budget of the Commuter Rail Board as approved by the Board of the Authority. Provided further, that the Commuter Rail Board may not demand and direct the Board of the Authority to have issued and have outstanding at any time in excess of \$20,000,000 in Working Cash Notes.

(Source: P.A. 83-886.)

(70 ILCS 3615/3B.13) (from Ch. 111 2/3, par. 703B.13)

Sec. 3B.13. Labor.

(a) The provisions of this Section apply to collective bargaining agreements (including extensions and amendments of existing agreements) entered into on or after January 1, 1984. This Section does not apply to collective bargaining agreements that are subject to the provisions of the Railway Labor Act, as now or hereafter amended.

(b) The Commuter Rail Board shall deal with and enter into written contracts with their employees, through accredited representatives of such employees authorized to act for such employees concerning wages, salaries, hours, working conditions, and pension or retirement provisions about which a collective bargaining agreement has been entered prior to the effective date of this amendatory Act of 1983. Any such agreement of the Commuter Rail Board shall provide that the agreement may be reopened if the amended budget submitted pursuant to Section 2.18a of this Act is not approved by the Board of the Authority. The agreement may not include a provision requiring the payment of wage increases based on changes in the Consumer Price Index. The Commuter Rail Board shall not have the authority to enter collective bargaining agreements with respect to inherent management rights which include such areas of discretion or policy as the functions of the employer, standards of services, its overall budget, the organizational structure and selection of new employees and direction of personnel. Employers, however, shall be required to bargain collectively with regard to policy matters directly affecting wages, hours and terms and conditions of employment, as well as the impact thereon, upon request by employee representatives. To preserve the rights of the Commuter Rail Board and exclusive representatives which have established collective bargaining relationships or negotiated collective bargaining agreements prior to the effective date of this amendatory Act of 1983, the Commuter Rail Board shall be required to bargain collectively with regard to any matter concerning wages, hours or conditions of employment about which they have bargained prior to the effective date of this amendatory Act of 1983.

(c) The collective bargaining agreement may not include a prohibition on the use of part-time operators on any service operated by the Commuter Rail Board except where prohibited by federal law.

(d) Within 30 days of the signing of any such collective bargaining agreement, the Commuter Rail Board shall determine the costs of each provision of the agreement, prepare an amended budget incorporating the costs of the agreement, and present the amended budget to the Board of the Authority for its approval under Section 4.11. The Board may approve the amended budget by an affirmative vote of 12 ~~9~~ of its then Directors. If the budget is not approved by the Board of the Authority, the agreement may be reopened and its terms may be renegotiated. Any amended budget which may be prepared following renegotiation shall be presented to the Board of the Authority for its approval in like manner.

(Source: P.A. 84-1308.)

(70 ILCS 3615/4.01) (from Ch. 111 2/3, par. 704.01)

Sec. 4.01. Budget and Program.

(a) The Board shall control the finances of the Authority. It shall by ordinance adopted by the affirmative vote of at least 12 of its then Directors (i) appropriate money to perform the Authority's purposes and provide for payment of debts and expenses of the Authority, (ii) take action with respect to the budget and two-year financial plan of each Service Board, as provided in Section 4.11, and (iii) adopt an Annual Budget and Two-Year Financial Plan for the Authority that includes the annual budget and two-year financial plan of each Service Board that has been approved by the Authority. ~~Each year the Authority shall prepare and publish a comprehensive annual budget and program document describing the state of the Authority and presenting for the forthcoming fiscal year the Authority's plans for such operations and capital expenditures as the Authority intends to undertake and the means by which it intends to finance them.~~ The Annual Budget and Two-Year Financial Plan proposed program and budget shall contain a statement of the funds estimated to be on hand for the Authority and each Service Board at the beginning of the fiscal year, the funds estimated to be received from all sources for such year, the estimated expenses and obligations of the Authority and each Service Board for all purposes, including expenses for contributions to be made with respect to pension and other employee benefits, and the funds estimated to be on hand at the end of such year. ~~After adoption of the Authority's first Five-Year Program, as provided in Section 2.01 of this Act, the proposed program and budget shall specifically identify any respect in which the recommended program deviates from the Authority's then existing Five Year Program, giving the reasons for such deviation.~~ The fiscal year of the Authority and each Service Board shall begin on January 1st and end on the succeeding December 31st ~~except that the fiscal year that began October 1, 1982, shall end December 31, 1983. By July 1st 1981 and July 1st of each year thereafter~~ the Director of the Illinois



Governor's Office of Management and Budget (formerly Bureau of the Budget) shall submit to the Authority an estimate of revenues for the next fiscal year of the Authority to be collected from the taxes imposed by the Authority and the amounts to be available in the Public Transportation Fund and the Regional Transportation Authority Occupation and Use Tax Replacement Fund and the amounts otherwise to be appropriated by the State to the Authority for its purposes. The Authority shall file a copy of its Annual Budget and Two-Year Financial Plan with ~~For the fiscal year ending on December 31, 1983, the Board shall report its results from operations and financial condition to the General Assembly and the Governor by January 31. For the fiscal year beginning January 1, 1984, and thereafter, the budget and program shall be presented to the General Assembly and the Governor after its adoption not later than the preceding December 31st. Before the proposed Annual Budget and Two-Year Financial Plan budget and program is adopted, the Authority shall hold at least one public hearing thereon in the metropolitan region, and shall meet. The Board shall hold at least one meeting for consideration of the proposed program and budget with the county board or its designee of each of the several counties in the metropolitan region. After conducting such hearings and holding such meetings and after making such changes in the proposed Annual Budget and Two-Year Financial Plan program and budget as the Board deems appropriate, the Board shall adopt its annual appropriation and Annual Budget and Two-Year Financial Plan budget ordinance. The ordinance may be adopted only upon the affirmative votes of 12 9 of its then Directors. The ordinance shall appropriate such sums of money as are deemed necessary to defray all necessary expenses and obligations of the Authority, specifying purposes and the objects or programs for which appropriations are made and the amount appropriated for each object or program. Additional appropriations, transfers between items and other changes in such ordinance may be made from time to time by the Board upon the affirmative votes of 12 9 of its then Directors.~~

(b) The Annual Budget and Two-Year Financial Plan budget shall show a balance between anticipated revenues from all sources and anticipated expenses including funding of operating deficits or the discharge of encumbrances incurred in prior periods and payment of principal and interest when due, and shall show cash balances sufficient to pay with reasonable promptness all obligations and expenses as incurred.

The Annual Budget and Two-Year Financial Plan annual budget and financial plan must show:

(i) that the level of fares and charges for mass transportation provided by, or under grant or purchase of service contracts of, the Service Boards is sufficient to cause the aggregate of all projected fare revenues from such fares and charges received in each fiscal year to equal at least 50% of the aggregate costs of providing such public transportation in such fiscal year. "Fare revenues" include the proceeds of all fares and charges for services provided, contributions received in connection with public transportation from units of local government other than the Authority and from the State pursuant to subsection (i) of Section 2705-305 of the Department of Transportation Law (20 ILCS 2705/2705-305), and all other operating revenues properly included consistent with generally accepted accounting principles but do not include: the proceeds of any borrowings, and, beginning with the 2007 fiscal year, all revenues and receipts, including but not limited to fares and grants received from the federal, State or any unit of local government or other entity, derived from providing ADA paratransit service pursuant to Section 2.30 of the Regional Transportation Authority Act. "Costs" include all items properly included as operating costs consistent with generally accepted accounting principles, including administrative costs, but do not include: depreciation; payment of principal and interest on bonds, notes or other evidences of obligation for borrowed money issued by the Authority; payments with respect to public transportation facilities made pursuant to subsection (b) of Section 2.20 of this Act; any payments with respect to rate protection contracts, credit enhancements or liquidity agreements made under Section 4.14; any other cost to which it is reasonably expected that a cash expenditure will not be made; ~~costs up to \$5,000,000 annually~~ for passenger security including grants, contracts, personnel, equipment and administrative expenses, except in the case of the Chicago Transit Authority, in which case the term does not include costs spent annually by that entity for protection against crime as required by Section 27a of the Metropolitan Transit Authority Act; the payment by the Chicago Transit Authority of Debt Service, as defined in Section 12c of the Metropolitan Transit Authority Act, on bonds or notes issued pursuant to that Section; the payment by the Commuter Rail Division of debt service on bonds issued pursuant to Section 3B.09; expenses incurred by the Suburban Bus Division for the cost of new public transportation services funded from grants pursuant to Section 2.01e of this amendatory Act of the 95th General Assembly for a period of 2 years from the date of initiation of each such service; costs as exempted by the Board for projects pursuant to Section 2.09 of this Act; or, beginning with the 2007 fiscal year, expenses related to providing ADA paratransit service pursuant to Section 2.30 of the Regional Transportation Authority Act; and in fiscal years 2008 through 2012 inclusive, costs in the

amount of \$200,000,000 in fiscal year 2008, reducing by \$40,000,000 in each fiscal year thereafter until this exemption is eliminated; and

(ii) that the level of fares charged for ADA paratransit services is sufficient to cause the aggregate of all projected revenues from such fares charged and received in each fiscal year to equal at least 10% of the aggregate costs of providing such ADA paratransit services in fiscal years 2007 and 2008 and at least 12% of the aggregate costs of providing such ADA paratransit services in fiscal years 2009 and thereafter; for purposes of this Act, the percentages in this subsection (b)(ii) shall be referred to as the "system generated ADA paratransit services revenue recovery ratio".

(c) The actual administrative expenses of the Authority for the fiscal year commencing January 1, 1985 may not exceed \$5,000,000. The actual administrative expenses of the Authority for the fiscal year commencing January 1, 1986, and for each fiscal year thereafter shall not exceed the maximum administrative expenses for the previous fiscal year plus 5%. "Administrative expenses" are defined for purposes of this Section as all expenses except: (1) capital expenses and purchases of the Authority on behalf of the Service Boards; (2) payments to Service Boards; and (3) payment of principal and interest on bonds, notes or other evidence of obligation for borrowed money issued by the Authority; (4) costs for passenger security including grants, contracts, personnel, equipment and administrative expenses; (5) payments with respect to public transportation facilities made pursuant to subsection (b) of Section 2.20 of this Act; and (6) any payments with respect to rate protection contracts, credit enhancements or liquidity agreements made pursuant to Section 4.14.

(d) ~~(Blank). After withholding 15% of the proceeds of any tax imposed by the Authority and 15% of money received by the Authority from the Regional Transportation Authority Occupation and Use Tax Replacement Fund, the Board shall allocate the proceeds and money remaining to the Service Boards as follows: (1) an amount equal to 85% of the proceeds of those taxes collected within the City of Chicago and 85% of the money received by the Authority on account of transfers to the Regional Transportation Authority Occupation and Use Tax Replacement Fund from the County and Mass Transit District Fund attributable to retail sales within the City of Chicago shall be allocated to the Chicago Transit Authority; (2) an amount equal to 85% of the proceeds of those taxes collected within Cook County outside the City of Chicago and 85% of the money received by the Authority on account of transfers to the Regional Transportation Authority Occupation and Use Tax Replacement Fund from the County and Mass Transit District Fund attributable to retail sales within Cook County outside of the city of Chicago shall be allocated 30% to the Chicago Transit Authority, 55% to the Commuter Rail Board and 15% to the Suburban Bus Board; and (3) an amount equal to 85% of the proceeds of the taxes collected within the Counties of DuPage, Kane, Lake, McHenry and Will shall be allocated 70% to the Commuter Rail Board and 30% to the Suburban Bus Board.~~

(e) ~~(Blank). Moneys received by the Authority on account of transfers to the Regional Transportation Authority Occupation and Use Tax Replacement Fund from the State and Local Sales Tax Reform Fund shall be allocated among the Authority and the Service Boards as follows: 15% of such moneys shall be retained by the Authority and the remaining 85% shall be transferred to the Service Boards as soon as may be practicable after the Authority receives payment. Moneys which are distributable to the Service Boards pursuant to the preceding sentence shall be allocated among the Service Boards on the basis of each Service Board's distribution ratio. The term "distribution ratio" means, for purposes of this subsection (e) of this Section 4.01, the ratio of the total amount distributed to a Service Board pursuant to subsection (d) of Section 4.01 for the immediately preceding calendar year to the total amount distributed to all of the Service Boards pursuant to subsection (d) of Section 4.01 for the immediately preceding calendar year.~~

(f) ~~To carry out its duties and responsibilities under this Act, further and accomplish the preparation of the annual budget and program as well as the Five Year Program provided for in Section 2.01 of this Act and to make such interim management decisions as may be necessary, the Board shall employ staff which shall: (1) propose for adoption by the Board of the Authority rules for the Service Boards that establish (i) forms and schedules to be used and information required to be provided with respect to a five-year capital program, annual budgets, and two-year financial plans and regular reporting of actual results against adopted budgets and financial plans, (ii) financial practices to be followed in the budgeting and expenditure of public funds, (iii) assumptions and projections that must be followed in preparing and submitting its annual budget and two-year financial plan or a five-year capital program; (2) evaluate for the Board public transportation programs operated or proposed by the Service Boards and transportation agencies in terms of the goals and objectives set out in the Strategic Plan, costs and relative priorities; (3) (2) keep the Board and the public informed of the extent to which the Service Boards and transportation agencies are meeting the goals and objectives adopted by the Authority in the Strategic Plan public transportation programs and~~

~~accomplishments of such transportation agencies; and (4) assess the efficiency or adequacy of public transportation services provided by a Service Board and make recommendations for change in that service (3) coordinate the development and implementation of public transportation programs to the end that the moneys monies available to the Authority may be expended in the most economical manner possible with the least possible duplication.~~

~~(g) All Under such regulations as the Board may prescribe, all Service Boards, transportation agencies, comprehensive planning agencies, including the Chicago Metropolitan Agency for Planning, or transportation planning agencies in the metropolitan region shall furnish to the Authority Board such information pertaining to public transportation or relevant for plans therefor as it may from time to time require. The Executive Director, or his or her designee, upon payment to any such agency or Service Board of the reasonable additional cost of its so providing such information except as may otherwise be provided by agreement with the Authority, and the Board or any duly authorized employee of the Board shall, for the purpose of securing any such information necessary or appropriate to carry out any of the powers and responsibilities of the Authority under this Act, have access to, and the right to examine, all books, documents, papers or records of a Service Board or any transportation such agency receiving funds from the Authority or Service Board, and such Service Board or transportation agency shall comply with any request by the Executive Director, or his or her designee, within 30 days or an extended time provided by the Executive Director pertaining to public transportation or relevant for plans therefor.~~

~~(h) No Service Board shall undertake any capital improvement which is not identified in the Five-Year Capital Program.~~

(Source: P.A. 94-370, eff. 7-29-05.)

(70 ILCS 3615/4.02) (from Ch. 111 2/3, par. 704.02)

Sec. 4.02. Federal, State and Other Funds.

(a) The Authority shall have the power to apply for, receive and expend grants, loans or other funds from the State of Illinois or any department or agency thereof, from any unit of local government, from the federal government or any department or agency thereof, for use in connection with any of the powers or purposes of the Authority as set forth in this Act. The Authority shall have power to make such studies as may be necessary and to enter into contracts or agreements with the State of Illinois or any department or agency thereof, with any unit of local government, or with the federal government or any department or agency thereof, concerning such grants, loans or other funds, or any conditions relating thereto, including obligations to repay such funds. The Authority may make such covenants concerning such grants, loans and funds as it deems proper and necessary in carrying out its responsibilities, purposes and powers as provided in this Act.

(b) The Authority shall be the primary public body in the metropolitan region with authority to apply for and receive any grants, loans or other funds relating to public transportation programs from the State of Illinois or any department or agency thereof, or from the federal government or any department or agency thereof. Any unit of local government, Service Board or transportation agency may apply for and receive any such federal or state capital grants, loans or other funds, provided, however that a Service Board may not apply for or receive any grant or loan which is not identified in the Five-Year Capital Program. Any Service Board, unit of local government or transportation agency shall notify the Authority prior to making any such application and shall file a copy thereof with the Authority. Nothing in this Section shall be construed to impose any limitation on the ability of the State of Illinois or any department or agency thereof, any unit of local government or Service Board or transportation agency to make any grants or to enter into any agreement or contract with the National Rail Passenger Corporation. Nor shall anything in this Section impose any limitation on the ability of any school district to apply for or receive any grant, loan or other funds for transportation of school children.

(c) The Authority shall provide to the Service Board any monies received relating to public transportation services under the jurisdiction of the Service Boards as provided in Section 4.03.3 of this Act, follows:

~~(1) As soon as may be practicable after the Authority receives payment, under Section 4.03(m) or Section 4.03.1(d), of the proceeds of those taxes levied by the Authority, the Authority shall transfer to each Service Board the amount to which it is entitled under Section 4.01(d);~~

~~(2) The Authority by ordinance adopted by 9 of its then Directors shall establish a formula apportioning any federal funds for operating assistance purposes the Authority receives to each Service Board. In establishing the formula, the Board shall consider, among other factors: ridership levels, the efficiency with which the service is provided, the degree of transit dependence of the area served and the cost of service. That portion of any federal funds for operating assistance received by the Authority shall be~~

paid to each Service Board as soon as may be practicable upon their receipt provided the Authority has adopted a balanced budget as required by Section 4.01 and further provided that the Service Boards are in compliance with the requirements in Section 4.11.

(3) The Authority by ordinance adopted by 9 of its then Directors shall apportion to the Service Boards funds provided by the State of Illinois under Section 4.09 and shall make payment of said funds to each Service Board as soon as may be practicable upon their receipt provided the Authority has adopted a balanced budget as required by Section 4.01 and further provided the Service Board is in compliance with the requirements in Section 4.11.

(4) Beginning January 1, 2009, before making any payments, transfers, or expenditures under this subsection to a Service Board, the Authority must first comply with Section 4.02a or 4.02b of this Act, whichever may be applicable.

(Source: P.A. 94-839, eff. 6-6-06; revised 8-3-06.)

(70 ILCS 3615/4.02a)

Sec. 4.02a. Chicago Transit Authority contributions to pension funds.

(a) The Authority shall continually review the Chicago Transit Authority's payment of the required contributions to its retirement system under Section 22-101 of the Illinois Pension Code.

(b) Beginning January 1, 2009, if at any time the Authority determines that the Chicago Transit Authority's payment of any portion of the required contributions to its retirement system under Section 22-101 of the Illinois Pension Code is more than one month overdue, it shall as soon as possible pay the amount of those overdue contributions to the Board of Trustees trustee of the Retirement Plan retirement system on behalf of the Chicago Transit Authority out of moneys otherwise payable to the Chicago Transit Authority under ~~subsection (c) of Section 4.03.3~~ 4.02 of this Act. The Authority shall thereafter have no liability to the Chicago Transit Authority for amounts paid to the Board of Trustees trustee of the Retirement Plan retirement system under this Section.

(c) Whenever the Authority acts or determines that it is required to act under subsection (b), it shall so notify the Chicago Transit Authority, the Mayor of Chicago, the Governor, the Auditor General of the State of Illinois, and the General Assembly.

(Source: P.A. 94-839, eff. 6-6-06.)

(70 ILCS 3615/4.02b)

Sec. 4.02b. Other contributions to pension funds.

(a) The Authority shall continually review the payment of the required employer contributions to affected pension plans under Section 22-103 of the Illinois Pension Code.

(b) Beginning January 1, 2009, if at any time the Authority determines that the Commuter Rail Board's or Suburban Bus Board's payment of any portion of the required contributions to an affected pension plan under Section 22-103 of the Illinois Pension Code is more than one month overdue, it shall as soon as possible pay the amount of those overdue contributions to the trustee of the affected pension plan on behalf of that Service Board out of moneys otherwise payable to that Service Board under Section 4.03.3 ~~subsection (c) of Section 4.02~~ of this Act. The Authority shall thereafter have no liability to the Service Board for amounts paid to the trustee of the affected pension plan under this Section.

(c) Whenever the Authority acts or determines that it is required to act under subsection (b), it shall so notify the affected Service Board, the Mayor of Chicago, the Governor, the Auditor General of the State of Illinois, and the General Assembly.

(d) Beginning January 1, 2009, if the Authority fails to pay to an affected pension fund within 30 days after it is due any employer contribution that it is required to make as a contributing employer under Section 22-103 of the Illinois Pension Code, it shall promptly so notify the Commission on Government Forecasting and Accountability, the Mayor of Chicago, the Governor, and the General Assembly, and it shall promptly pay the overdue amount out of the first money available to the Authority for its administrative expenses, as that term is defined in Section 4.01(c).

(Source: P.A. 94-839, eff. 6-6-06.)

(70 ILCS 3615/4.03) (from Ch. 111 2/3, par. 704.03)

Sec. 4.03. Taxes.

(a) In order to carry out any of the powers or purposes of the Authority, the Board may by ordinance adopted with the concurrence of 12 ~~9~~ of the then Directors, impose throughout the metropolitan region any or all of the taxes provided in this Section. Except as otherwise provided in this Act, taxes imposed under this Section and civil penalties imposed incident thereto shall be collected and enforced by the State Department of Revenue. The Department shall have the power to administer and enforce the taxes and to determine all rights for refunds for erroneous payments of the taxes. Nothing in this amendatory Act of the

95th General Assembly is intended to invalidate any taxes currently imposed by the Authority. The increased vote requirements to impose a tax shall only apply to actions taken after the effective date of this amendatory Act of the 95th General Assembly.

(b) The Board may impose a public transportation tax upon all persons engaged in the metropolitan region in the business of selling at retail motor fuel for operation of motor vehicles upon public highways. The tax shall be at a rate not to exceed 5% of the gross receipts from the sales of motor fuel in the course of the business. As used in this Act, the term "motor fuel" shall have the same meaning as in the Motor Fuel Tax Law. The Board may provide for details of the tax. The provisions of any tax shall conform, as closely as may be practicable, to the provisions of the Municipal Retailers Occupation Tax Act, including without limitation, conformity to penalties with respect to the tax imposed and as to the powers of the State Department of Revenue to promulgate and enforce rules and regulations relating to the administration and enforcement of the provisions of the tax imposed, except that reference in the Act to any municipality shall refer to the Authority and the tax shall be imposed only with regard to receipts from sales of motor fuel in the metropolitan region, at rates as limited by this Section.

(c) In connection with the tax imposed under paragraph (b) of this Section the Board may impose a tax upon the privilege of using in the metropolitan region motor fuel for the operation of a motor vehicle upon public highways, the tax to be at a rate not in excess of the rate of tax imposed under paragraph (b) of this Section. The Board may provide for details of the tax.

(d) The Board may impose a motor vehicle parking tax upon the privilege of parking motor vehicles at off-street parking facilities in the metropolitan region at which a fee is charged, and may provide for reasonable classifications in and exemptions to the tax, for administration and enforcement thereof and for civil penalties and refunds thereunder and may provide criminal penalties thereunder, the maximum penalties not to exceed the maximum criminal penalties provided in the Retailers' Occupation Tax Act. The Authority may collect and enforce the tax itself or by contract with any unit of local government. The State Department of Revenue shall have no responsibility for the collection and enforcement unless the Department agrees with the Authority to undertake the collection and enforcement. As used in this paragraph, the term "parking facility" means a parking area or structure having parking spaces for more than 2 vehicles at which motor vehicles are permitted to park in return for an hourly, daily, or other periodic fee, whether publicly or privately owned, but does not include parking spaces on a public street, the use of which is regulated by parking meters.

(e) The Board may impose a Regional Transportation Authority Retailers' Occupation Tax upon all persons engaged in the business of selling tangible personal property at retail in the metropolitan region. In Cook County the tax rate shall be 1% of the gross receipts from sales of food for human consumption that is to be consumed off the premises where it is sold (other than alcoholic beverages, soft drinks and food that has been prepared for immediate consumption) and prescription and nonprescription medicines, drugs, medical appliances and insulin, urine testing materials, syringes and needles used by diabetics, and 3/4% of the gross receipts from other taxable sales made in the course of that business. In DuPage, Kane, Lake, McHenry, and Will Counties, the tax rate shall be 1/4% of the gross receipts from all taxable sales made in the course of that business. The tax imposed under this Section and all civil penalties that may be assessed as an incident thereof shall be collected and enforced by the State Department of Revenue. The Department shall have full power to administer and enforce this Section; to collect all taxes and penalties so collected in the manner hereinafter provided; and to determine all rights to credit memoranda arising on account of the erroneous payment of tax or penalty hereunder. In the administration of, and compliance with this Section, the Department and persons who are subject to this Section shall have the same rights, remedies, privileges, immunities, powers and duties, and be subject to the same conditions, restrictions, limitations, penalties, exclusions, exemptions and definitions of terms, and employ the same modes of procedure, as are prescribed in Sections 1, 1a, 1a-1, 1c, 1d, 1e, 1f, 1i, 1j, 2 through 2-65 (in respect to all provisions therein other than the State rate of tax), 2c, 3 (except as to the disposition of taxes and penalties collected), 4, 5, 5a, 5b, 5c, 5d, 5e, 5f, 5g, 5h, 5i, 5j, 5k, 5l, 6, 6a, 6b, 6c, 7, 8, 9, 10, 11, 12 and 13 of the Retailers' Occupation Tax Act and Section 3-7 of the Uniform Penalty and Interest Act, as fully as if those provisions were set forth herein.

Persons subject to any tax imposed under the authority granted in this Section may reimburse themselves for their seller's tax liability hereunder by separately stating the tax as an additional charge, which charge may be stated in combination in a single amount with State taxes that sellers are required to collect under the Use Tax Act, under any bracket schedules the Department may prescribe.

Whenever the Department determines that a refund should be made under this Section to a claimant instead of issuing a credit memorandum, the Department shall notify the State Comptroller, who shall cause

the warrant to be drawn for the amount specified, and to the person named, in the notification from the Department. The refund shall be paid by the State Treasurer out of the Regional Transportation Authority tax fund established under paragraph (n) of this Section.

If a tax is imposed under this subsection (e), a tax shall also be imposed under subsections (f) and (g) of this Section.

For the purpose of determining whether a tax authorized under this Section is applicable, a retail sale by a producer of coal or other mineral mined in Illinois, is a sale at retail at the place where the coal or other mineral mined in Illinois is extracted from the earth. This paragraph does not apply to coal or other mineral when it is delivered or shipped by the seller to the purchaser at a point outside Illinois so that the sale is exempt under the Federal Constitution as a sale in interstate or foreign commerce.

No tax shall be imposed or collected under this subsection on the sale of a motor vehicle in this State to a resident of another state if that motor vehicle will not be titled in this State.

Nothing in this Section shall be construed to authorize the Regional Transportation Authority to impose a tax upon the privilege of engaging in any business that under the Constitution of the United States may not be made the subject of taxation by this State.

(f) If a tax has been imposed under paragraph (e), a Regional Transportation Authority Service Occupation Tax shall also be imposed upon all persons engaged, in the metropolitan region in the business of making sales of service, who as an incident to making the sales of service, transfer tangible personal property within the metropolitan region, either in the form of tangible personal property or in the form of real estate as an incident to a sale of service. In Cook County, the tax rate shall be: (1) 1% of the serviceman's cost price of food prepared for immediate consumption and transferred incident to a sale of service subject to the service occupation tax by an entity licensed under the Hospital Licensing Act or the Nursing Home Care Act that is located in the metropolitan region; (2) 1% of the selling price of food for human consumption that is to be consumed off the premises where it is sold (other than alcoholic beverages, soft drinks and food that has been prepared for immediate consumption) and prescription and nonprescription medicines, drugs, medical appliances and insulin, urine testing materials, syringes and needles used by diabetics; and (3) 3/4% of the selling price from other taxable sales of tangible personal property transferred. In DuPage, Kane, Lake, McHenry and Will Counties the rate shall be 1/4% of the selling price of all tangible personal property transferred.

The tax imposed under this paragraph and all civil penalties that may be assessed as an incident thereof shall be collected and enforced by the State Department of Revenue. The Department shall have full power to administer and enforce this paragraph; to collect all taxes and penalties due hereunder; to dispose of taxes and penalties collected in the manner hereinafter provided; and to determine all rights to credit memoranda arising on account of the erroneous payment of tax or penalty hereunder. In the administration of and compliance with this paragraph, the Department and persons who are subject to this paragraph shall have the same rights, remedies, privileges, immunities, powers and duties, and be subject to the same conditions, restrictions, limitations, penalties, exclusions, exemptions and definitions of terms, and employ the same modes of procedure, as are prescribed in Sections 1a-1, 2, 2a, 3 through 3-50 (in respect to all provisions therein other than the State rate of tax), 4 (except that the reference to the State shall be to the Authority), 5, 7, 8 (except that the jurisdiction to which the tax shall be a debt to the extent indicated in that Section 8 shall be the Authority), 9 (except as to the disposition of taxes and penalties collected, and except that the returned merchandise credit for this tax may not be taken against any State tax), 10, 11, 12 (except the reference therein to Section 2b of the Retailers' Occupation Tax Act), 13 (except that any reference to the State shall mean the Authority), the first paragraph of Section 15, 16, 17, 18, 19 and 20 of the Service Occupation Tax Act and Section 3-7 of the Uniform Penalty and Interest Act, as fully as if those provisions were set forth herein.

Persons subject to any tax imposed under the authority granted in this paragraph may reimburse themselves for their serviceman's tax liability hereunder by separately stating the tax as an additional charge, that charge may be stated in combination in a single amount with State tax that servicemen are authorized to collect under the Service Use Tax Act, under any bracket schedules the Department may prescribe.

Whenever the Department determines that a refund should be made under this paragraph to a claimant instead of issuing a credit memorandum, the Department shall notify the State Comptroller, who shall cause the warrant to be drawn for the amount specified, and to the person named in the notification from the Department. The refund shall be paid by the State Treasurer out of the Regional Transportation Authority tax fund established under paragraph (n) of this Section.

Nothing in this paragraph shall be construed to authorize the Authority to impose a tax upon the privilege

of engaging in any business that under the Constitution of the United States may not be made the subject of taxation by the State.

(g) If a tax has been imposed under paragraph (e), a tax shall also be imposed upon the privilege of using in the metropolitan region, any item of tangible personal property that is purchased outside the metropolitan region at retail from a retailer, and that is titled or registered with an agency of this State's government. In Cook County the tax rate shall be 3/4% of the selling price of the tangible personal property, as "selling price" is defined in the Use Tax Act. In DuPage, Kane, Lake, McHenry and Will counties the tax rate shall be 1/4% of the selling price of the tangible personal property, as "selling price" is defined in the Use Tax Act. The tax shall be collected from persons whose Illinois address for titling or registration purposes is given as being in the metropolitan region. The tax shall be collected by the Department of Revenue for the Regional Transportation Authority. The tax must be paid to the State, or an exemption determination must be obtained from the Department of Revenue, before the title or certificate of registration for the property may be issued. The tax or proof of exemption may be transmitted to the Department by way of the State agency with which, or the State officer with whom, the tangible personal property must be titled or registered if the Department and the State agency or State officer determine that this procedure will expedite the processing of applications for title or registration.

The Department shall have full power to administer and enforce this paragraph; to collect all taxes, penalties and interest due hereunder; to dispose of taxes, penalties and interest collected in the manner hereinafter provided; and to determine all rights to credit memoranda or refunds arising on account of the erroneous payment of tax, penalty or interest hereunder. In the administration of and compliance with this paragraph, the Department and persons who are subject to this paragraph shall have the same rights, remedies, privileges, immunities, powers and duties, and be subject to the same conditions, restrictions, limitations, penalties, exclusions, exemptions and definitions of terms and employ the same modes of procedure, as are prescribed in Sections 2 (except the definition of "retailer maintaining a place of business in this State"), 3 through 3-80 (except provisions pertaining to the State rate of tax, and except provisions concerning collection or refunding of the tax by retailers), 4, 11, 12, 12a, 14, 15, 19 (except the portions pertaining to claims by retailers and except the last paragraph concerning refunds), 20, 21 and 22 of the Use Tax Act, and are not inconsistent with this paragraph, as fully as if those provisions were set forth herein.

Whenever the Department determines that a refund should be made under this paragraph to a claimant instead of issuing a credit memorandum, the Department shall notify the State Comptroller, who shall cause the order to be drawn for the amount specified, and to the person named in the notification from the Department. The refund shall be paid by the State Treasurer out of the Regional Transportation Authority tax fund established under paragraph (n) of this Section.

(h) The Authority may impose a replacement vehicle tax of \$50 on any passenger car as defined in Section 1-157 of the Illinois Vehicle Code purchased within the metropolitan region by or on behalf of an insurance company to replace a passenger car of an insured person in settlement of a total loss claim. The tax imposed may not become effective before the first day of the month following the passage of the ordinance imposing the tax and receipt of a certified copy of the ordinance by the Department of Revenue. The Department of Revenue shall collect the tax for the Authority in accordance with Sections 3-2002 and 3-2003 of the Illinois Vehicle Code.

The Department shall immediately pay over to the State Treasurer, ex officio, as trustee, all taxes collected hereunder. On or before the 25th day of each calendar month, the Department shall prepare and certify to the Comptroller the disbursement of stated sums of money to the Authority. The amount to be paid to the Authority shall be the amount collected hereunder during the second preceding calendar month by the Department, less any amount determined by the Department to be necessary for the payment of refunds. Within 10 days after receipt by the Comptroller of the disbursement certification to the Authority provided for in this Section to be given to the Comptroller by the Department, the Comptroller shall cause the orders to be drawn for that amount in accordance with the directions contained in the certification.

(i) The Board may not impose any other taxes except as it may from time to time be authorized by law to impose.

(j) A certificate of registration issued by the State Department of Revenue to a retailer under the Retailers' Occupation Tax Act or under the Service Occupation Tax Act shall permit the registrant to engage in a business that is taxed under the tax imposed under paragraphs (b), (e), (f) or (g) of this Section and no additional registration shall be required under the tax. A certificate issued under the Use Tax Act or the Service Use Tax Act shall be applicable with regard to any tax imposed under paragraph (c) of this Section.

(k) The provisions of any tax imposed under paragraph (c) of this Section shall conform as closely as

may be practicable to the provisions of the Use Tax Act, including without limitation conformity as to penalties with respect to the tax imposed and as to the powers of the State Department of Revenue to promulgate and enforce rules and regulations relating to the administration and enforcement of the provisions of the tax imposed. The taxes shall be imposed only on use within the metropolitan region and at rates as provided in the paragraph.

(l) The Board in imposing any tax as provided in paragraphs (b) and (c) of this Section, shall, after seeking the advice of the State Department of Revenue, provide means for retailers, users or purchasers of motor fuel for purposes other than those with regard to which the taxes may be imposed as provided in those paragraphs to receive refunds of taxes improperly paid, which provisions may be at variance with the refund provisions as applicable under the Municipal Retailers Occupation Tax Act. The State Department of Revenue may provide for certificates of registration for users or purchasers of motor fuel for purposes other than those with regard to which taxes may be imposed as provided in paragraphs (b) and (c) of this Section to facilitate the reporting and nontaxability of the exempt sales or uses.

(m) Any ordinance imposing or discontinuing any tax under this Section shall be adopted and a certified copy thereof filed with the Department on or before June 1, whereupon the Department of Revenue shall proceed to administer and enforce this Section on behalf of the Regional Transportation Authority as of September 1 next following such adoption and filing. Beginning January 1, 1992, an ordinance or resolution imposing or discontinuing the tax hereunder shall be adopted and a certified copy thereof filed with the Department on or before the first day of July, whereupon the Department shall proceed to administer and enforce this Section as of the first day of October next following such adoption and filing. Beginning January 1, 1993, an ordinance or resolution imposing or discontinuing the tax hereunder shall be adopted and a certified copy thereof filed with the Department ~~on or before the first day of October,~~ whereupon the Department shall proceed to administer and enforce this Section as of the first day of January next following such adoption and filing.

(n) The State Department of Revenue shall, upon collecting any taxes as provided in this Section, pay the taxes over to the State Treasurer as trustee for the Authority. The taxes shall be held in a trust fund outside the State Treasury. On or before the 25th day of each calendar month, the State Department of Revenue shall prepare and certify to the Comptroller of the State of Illinois ~~and the amount to be paid to the Authority, which shall be the then balance in the fund, less any amount determined by the Department to be necessary for the payment of refunds. The State Department of Revenue shall also certify to the Authority~~ (i) the amount of taxes collected in each County other than Cook County in the metropolitan region, (ii) ~~less the amount necessary for the payment of refunds to taxpayers in the County. With regard to the County of Cook, the certification shall specify the amount of taxes collected within the City of Chicago, less the amount necessary for the payment of refunds to taxpayers in the City of Chicago and~~ (iii) the amount collected in that portion of Cook County outside of Chicago, each amount less the amount necessary for the payment of refunds to taxpayers located in those areas described in items (i), (ii), and (iii) in that portion of Cook County outside of Chicago. Within 10 days after receipt by the Comptroller of the certification of the ~~amounts amount to be paid to the Authority,~~ the Comptroller shall cause an order to be drawn for the payment of the amount certified in items (i), (ii), and (iii) of this subsection to the Authority for the amount in accordance with the direction in the certification.

In addition to the disbursement required by the preceding paragraph, an allocation shall be made in July 1991 and each year thereafter to the Regional Transportation Authority. The allocation shall be made in an amount equal to the average monthly distribution during the preceding calendar year (excluding the 2 months of lowest receipts) and the allocation shall include the amount of average monthly distribution from the Regional Transportation Authority Occupation and Use Tax Replacement Fund. The distribution made in July 1992 and each year thereafter under this paragraph and the preceding paragraph shall be reduced by the amount allocated and disbursed under this paragraph in the preceding calendar year. The Department of Revenue shall prepare and certify to the Comptroller for disbursement the allocations made in accordance with this paragraph.

(o) Failure to adopt a budget ordinance or otherwise to comply with Section 4.01 of this Act or to adopt a Five-year Capital Program or otherwise to comply with paragraph (b) of Section 2.01 of this Act shall not affect the validity of any tax imposed by the Authority otherwise in conformity with law.

(p) At no time shall a public transportation tax or motor vehicle parking tax authorized under paragraphs (b), (c) and (d) of this Section be in effect at the same time as any retailers' occupation, use or service occupation tax authorized under paragraphs (e), (f) and (g) of this Section is in effect.

Any taxes imposed under the authority provided in paragraphs (b), (c) and (d) shall remain in effect only until the time as any tax authorized by paragraphs (e), (f) or (g) of this Section are imposed and becomes



effective. Once any tax authorized by paragraphs (e), (f) or (g) is imposed the Board may not reimpose taxes as authorized in paragraphs (b), (c) and (d) of the Section unless any tax authorized by paragraphs (e), (f) or (g) of this Section becomes ineffective by means other than an ordinance of the Board.

(q) Any existing rights, remedies and obligations (including enforcement by the Regional Transportation Authority) arising under any tax imposed under paragraphs (b), (c) or (d) of this Section shall not be affected by the imposition of a tax under paragraphs (e), (f) or (g) of this Section.

(Source: P.A. 92-221, eff. 8-2-01; 92-651, eff. 7-11-02; 93-1068, eff. 1-15-05.)

(70 ILCS 3615/4.03.3 new)

Sec. 4.03.3. Distribution of Revenues. After providing for payment of its obligations with respect to bonds and notes issued under the provisions of Section 4.04 and obligations related to those bonds and notes, the Authority shall disburse the remaining proceeds from taxes it has imposed under this Article IV and the remaining moneys it has received from the State under Section 4.09(a) as follows:

(a) With respect to taxes imposed by the Authority, after withholding 15% of the remaining proceeds from those taxes, and 15% of money received by the Authority from the Regional Transportation Authority Occupation and Use Tax Replacement Fund or from the Regional Transportation Authority tax fund created in Section 4.03(n), the Board shall allocate the remaining amount to the Service Boards as follows:

(1) an amount equal to 85% of the remaining proceeds from those taxes collected within the City of Chicago and 85% of the money received by the Authority on account of transfers to the Regional Transportation Authority Occupation and Use Tax Replacement Fund or to the Regional Transportation Authority tax fund created in Section 4.03(n) from the County and Mass Transit District Fund attributable to retail sales within the City of Chicago shall be allocated to the Chicago Transit Authority;

(2) an amount equal to 85% of the remaining proceeds from those taxes collected within Cook County outside of the City of Chicago, and 85% of the money received by the Authority on account of transfers to the Regional Transportation Authority Occupation and Use Tax Replacement Fund or to the Regional Transportation Authority tax fund created in Section 4.03(n) from the County and Mass Transit District Fund attributable to retail sales within Cook County outside of the City of Chicago shall be allocated 30% to the Chicago Transit Authority, 55% to the Commuter Rail Board, and 15% to the Suburban Bus Board; and

(3) an amount equal to 85% of the remaining proceeds from the taxes collected within the Counties of DuPage, Kane, Lake, McHenry, and Will shall be allocated 70% to the Commuter Rail Board and 30% to the Suburban Bus Board.

(b) Moneys received by the Authority on account of transfers to the Regional Transportation Authority Occupation and Use Tax Replacement Fund from the State and Local Sales Tax Reform Fund shall be allocated among the Authority and the Service Boards as follows: 15% of such moneys shall be retained by the Authority and the remaining 85% shall be transferred to the Service Boards as soon as may be practicable after the Authority receives payment. Moneys which are distributable to the Service Boards pursuant to the preceding sentence shall be allocated among the Service Boards on the basis of each Service Board's distribution ratio. The term "distribution ratio" means, for purposes of this subsection (b), the ratio of the total amount distributed to a Service Board pursuant to subsection (a) of Section 4.03.3 for the immediately preceding calendar year to the total amount distributed to all of the Service Boards pursuant to subsection (a) of Section 4.03.3 for the immediately preceding calendar year.

(c) Moneys received from the State under Section 4.09(a)(2) shall be allocated as follows:

(1) \$100,000,000 shall be distributed annually to the Regional Transportation Authority for deposit into the ADA Paratransit Fund established by the Authority under Section 2.01d of the Regional Transportation Authority Act;

(2) \$10,000,000 shall be distributed annually to the Regional Transportation Authority for deposit into the Innovation, Coordination, and Enhancement Fund established by the Authority under Section 2.01c of the Regional Transportation Authority Act;

(3) \$20,000,000 shall be distributed annually to the Regional Transportation Authority for deposit into the Suburban Community Mobility Fund established by the Authority under Section 2.01e of the Regional Transportation Authority Act;

(4) Beginning in calendar year 2009 and continuing through 2039, \$115,000,000 shall be distributed annually to the Chicago Transit Authority; and

(5) any remaining funds shall be distributed as follows: (i) 48% to the Chicago Transit Authority, (ii) 39% to the Commuter Rail Division; and (iii) 13% to the Suburban Bus Division.

In 2009 and each year thereafter the amounts distributed to the Authority for deposit in the ADA Paratransit Fund, the Suburban Community Mobility Fund and the Innovative, Coordination and

Enhancement Fund respectively shall equal the amount deposited in the previous year increased or decreased by the percentage growth or decline in revenues received by the Authority from the State for the transfer of moneys pursuant to Section 4.09(a)(2) in the previous State fiscal year.

(d) The Authority by ordinance adopted by 12 of its then Directors shall apportion to the Service Boards moneys provided by the State of Illinois under Section 4.09(a)(1) as it shall determine and shall make payment of the amounts to each Service Board as soon as may be practicable upon their receipt, provided the Authority has adopted a balanced budget as required by Section 4.01 and further provided the Service Board is in compliance with the requirements in Section 4.11.

(e) Beginning January 1, 2009, before making any payments, transfers, or expenditures under this Section to a Service Board, the Authority must first comply with Section 4.02a or 4.02b of this Act, whichever may be applicable.

(70 ILCS 3615/4.04) (from Ch. 111 2/3, par. 704.04)

Sec. 4.04. Issuance and Pledge of Bonds and Notes.

(a) The Authority shall have the continuing power to borrow money and to issue its negotiable bonds or notes as provided in this Section. Unless otherwise indicated in this Section, the term "notes" also includes bond anticipation notes, which are notes which by their terms provide for their payment from the proceeds of bonds thereafter to be issued. Bonds or notes of the Authority may be issued for any or all of the following purposes: to pay costs to the Authority or a Service Board of constructing or acquiring any public transportation facilities (including funds and rights relating thereto, as provided in Section 2.05 of this Act); to repay advances to the Authority or a Service Board made for such purposes; to pay other expenses of the Authority or a Service Board incident to or incurred in connection with such construction or acquisition; to provide funds for any transportation agency to pay principal of or interest or redemption premium on any bonds or notes, whether as such amounts become due or by earlier redemption, issued prior to the date of this amendatory Act by such transportation agency to construct or acquire public transportation facilities or to provide funds to purchase such bonds or notes; and to provide funds for any transportation agency to construct or acquire any public transportation facilities, to repay advances made for such purposes, and to pay other expenses incident to or incurred in connection with such construction or acquisition; and to provide funds for payment of obligations, including the funding of reserves, under any self-insurance plan or joint self-insurance pool or entity.

In addition to any other borrowing as may be authorized by this Section, the Authority may issue its notes, from time to time, in anticipation of tax receipts of the Authority or of other revenues or receipts of the Authority, in order to provide money for the Authority or the Service Boards to cover any cash flow deficit which the Authority or a Service Board anticipates incurring. Any such notes are referred to in this Section as "Working Cash Notes". No Working Cash Notes shall be issued for a term of longer than ~~24~~ 18 months. Proceeds of Working Cash Notes may be used to pay day to day operating expenses of the Authority or the Service Boards, consisting of wages, salaries and fringe benefits, professional and technical services (including legal, audit, engineering and other consulting services), office rental, furniture, fixtures and equipment, insurance premiums, claims for self-insured amounts under insurance policies, public utility obligations for telephone, light, heat and similar items, travel expenses, office supplies, postage, dues, subscriptions, public hearings and information expenses, fuel purchases, and payments of grants and payments under purchase of service agreements for operations of transportation agencies, prior to the receipt by the Authority or a Service Board from time to time of funds for paying such expenses. In addition to any Working Cash Notes that the Board of the Authority may determine to issue, the Suburban Bus Board, the Commuter Rail Board or the Board of the Chicago Transit Authority may demand and direct that the Authority issue its Working Cash Notes in such amounts and having such maturities as the Service Board may determine.

Notwithstanding any other provision of this Act, any amounts necessary to pay principal of and interest on any Working Cash Notes issued at the demand and direction of a Service Board or any Working Cash Notes the proceeds of which were used for the direct benefit of a Service Board or any other Bonds or Notes of the Authority the proceeds of which were used for the direct benefit of a Service Board shall constitute a reduction of the amount of any other funds provided by the Authority to that Service Board. The Authority shall, after deducting any costs of issuance, tender the net proceeds of any Working Cash Notes issued at the demand and direction of a Service Board to such Service Board as soon as may be practicable after the proceeds are received. The Authority may also issue notes or bonds to pay, refund or redeem any of its notes and bonds, including to pay redemption premiums or accrued interest on such bonds or notes being renewed, paid or refunded, and other costs in connection therewith. The Authority may also utilize the proceeds of any such bonds or notes to pay the legal, financial, administrative and other

expenses of such authorization, issuance, sale or delivery of bonds or notes or to provide or increase a debt service reserve fund with respect to any or all of its bonds or notes. The Authority may also issue and deliver its bonds or notes in exchange for any public transportation facilities, (including funds and rights relating thereto, as provided in Section 2.05 of this Act) or in exchange for outstanding bonds or notes of the Authority, including any accrued interest or redemption premium thereon, without advertising or submitting such notes or bonds for public bidding.

(b) The ordinance providing for the issuance of any such bonds or notes shall fix the date or dates of maturity, the dates on which interest is payable, any sinking fund account or reserve fund account provisions and all other details of such bonds or notes and may provide for such covenants or agreements necessary or desirable with regard to the issue, sale and security of such bonds or notes. The rate or rates of interest on its bonds or notes may be fixed or variable and the Authority shall determine or provide for the determination of the rate or rates of interest of its bonds or notes issued under this Act in an ordinance adopted by the Authority prior to the issuance thereof, none of which rates of interest shall exceed that permitted in the Bond Authorization Act. Interest may be payable at such times as are provided for by the Board. Bonds and notes issued under this Section may be issued as serial or term obligations, shall be of such denomination or denominations and form, including interest coupons to be attached thereto, be executed in such manner, shall be payable at such place or places and bear such date as the Authority shall fix by the ordinance authorizing such bond or note and shall mature at such time or times, within a period not to exceed forty years from the date of issue, and may be redeemable prior to maturity with or without premium, at the option of the Authority, upon such terms and conditions as the Authority shall fix by the ordinance authorizing the issuance of such bonds or notes. No bond anticipation note or any renewal thereof shall mature at any time or times exceeding 5 years from the date of the first issuance of such note. The Authority may provide for the registration of bonds or notes in the name of the owner as to the principal alone or as to both principal and interest, upon such terms and conditions as the Authority may determine. The ordinance authorizing bonds or notes may provide for the exchange of such bonds or notes which are fully registered, as to both principal and interest, with bonds or notes which are registerable as to principal only. All bonds or notes issued under this Section by the Authority other than those issued in exchange for property or for bonds or notes of the Authority shall be sold at a price which may be at a premium or discount but such that the interest cost (excluding any redemption premium) to the Authority of the proceeds of an issue of such bonds or notes, computed to stated maturity according to standard tables of bond values, shall not exceed that permitted in the Bond Authorization Act. The Authority shall notify the Governor's Office of Management and Budget and the State Comptroller at least 30 days before any bond sale and shall file with the Governor's Office of Management and Budget and the State Comptroller a certified copy of any ordinance authorizing the issuance of bonds at or before the issuance of the bonds. After December 31, 1994, any such bonds or notes shall be sold to the highest and best bidder on sealed bids as the Authority shall deem. As such bonds or notes are to be sold the Authority shall advertise for proposals to purchase the bonds or notes which advertisement shall be published at least once in a daily newspaper of general circulation published in the metropolitan region at least 10 days before the time set for the submission of bids. The Authority shall have the right to reject any or all bids. Notwithstanding any other provisions of this Section, Working Cash Notes or bonds or notes to provide funds for self-insurance or a joint self-insurance pool or entity may be sold either upon competitive bidding or by negotiated sale (without any requirement of publication of intention to negotiate the sale of such Notes), as the Board shall determine by ordinance adopted with the affirmative votes of at least 7 Directors. In case any officer whose signature appears on any bonds, notes or coupons authorized pursuant to this Section shall cease to be such officer before delivery of such bonds or notes, such signature shall nevertheless be valid and sufficient for all purposes, the same as if such officer had remained in office until such delivery. Neither the Directors of the Authority nor any person executing any bonds or notes thereof shall be liable personally on any such bonds or notes or coupons by reason of the issuance thereof.

(c) All bonds or notes of the Authority issued pursuant to this Section shall be general obligations of the Authority to which shall be pledged the full faith and credit of the Authority, as provided in this Section. Such bonds or notes shall be secured as provided in the authorizing ordinance, which may, notwithstanding any other provision of this Act, include in addition to any other security, a specific pledge or assignment of and lien on or security interest in any or all tax receipts of the Authority and on any or all other revenues or moneys of the Authority from whatever source, which may by law be utilized for debt service purposes and a specific pledge or assignment of and lien on or security interest in any funds or accounts established or provided for by the ordinance of the Authority authorizing the issuance of such bonds or notes. Any such pledge, assignment, lien or security interest for the benefit of holders of bonds or notes of the Authority

shall be valid and binding from the time the bonds or notes are issued without any physical delivery or further act and shall be valid and binding as against and prior to the claims of all other parties having claims of any kind against the Authority or any other person irrespective of whether such other parties have notice of such pledge, assignment, lien or security interest. The obligations of the Authority incurred pursuant to this Section shall be superior to and have priority over any other obligations of the Authority.

The Authority may provide in the ordinance authorizing the issuance of any bonds or notes issued pursuant to this Section for the creation of, deposits in, and regulation and disposition of sinking fund or reserve accounts relating to such bonds or notes. The ordinance authorizing the issuance of any bonds or notes pursuant to this Section may contain provisions as part of the contract with the holders of the bonds or notes, for the creation of a separate fund to provide for the payment of principal and interest on such bonds or notes and for the deposit in such fund from any or all the tax receipts of the Authority and from any or all such other moneys or revenues of the Authority from whatever source which may by law be utilized for debt service purposes, all as provided in such ordinance, of amounts to meet the debt service requirements on such bonds or notes, including principal and interest, and any sinking fund or reserve fund account requirements as may be provided by such ordinance, and all expenses incident to or in connection with such fund and accounts or the payment of such bonds or notes. Such ordinance may also provide limitations on the issuance of additional bonds or notes of the Authority. No such bonds or notes of the Authority shall constitute a debt of the State of Illinois. Nothing in this Act shall be construed to enable the Authority to impose any ad valorem tax on property.

(d) The ordinance of the Authority authorizing the issuance of any bonds or notes may provide additional security for such bonds or notes by providing for appointment of a corporate trustee (which may be any trust company or bank having the powers of a trust company within the state) with respect to such bonds or notes. The ordinance shall prescribe the rights, duties and powers of the trustee to be exercised for the benefit of the Authority and the protection of the holders of such bonds or notes. The ordinance may provide for the trustee to hold in trust, invest and use amounts in funds and accounts created as provided by the ordinance with respect to the bonds or notes. The ordinance may provide for the assignment and direct payment to the trustee of any or all amounts produced from the sources provided in Section 4.03 and Section 4.09 of this Act and provided in Section 6z-17 of "An Act in relation to State finance", approved June 10, 1919, as amended. Upon receipt of notice of any such assignment, the Department of Revenue and the Comptroller of the State of Illinois shall thereafter, notwithstanding the provisions of Section 4.03 and Section 4.09 of this Act and Section 6z-17 of "An Act in relation to State finance", approved June 10, 1919, as amended, provide for such assigned amounts to be paid directly to the trustee instead of the Authority, all in accordance with the terms of the ordinance making the assignment. The ordinance shall provide that amounts so paid to the trustee which are not required to be deposited, held or invested in funds and accounts created by the ordinance with respect to bonds or notes or used for paying bonds or notes to be paid by the trustee to the Authority.

(e) Any bonds or notes of the Authority issued pursuant to this Section shall constitute a contract between the Authority and the holders from time to time of such bonds or notes. In issuing any bond or note, the Authority may include in the ordinance authorizing such issue a covenant as part of the contract with the holders of the bonds or notes, that as long as such obligations are outstanding, it shall make such deposits, as provided in paragraph (c) of this Section. It may also so covenant that it shall impose and continue to impose taxes, as provided in Section 4.03 of this Act and in addition thereto as subsequently authorized by law, sufficient to make such deposits and pay the principal and interest and to meet other debt service requirements of such bonds or notes as they become due. A certified copy of the ordinance authorizing the issuance of any such obligations shall be filed at or prior to the issuance of such obligations with the Comptroller of the State of Illinois and the Illinois Department of Revenue.

(f) The State of Illinois pledges to and agrees with the holders of the bonds and notes of the Authority issued pursuant to this Section that the State will not limit or alter the rights and powers vested in the Authority by this Act so as to impair the terms of any contract made by the Authority with such holders or in any way impair the rights and remedies of such holders until such bonds and notes, together with interest thereon, with interest on any unpaid installments of interest, and all costs and expenses in connection with any action or proceedings by or on behalf of such holders, are fully met and discharged. In addition, the State pledges to and agrees with the holders of the bonds and notes of the Authority issued pursuant to this Section that the State will not limit or alter the basis on which State funds are to be paid to the Authority as provided in this Act, or the use of such funds, so as to impair the terms of any such contract. The Authority is authorized to include these pledges and agreements of the State in any contract with the holders of bonds or notes issued pursuant to this Section.

(g) (1) Except as provided in subdivisions (g)(2) and (g)(3) of Section 4.04 of this Act, the Authority shall not at any time issue, sell or deliver any bonds or notes (other than Working Cash Notes) pursuant to this Section 4.04 which will cause it to have issued and outstanding at any time in excess of \$800,000,000 of such bonds and notes (other than Working Cash Notes). The Authority shall not at any time issue, sell, or deliver any Working Cash Notes pursuant to this Section that will cause it to have issued and outstanding at any time in excess of \$100,000,000. Notwithstanding the foregoing, before January 1, 2009, the Authority may issue, sell, and deliver an additional \$300,000,000 in Working Cash Notes, provided that any such additional notes shall mature on or before December 31, 2010. The Authority shall not at any time issue, sell or deliver any Working Cash Notes pursuant to this Section which will cause it to have issued and outstanding at any time in excess of \$100,000,000 of Working Cash Notes. Bonds or notes which are being paid or retired by such issuance, sale or delivery of bonds or notes, and bonds or notes for which sufficient funds have been deposited with the paying agency of such bonds or notes to provide for payment of principal and interest thereon or to provide for the redemption thereof, all pursuant to the ordinance authorizing the issuance of such bonds or notes, shall not be considered to be outstanding for the purposes of the first two sentences of this subsection.

(2) In addition to the authority provided by paragraphs (1) and (3), the Authority is authorized to issue, sell and deliver bonds or notes for Strategic Capital Improvement Projects approved pursuant to Section 4.13 as follows:

\$100,000,000 is authorized to be issued on or after January 1, 1990;  
 an additional \$100,000,000 is authorized to be issued on or after January 1, 1991;  
 an additional \$100,000,000 is authorized to be issued on or after January 1, 1992;  
 an additional \$100,000,000 is authorized to be issued on or after January 1, 1993;  
 an additional \$100,000,000 is authorized to be issued on or after January 1, 1994; and  
 the aggregate total authorization of bonds and notes for Strategic Capital Improvement Projects as of January 1, 1994, shall be \$500,000,000.

The Authority is also authorized to issue, sell, and deliver bonds or notes in such amounts as are necessary to provide for the refunding or advance refunding of bonds or notes issued for Strategic Capital Improvement Projects under this subdivision (g)(2), provided that no such refunding bond or note shall mature later than the final maturity date of the series of bonds or notes being refunded, and provided further that the debt service requirements for such refunding bonds or notes in the current or any future fiscal year shall not exceed the debt service requirements for that year on the refunded bonds or notes.

(3) In addition to the authority provided by paragraphs (1) and (2), the Authority is authorized to issue, sell, and deliver bonds or notes for Strategic Capital Improvement Projects approved pursuant to Section 4.13 as follows:

\$260,000,000 is authorized to be issued on or after January 1, 2000;  
 an additional \$260,000,000 is authorized to be issued on or after January 1, 2001;  
 an additional \$260,000,000 is authorized to be issued on or after January 1, 2002;  
 an additional \$260,000,000 is authorized to be issued on or after January 1, 2003;  
 an additional \$260,000,000 is authorized to be issued on or after January 1, 2004; and  
 the aggregate total authorization of bonds and notes for Strategic Capital Improvement Projects pursuant to this paragraph (3) as of January 1, 2004 shall be \$1,300,000,000.

The Authority is also authorized to issue, sell, and deliver bonds or notes in such amounts as are necessary to provide for the refunding or advance refunding of bonds or notes issued for Strategic Capital Improvement projects under this subdivision (g)(3), provided that no such refunding bond or note shall mature later than the final maturity date of the series of bonds or notes being refunded, and provided further that the debt service requirements for such refunding bonds or notes in the current or any future fiscal year shall not exceed the debt service requirements for that year on the refunded bonds or notes.

(h) The Authority, subject to the terms of any agreements with noteholders or bond holders as may then exist, shall have power, out of any funds available therefor, to purchase notes or bonds of the Authority, which shall thereupon be cancelled.

(i) In addition to any other authority granted by law, the State Treasurer may, with the approval of the Governor, invest or reinvest, at a price not to exceed par, any State money in the State Treasury which is not needed for current expenditures due or about to become due in Working Cash Notes.

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

(70 ILCS 3615/4.09) (from Ch. 111 2/3, par. 704.09)

Sec. 4.09. Public Transportation Fund and the Regional Transportation Authority Occupation and Use Tax Replacement Fund.

~~(a)(1) (a) As soon as possible after the first day of each month, beginning November 1, 1983, the Comptroller shall order transferred and the Treasurer shall transfer from the General Revenue Fund to a special fund in the State Treasury, to be known as the "Public Transportation Fund" \$9,375,000 for each month remaining in State fiscal year 1984. As soon as possible after the first day of each month, beginning July 1, 1984, upon certification of the Department of Revenue, the Comptroller shall order transferred and the Treasurer shall transfer from the General Revenue Fund to a special fund in the State Treasury to be known as the Public Transportation Fund an amount equal to 25% of the net revenue, before the deduction of the serviceman and retailer discounts pursuant to Section 9 of the Service Occupation Tax Act and Section 3 of the Retailers' Occupation Tax Act, realized from any tax imposed by the Authority pursuant to Sections 4.03 and 4.03.1 and 25% of the amounts deposited into the Regional Transportation Authority tax fund created by Section 4.03 of this Act, from the County and Mass Transit District Fund as provided in Section 6z-20 of the State Finance Act and 25% of the amounts deposited into the Regional Transportation Authority Occupation and Use Tax Replacement Fund from the State and Local Sales Tax Reform Fund as provided in Section 6z-17 of the State Finance Act. As used in this Section, net Net revenue realized for a month shall be the revenue collected by the State pursuant to Sections 4.03 and 4.03.1 during the previous month from within the metropolitan region, less the amount paid out during that same month as refunds to taxpayers for overpayment of liability in the metropolitan region under Sections 4.03 and 4.03.1.~~

(2) In addition to any other deposits or transfers into the Public Transportation Fund, beginning on the 25th day after the month in which retailers of motor fuel in the metropolitan region are required under the Retailers' Occupation Tax Act to separately file a report with the Illinois Department of Revenue of gross receipts on the sale of motor fuel in accordance with the provisions of this amendatory Act of the 95th General Assembly, on or before the 25th day of each calendar month, the Illinois Department of Revenue shall prepare and certify to the Comptroller the transfer of stated sums of money from the General Revenue Fund into the Public Transportation Fund. The amount to be certified shall be a percentage of the amount collected by the Department of Revenue from sales of motor fuel by the retailer in the metropolitan region during the preceding calendar month (including amounts prepaid by the retailer to the motor fuel distributor under Section 2d of the Retailers' Occupation Tax Act). The Department of Revenue shall determine the amount collected from the sale of motor fuel by retailers in the metropolitan region based on reports required to be filed under the Retailers' Occupation Tax Act in accordance with this Amendatory Act of the 95th General Assembly. For each monthly transfer, the amount to be certified shall be 80% of the net revenue realized from the 6.25% general rate on the selling price of motor fuel sold by a retailer that is located within the metropolitan region. Within 10 days after receipt by the Comptroller of the transfer certification from the Department of Revenue, the Comptroller shall order transferred and the Treasurer shall transfer the amount certified from the General Revenue Fund into the Public Transportation Fund. For purposes of this Section, "motor fuel" means that term as defined in the Motor Fuel Tax Law, not including aviation fuel, and "metropolitan region" means that term as defined in the Regional Transportation Authority Act.

(b)(1) All moneys deposited in the Public Transportation Fund and the Regional Transportation Authority Occupation and Use Tax Replacement Fund, whether deposited pursuant to this Section or otherwise, are allocated to the Authority. Pursuant to appropriation, the Comptroller, as soon as possible after each monthly transfer provided in this Section and after each deposit into the Public Transportation Fund, shall order the Treasurer to pay to the Authority out of the Public Transportation Fund the amount so transferred or deposited. Any Additional State Assistance and Additional Financial Assistance paid to the Authority under this Section shall be expended by the Authority for its purposes as provided in this Act. The balance of the amounts paid to the Authority from the Public Transportation Fund shall be expended by the Authority as provided in Section 4.03.3. Such amounts paid to the Authority may be expended by it for its purposes as provided in this Act. Subject to appropriation to the Department of Revenue, the Comptroller, as soon as possible after each deposit into the Regional Transportation Authority Occupation and Use Tax Replacement Fund provided in this Section and Section 6z-17 of the State Finance Act, shall order the Treasurer to pay to the Authority out of the Regional Transportation Authority Occupation and Use Tax Replacement Fund the amount so deposited. Such amounts paid to the Authority may be expended by it for its purposes as provided in this Act. (2) Provided, however, no moneys deposited under subsection (a) of this Section shall be paid from the Public Transportation Fund to the Authority or its assignee for any fiscal year beginning after the effective date of this amendatory Act of 1983 until the Authority has certified to the Governor, the

Comptroller, and the Mayor of the City of Chicago that it has adopted for that fiscal year an Annual Budget and Two-Year Financial Plan ~~a budget and financial plan~~ meeting the requirements in Section 4.01(b).

(c) In recognition of the efforts of the Authority to enhance the mass transportation facilities under its control, the State shall provide financial assistance ("Additional State Assistance") in excess of the amounts transferred to the Authority from the General Revenue Fund under subsection (a) of this Section. Additional State Assistance shall be calculated as provided in subsection (d), but shall in no event exceed the following specified amounts with respect to the following State fiscal years:

1990	\$5,000,000;
1991	\$5,000,000;
1992	\$10,000,000;
1993	\$10,000,000;
1994	\$20,000,000;
1995	\$30,000,000;
1996	\$40,000,000;
1997	\$50,000,000;
1998	\$55,000,000; and
each year thereafter	\$55,000,000.

(c-5) The State shall provide financial assistance ("Additional Financial Assistance") in addition to the Additional State Assistance provided by subsection (c) and the amounts transferred to the Authority from the General Revenue Fund under subsection (a) of this Section. Additional Financial Assistance provided by this subsection shall be calculated as provided in subsection (d), but shall in no event exceed the following specified amounts with respect to the following State fiscal years:

2000	\$0;
2001	\$16,000,000;
2002	\$35,000,000;
2003	\$54,000,000;
2004	\$73,000,000;
2005	\$93,000,000; and
each year thereafter	\$100,000,000.

(d) Beginning with State fiscal year 1990 and continuing for each State fiscal year thereafter, the Authority shall annually certify to the State Comptroller and State Treasurer, separately with respect to each of subdivisions (g)(2) and (g)(3) of Section 4.04 of this Act, the following amounts:

(1) The amount necessary and required, during the State fiscal year with respect to which the certification is made, to pay its obligations for debt service on all outstanding bonds or notes issued by the Authority under subdivisions (g)(2) and (g)(3) of Section 4.04 of this Act.

(2) An estimate of the amount necessary and required to pay its obligations for debt service for any bonds or notes which the Authority anticipates it will issue under subdivisions (g)(2) and (g)(3) of Section 4.04 during that State fiscal year.

(3) Its debt service savings during the preceding State fiscal year from refunding or advance refunding of bonds or notes issued under subdivisions (g)(2) and (g)(3) of Section 4.04.

(4) The amount of interest, if any, earned by the Authority during the previous State fiscal year on the proceeds of bonds or notes issued pursuant to subdivisions (g)(2) and (g)(3) of Section 4.04, other than refunding or advance refunding bonds or notes.

The certification shall include a specific schedule of debt service payments, including the date and amount of each payment for all outstanding bonds or notes and an estimated schedule of anticipated debt service for all bonds and notes it intends to issue, if any, during that State fiscal year, including the estimated date and estimated amount of each payment.

Immediately upon the issuance of bonds for which an estimated schedule of debt service payments was prepared, the Authority shall file an amended certification with respect to item (2) above, to specify the actual schedule of debt service payments, including the date and amount of each payment, for the remainder of the State fiscal year.

On the first day of each month of the State fiscal year in which there are bonds outstanding with respect to which the certification is made, the State Comptroller shall order transferred and the State Treasurer shall transfer from the General Revenue Fund to the Public Transportation Fund the Additional State Assistance and Additional Financial Assistance in an amount equal to the aggregate of (i) one-twelfth of the sum of the amounts certified under items (1) and (3) above less the amount certified under item (4) above, plus (ii) the

amount required to pay debt service on bonds and notes issued during the fiscal year, if any, divided by the number of months remaining in the fiscal year after the date of issuance, or some smaller portion as may be necessary under subsection (c) or (c-5) of this Section for the relevant State fiscal year, plus (iii) any cumulative deficiencies in transfers for prior months, until an amount equal to the sum of the amounts certified under items (1) and (3) above, plus the actual debt service certified under item (2) above, less the amount certified under item (4) above, has been transferred; except that these transfers are subject to the following limits:

(A) In no event shall the total transfers in any State fiscal year relating to outstanding bonds and notes issued by the Authority under subdivision (g)(2) of Section 4.04 exceed the lesser of the annual maximum amount specified in subsection (c) or the sum of the amounts certified under items (1) and (3) above, plus the actual debt service certified under item (2) above, less the amount certified under item (4) above, with respect to those bonds and notes.

(B) In no event shall the total transfers in any State fiscal year relating to outstanding bonds and notes issued by the Authority under subdivision (g)(3) of Section 4.04 exceed the lesser of the annual maximum amount specified in subsection (c-5) or the sum of the amounts certified under items (1) and (3) above, plus the actual debt service certified under item (2) above, less the amount certified under item (4) above, with respect to those bonds and notes.

The term "outstanding" does not include bonds or notes for which refunding or advance refunding bonds or notes have been issued.

(e) Neither Additional State Assistance nor Additional Financial Assistance may be pledged, either directly or indirectly as general revenues of the Authority, as security for any bonds issued by the Authority. The Authority may not assign its right to receive Additional State Assistance or Additional Financial Assistance, or direct payment of Additional State Assistance or Additional Financial Assistance, to a trustee or any other entity for the payment of debt service on its bonds.

(f) The certification required under subsection (d) with respect to outstanding bonds and notes of the Authority shall be filed as early as practicable before the beginning of the State fiscal year to which it relates. The certification shall be revised as may be necessary to accurately state the debt service requirements of the Authority.

(g) Within 6 months of the end of ~~the 3-month period ending December 31, 1983, and~~ each fiscal year ~~thereafter~~, the Authority shall determine:

(i) whether the aggregate of all system generated revenues for public transportation in the metropolitan region which is provided by, or under grant or purchase of service contracts with, the Service Boards equals 50% of the aggregate of all costs of providing such public transportation. "System generated revenues" include all the proceeds of fares and charges for services provided, contributions received in connection with public transportation from units of local government other than the Authority and from the State pursuant to subsection (i) of Section 2705-305 of the Department of Transportation Law (20 ILCS 2705/2705-305), and all other revenues properly included consistent with generally accepted accounting principles but may not include: the proceeds from any borrowing, and, beginning with the 2007 fiscal year, all revenues and receipts, including but not limited to fares and grants received from the federal, State or any unit of local government or other entity, derived from providing ADA paratransit service pursuant to Section 2.30 of the Regional Transportation Authority Act. "Costs" include all items properly included as operating costs consistent with generally accepted accounting principles, including administrative costs, but do not include: depreciation; payment of principal and interest on bonds, notes or other evidences of obligations for borrowed money of the Authority; payments with respect to public transportation facilities made pursuant to subsection (b) of Section 2.20; any payments with respect to rate protection contracts, credit enhancements or liquidity agreements made under Section 4.14; any other cost as to which it is reasonably expected that a cash expenditure will not be made; ~~costs up to \$5,000,000 annually~~ for passenger security including grants, contracts, personnel, equipment and administrative expenses, except in the case of the Chicago Transit Authority, in which case the term does not include costs spent annually by that entity for protection against crime as required by Section 27a of the Metropolitan Transit Authority Act; the costs of Debt Service paid by the Chicago Transit Authority, as defined in Section 12c of the Metropolitan Transit Authority Act, or bonds or notes issued pursuant to that Section; the payment by the Commuter Rail Division of debt service on bonds issued pursuant to Section 3B.09; expenses incurred by the Suburban Bus Division for the cost of new public transportation services funded from grants pursuant to Section 2.01e of this amendatory Act of the 95th General Assembly for a period of 2 years from the date of initiation of each such service; costs as exempted by the Board for projects pursuant to Section 2.09 of



this Act; or, beginning with the 2007 fiscal year, expenses related to providing ADA paratransit service pursuant to Section 2.30 of the Regional Transportation Authority Act; or in fiscal years 2008 through 2012 inclusive, costs in the amount of \$200,000,000 in fiscal year 2008, reducing by \$40,000,000 in each fiscal year thereafter until this exemption is eliminated. If said system generated revenues are less than 50% of said costs, the Board shall remit an amount equal to the amount of the deficit to the State. The Treasurer shall deposit any such payment in the General Revenue Fund; and

(ii) whether, beginning with the 2007 fiscal year, the aggregate of all fares charged and received for ADA paratransit services equals the system generated ADA paratransit services revenue recovery ratio percentage of the aggregate of all costs of providing such ADA paratransit services.

(h) If the Authority makes any payment to the State under paragraph (g), the Authority shall reduce the amount provided to a Service Board from funds transferred under paragraph (a) in proportion to the amount by which that Service Board failed to meet its required system generated revenues recovery ratio. A Service Board which is affected by a reduction in funds under this paragraph shall submit to the Authority concurrently with its next due quarterly report a revised budget incorporating the reduction in funds. The revised budget must meet the criteria specified in clauses (i) through (vi) of Section 4.11(b)(2). The Board shall review and act on the revised budget as provided in Section 4.11(b)(3).

(Source: P.A. 94-370, eff. 7-29-05.); and

(70 ILCS 3615/4.11) (from Ch. 111 2/3, par. 704.11)

Sec. 4.11. Budget Review Powers.

~~(a) The provisions of this Section shall only be applicable to financial periods beginning after December 31, 1983. The Transition Board shall adopt a timetable governing the certification of estimates and any submissions required under this Section for fiscal year 1984 which shall control over the provisions of this Act.~~ Based upon estimates which shall be given to the Authority by the Director of the Governor's Office of Management and Budget (formerly Bureau of the Budget) of the receipts to be received by the Authority from the taxes imposed by the Authority and the authorized estimates of amounts to be available from State and other sources to the Service Boards, and the times at which such receipts and amounts will be available, the Board shall, not later than the next preceding September 15th prior to the beginning of the Authority's next fiscal year, advise each Service Board of the amounts estimated by the Board to be available for such Service Board during such fiscal year and the two following fiscal years and the times at which such amounts will be available. The Board shall, at the same time, also advise each Service Board of its required system generated revenues recovery ratio for the next fiscal year which shall be the percentage of the aggregate costs of providing public transportation by or under jurisdiction of that Service Board which must be recovered from system generated revenues. The Board shall, at the same time, beginning with the 2007 fiscal year, also advise each Service Board that provides ADA paratransit services of its required system generated ADA paratransit services revenue recovery ratio for the next fiscal year which shall be the percentage of the aggregate costs of providing ADA paratransit services by or under jurisdiction of that Service Board which must be recovered from fares charged for such services, except that such required system generated ADA paratransit services revenue recovery ratio shall not exceed the minimum percentage established pursuant to Section 4.01(b)(ii) of this Act. In determining a Service Board's system generated revenue recovery ratio, the Board shall consider the historical system generated revenues recovery ratio for the services subject to the jurisdiction of that Service Board. The Board shall not increase a Service Board's system generated revenues recovery ratio for the next fiscal year over such ratio for the current fiscal year disproportionately or prejudicially to increases in such ratios for other Service Boards. The Board may, by ordinance, provide that (i) the cost of research and development projects in the fiscal year beginning January 1, 1986 and ending December 31, 1986 conducted pursuant to Section 2.09 of this Act, and (ii) ~~up to \$5,000,000 annually~~ of the costs for passenger security, and (iii) expenditures of amounts granted to a Service Board from the Innovation, Coordination, and Enhancement Fund for operating purposes may be exempted from the farebox recovery ratio or the system generated revenues recovery ratio of the Chicago Transit Authority, the Suburban Bus Board, and the Commuter Rail Board, or any of them. During fiscal years 2008 through 2012, the Board may also allocate the exemption of \$200,000,000 and the reducing amounts of costs provided by this amendatory Act of the 95th General Assembly from the farebox recovery ratio or system generated revenues recovery ratio of each Service Board. ~~For the fiscal year beginning January 1, 1986 and ending December 31, 1986, and for the fiscal year beginning January 1, 1987 and ending December 31, 1987, the Board shall, by ordinance, provide that: (1) the amount of a grant, pursuant to Section 2705-310 of the Department of Transportation Law (20 ILCS 2705/2705-310), from the Department of Transportation for the cost of services for the mobility limited provided by the Chicago Transit Authority, and (2) the amount of a grant, pursuant to Section 2705-310 of~~

~~the Department of Transportation Law (20 ILCS 2705/2705-310), from the Department of Transportation for the cost of services for the mobility limited by the Suburban Bus Board or the Commuter Rail Board, be exempt from the farebox recovery ratio or the system generated revenues recovery ratio.~~

(b)(1) Not later than the next preceding November 15 prior to the commencement of such fiscal year, each Service Board shall submit to the Authority its proposed budget for such fiscal year and its proposed financial plan for the two following fiscal years. Such budget and financial plan shall (i) be prepared in the format, follow the financial and budgetary practices, and be based on any assumptions and projections required by the Authority and (ii) not project or assume a receipt of revenues from the Authority in amounts greater than those set forth in the estimates provided by the Authority pursuant to subsection (a) of this Section.

(2) The Board shall review the proposed budget and two-year financial plan submitted by each Service Board ~~, and shall adopt a consolidated budget and financial plan.~~ The Board shall approve the budget and two-year financial plan of a Service Board if:

~~(i) the Board has approved the proposed budget and cash flow plan for such fiscal year of each Service Board, pursuant to the conditions set forth in clauses (ii) through (vii) of this paragraph;~~

~~(i) (ii)~~ such budget and plan show a balance between (A) anticipated revenues from all sources including operating subsidies and (B) the costs of providing the services specified and of funding any operating deficits or encumbrances incurred in prior periods, including provision for payment when due of principal and interest on outstanding indebtedness;

~~(ii) (iii)~~ such budget and plan show cash balances including the proceeds of any anticipated cash flow borrowing sufficient to pay with reasonable promptness all costs and expenses as incurred;

~~(iii) (iv)~~ such budget and plan provide for a level of fares or charges and operating or administrative costs for the public transportation provided by or subject to the jurisdiction of such Service Board sufficient to allow the Service Board to meet its required system generated revenue recovery ratio and, beginning with the 2007 fiscal year, system generated ADA paratransit services revenue recovery ratio;

~~(iv) (v)~~ such budget and plan are based upon and employ assumptions and projections which are reasonable and prudent;

~~(v) (vi)~~ such budget and plan have been prepared in accordance with sound financial practices as determined by the Board; ~~and~~

~~(vi) (vii)~~ such budget and plan meet such other financial, budgetary, or fiscal requirements that the Board may by rule or regulation establish; ~~and -~~

(vii) such budget and plan are consistent with the goals and objectives adopted by the Authority in the Strategic Plan.

(3) ~~(Blank) In determining whether the budget and financial plan provide a level of fares or charges sufficient to allow a Service Board to meet its required system generated revenue recovery ratio and, beginning with the 2007 fiscal year, system generated ADA paratransit services revenue recovery ratio under clause (iv) in subparagraph (2), the Board shall allow a Service Board to carry over cash from farebox revenues to subsequent fiscal years.~~

(4) Unless the Board by an affirmative vote of 12 ~~9~~ of the then Directors determines that the budget and financial plan of a Service Board meets the criteria specified in clauses (i) (ii) through (vii) of subparagraph (2) of this paragraph (b), the Board shall withhold from not release to that Service Board 25% of any funds for the periods covered by such budget and financial plan except for the cash proceeds of taxes imposed by the Authority under Section 4.03 and Section 4.03.1 and received after February 1 and 25% of the amounts transferred to the Authority from the Public Transportation Fund under Section 4.09(a) after February 1 that the Board has estimated to be available to that Service Board under Section 4.11(a). Such funding shall be released to the Service Board only upon approval of a budget and financial plan under this Section or adoption of a budget and financial plan on behalf of the Service Board by the Authority which are allocated to the Service Board under Section 4.04.

(5) If the Board has not found that the budget and financial plan of a Service Board meets the criteria specified in clauses (i) through (vii) of subparagraph (2) of this paragraph (b), the Board, by the affirmative vote of at least 12 of its then Directors, shall ~~shall, five working days after the start of the Service Board's fiscal year~~ adopt a budget and financial plan meeting such criteria for that Service Board.

(c)(1) If the Board shall at any time have received a revised estimate, or revises any estimate the Board has made, pursuant to this Section of the receipts to be collected by the Authority which, in the judgment of the Board, requires a change in the estimates on which the budget of any Service Board is based, the Board shall advise the affected Service Board of such revised estimates, and such Service Board shall within 30

days after receipt of such advice submit a revised budget incorporating such revised estimates. If the revised estimates require, in the judgment of the Board, that the system generated revenues recovery ratio of one or more Service Boards be revised in order to allow the Authority to meet its required ratio, the Board shall advise any such Service Board of its revised ratio and such Service Board shall within 30 days after receipt of such advice submit a revised budget incorporating such revised estimates or ratio.

(2) Each Service Board shall, within such period after the end of each fiscal quarter as shall be specified by the Board, report to the Authority its financial condition and results of operations and the financial condition and results of operations of the public transportation services subject to its jurisdiction, as at the end of and for such quarter. If in the judgment of the Board such condition and results are not substantially in accordance with such Service Board's budget for such period, the Board shall so advise such Service Board and such Service Board shall within the period specified by the Board submit a revised budget incorporating such results.

(3) If the Board shall determine that a revised budget submitted by a Service Board pursuant to subparagraph (1) or (2) of this paragraph (c) does not meet the criteria specified in clauses (i) ~~(ii)~~ through (vii) of subparagraph (2) of paragraph (b) of this Section, the Board shall withhold from not release any monies to that Service Board 25% of except the cash proceeds of taxes imposed by the Authority under Section 4.03 or 4.03.1 and received by the Authority after February 1 and 25% of the amounts transferred to the Authority from the Public Transportation Fund under Section 4.09(a) after February 1 that the Board has estimated to be available which are allocated to that the Service Board under Section 4.11(a) 4.04. If the Service Board submits a revised financial plan and budget which plan and budget shows that the criteria will be met within a four quarter period, the Board shall ~~continue to release any such withheld~~ funds to the Service Board. The Board by the affirmative vote of at least 12 a 9 vote of its then Directors may require a Service Board to submit a revised financial plan and budget which shows that the criteria will be met in a time period less than four quarters.

(d) All budgets and financial plans, financial statements, audits and other information presented to the Authority pursuant to this Section or which may be required by the Board to permit it to monitor compliance with the provisions of this Section shall be prepared and presented in such manner and frequency and in such detail as shall have been prescribed by the Board, shall be prepared on both an accrual and cash flow basis as specified by the Board, shall present such information as the Authority shall prescribe that fairly presents the condition of any pension plan or trust for health care benefits with respect to retirees established by the Service Board and describes the plans of the Service Board to meet the requirements of Sections 4.02a and 4.02b, and shall identify and describe the assumptions and projections employed in the preparation thereof to the extent required by the Board. If the Executive Director certifies that a Service Board has not presented its budget and two-year financial plan in conformity with the rules adopted by the Authority under the provisions of Section 4.01(f) and this subsection (d), and such certification is accepted by the affirmative vote of at least 12 of the then Directors of the Authority, the Authority shall not distribute to that Service Board any funds for operating purposes in excess of the amounts distributed for such purposes to the Service Board in the previous fiscal year. Except when the Board adopts a budget and a financial plan for a Service Board under paragraph (b)(5), a Service Board shall provide for such levels of transportation services and fares or charges therefor as it deems appropriate and necessary in the preparation of a budget and financial plan meeting the criteria set forth in clauses (i) ~~(ii)~~ through (vii) of subparagraph (2) of paragraph (b) of this Section. The ~~Authority Board~~ shall have access to and the right to examine and copy all books, documents, papers, records, or other source data of a Service Board relevant to any information submitted pursuant to this Section.

(e) Whenever this Section requires the Board to make determinations with respect to estimates, budgets or financial plans, or rules or regulations with respect thereto such determinations shall be made upon the affirmative vote of at least 12 9 of the then Directors and shall be incorporated in a written report of the Board and such report shall be submitted within 10 days after such determinations are made to the Governor, the Mayor of Chicago (if such determinations relate to the Chicago Transit Authority), and the Auditor General of Illinois.

(Source: P.A. 94-370, eff. 7-29-05.)

(70 ILCS 3615/4.13) (from Ch. 111 2/3, par. 704.13)

Sec. 4.13. Annual Capital Improvement Plan.

(a) With respect to each calendar year, the Authority shall prepare as part of its Five Year Program an Annual Capital Improvement Plan (the "Plan") which shall describe its intended development and implementation of the Strategic Capital Improvement Program. The Plan shall include the following information:

(i) a list of projects for which approval is sought from the Governor, with a description of each project stating at a minimum the project cost, its category, its location and the entity responsible for its implementation;

(ii) a certification by the Authority that the Authority and the Service Boards have applied for all grants, loans and other moneys made available by the federal government or the State of Illinois during the preceding federal and State fiscal years for financing its capital development activities;

(iii) a certification that, as of September 30 of the preceding calendar year or any later date, the balance of all federal capital grant funds and all other funds to be used as matching funds therefor which were committed to or possessed by the Authority or a Service Board but which had not been obligated was less than \$350,000,000, or a greater amount as authorized in writing by the Governor (for purposes of this subsection (a), "obligated" means committed to be paid by the Authority or a Service Board under a contract with a nongovernmental entity in connection with the performance of a project or committed under a force account plan approved by the federal government);

(iv) a certification that the Authority has adopted a balanced budget with respect to such calendar year under Section 4.01 of this Act;

(v) a schedule of all bonds or notes previously issued for Strategic Capital Improvement Projects and all debt service payments to be made with respect to all such bonds and the estimated additional debt service payments through June 30 of the following calendar year expected to result from bonds to be sold prior thereto;

(vi) a long-range summary of the Strategic Capital Improvement Program describing the projects to be funded through the Program with respect to project cost, category, location, and implementing entity, and presenting a financial plan including an estimated time schedule for obligating funds for the performance of approved projects, issuing bonds, expending bond proceeds and paying debt service throughout the duration of the Program; and

(vii) the source of funding for each project in the Plan. For any project for which full funding has not yet been secured and which is not subject to a federal full funding contract, the Authority must identify alternative, dedicated funding sources available to complete the project. The Governor may waive this requirement on a project by project basis.

(b) The Authority shall submit the Plan with respect to any calendar year to the Governor on or before January 15 of that year, or as soon as possible thereafter; provided, however, that the Plan shall be adopted on the affirmative votes of 12 9 of the then Directors. The Plan may be revised or amended at any time, but any revision in the projects approved shall require the Governor's approval.

(c) The Authority shall seek approval from the Governor only through the Plan or an amendment thereto. The Authority shall not request approval of the Plan from the Governor in any calendar year in which it is unable to make the certifications required under items (ii), (iii) and (iv) of subsection (a). In no event shall the Authority seek approval of the Plan from the Governor for projects in an aggregate amount exceeding the proceeds of bonds or notes for Strategic Capital Improvement Projects issued under Section 4.04 of this Act.

(d) The Governor may approve the Plan for which approval is requested. The Governor's approval is limited to the amount of the project cost stated in the Plan. The Governor shall not approve the Plan in a calendar year if the Authority is unable to make the certifications required under items (ii), (iii) and (iv) of subsection (a). In no event shall the Governor approve the Plan for projects in an aggregate amount exceeding the proceeds of bonds or notes for Strategic Capital Improvement Projects issued under Section 4.04 of this Act.

(e) With respect to capital improvements, only those capital improvements which are in a Plan approved by the Governor shall be financed with the proceeds of bonds or notes issued for Strategic Capital Improvement Projects.

(f) Before the Authority or a Service Board obligates any funds for a project for which the Authority or Service Board intends to use the proceeds of bonds or notes for Strategic Capital Improvement Projects, but which project is not included in an approved Plan, the Authority must notify the Governor of the intended obligation. No project costs incurred prior to approval of the Plan including that project may be paid from the proceeds of bonds or notes for Strategic Capital Improvement Projects issued under Section 4.04 of this Act.

(Source: P.A. 94-839, eff. 6-6-06.)

(70 ILCS 3615/4.14) (from Ch. 111 2/3, par. 704.14)

Sec. 4.14. Rate Protection Contract. "Rate Protection Contract" means interest rate price exchange

agreements; currency exchange agreements; forward payment conversion agreements; contracts providing for payment or receipt of funds based on levels of, or changes in, interest rates, currency exchange rates, stock or other indices; contracts to exchange cash flows or a series of payments; contracts, including without limitation, interest rate caps; interest rate floor; interest rate locks; interest rate collars; rate of return guarantees or assurances, to manage payment, currency, rate, spread or similar exposure; the obligation, right, or option to issue, put, lend, sell, grant a security interest in, buy, borrow or otherwise acquire, a bond, note or other security or interest therein as an investment, as collateral, as a hedge, or otherwise as a source or assurance of payment to or by the Authority or as a reduction of the Authority's or an obligor's risk exposure; repurchase agreements; securities lending agreements; and other agreements or arrangements similar to the foregoing.

Notwithstanding any provision in Section 2.20 (a) (ii) of this Act to the contrary, in connection with or incidental to the issuance by the Authority of its bonds or notes under the provisions of Section 4.04 or the exercise of its powers under subsection (b) of Section 2.20, the Authority, for its own benefit or for the benefit of the holders of its obligations or their trustee, may enter into rate protection contracts. The Authority may enter into rate protection contracts only pursuant to a determination by a vote of 12 ~~9~~ of the then Directors that the terms of the contracts and any related agreements reduce the risk of loss to the Authority, or protect, preserve or enhance the value of its assets, or provide compensation to the Authority for losses resulting from changes in interest rates. The Authority's obligations under any rate protection contract or credit enhancement or liquidity agreement shall not be considered bonds or notes for purposes of this Act. For purposes of this Section a rate protection contract is a contract determined by the Authority as necessary or appropriate to permit it to manage payment, currency or interest rate risks or levels.

(Source: P.A. 87-764.)

(70 ILCS 3615/5.01) (from Ch. 111 2/3, par. 705.01)

Sec. 5.01. Hearings and Citizen Participation.

(a) The Authority shall provide for and encourage participation by the public in the development and review of public transportation policy, and in the process by which major decisions significantly affecting the provision of public transportation are made. The Authority shall coordinate such public participation processes with the Chicago Metropolitan Agency for Planning to the extent practicable.

(b) The Authority shall hold such public hearings as may be required by this Act or as the Authority may deem appropriate to the performance of any of its functions. The Authority shall coordinate such public hearings with the Chicago Metropolitan Agency for Planning to the extent practicable.

(c) Unless such items are specifically provided for either in the Five-Year Capital Program or in the annual budget program which has been the subject of public hearings as provided in Sections 2.01 or 4.01 of this Act, the Board shall hold public hearings at which citizens may be heard prior to:

(i) the construction or acquisition of any public transportation facility, the aggregate cost of which exceeds \$5 million; and

(ii) the extension of, or major addition to services provided by the Authority or by any transportation agency pursuant to a purchase of service agreement with the Authority.

(d) Unless such items are specifically provided for in the annual budget and program which has been the subject of public hearing, as provided in Section 4.01 of this Act, the Board shall hold public hearings at which citizens may be heard prior to the providing for or allowing, by means of any purchase of service agreement or any grant pursuant to Section 2.02 of this Act, any general increase or series of increases in fares or charges for public transportation, whether by the Authority or by any transportation agency, which increase or series of increases within any twelve months affects more than 25% of the consumers of service of the Authority or of the transportation agency; or so providing for or allowing any discontinuance of any public transportation route, or major portion thereof, which has been in service for more than a year.

(e) At least twenty days prior notice of any public hearing, as required in this Section, shall be given by public advertisement in a newspaper of general circulation in the metropolitan region.

(f) The Authority may designate one or more Directors or may appoint one or more hearing officers to preside over any hearing pursuant to this Act. The Authority shall have the power in connection with any such hearing to issue subpoenas to require the attendance of witnesses and the production of documents, and the Authority may apply to any circuit court in the State to require compliance with such subpoenas.

(g) The Authority may require any Service Board to hold one or more public hearings with respect to any item described in paragraphs (c) and (d) of this Section 5.01, notwithstanding whether such item has been the subject of a public hearing under this Section 5.01 or Section 2.01 or 4.01 of this Act.

(Source: P.A. 78-3rd S.S.-5.)

(70 ILCS 3615/2.12a rep.) (70 ILCS 3615/3.09 rep.) (70 ILCS 3615/3.10 rep.)

Section 25. The Regional Transportation Authority Act is amended by repealing Sections 2.12a, 3.09, and 3.10.

Section 97. Severability. The provisions of this Act are severable under Section 1.31 of the Statute on Statutes.

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

The foregoing motion prevailed and the amendment was adopted.

Representative Hamos offered and withdrew Amendment No. 3.

There being no further amendments, the bill, as amended, was again advanced to the order of Third Reading.

### **SENATE BILL ON THIRD READING**

The following bill and any amendments adopted thereto were reproduced. Any amendments pending were tabled pursuant to Rule 40(a).

On motion of Representative Golar, SENATE BILL 307 was taken up and read by title a third time. A three-fifths vote is required.

Representative Winters requested a verified roll call.

Representative Black was recognized for a point of order regarding the germaneness of Amendment No. 2.

The Chair ruled the motion not timely because the amendment has been adopted and is no longer a pending question.

Pending discussion, Representative Franks moved the previous question.

And the question being, "Shall the main question be now put?" it was decided in the affirmative.

The question then being, "Shall this bill pass?" it was decided in the negative by the following vote:

57, Yeas; 53, Nays; 4, Answering Present.

(ROLL CALL 2)

This bill, as amended, having failed to receive the votes of three-fifths of the Members elected, was declared lost.

At the hour of 8:23 o'clock p.m., Representative Currie moved that the House do now adjourn until Thursday, November 29, 2007, at 10:00 o'clock a.m.

The motion prevailed.

And the Seventeenth Special Session stood adjourned.

STATE OF ILLINOIS  
NINETY-FIFTH  
GENERAL ASSEMBLY  
HOUSE ROLL CALL  
SEVENTEENTH SPECIAL SESSION  
QUORUM ROLL CALL FOR ATTENDANCE

November 28, 2007

0 YEAS

0 NAYS

115 PRESENT

P Acevedo	P Dugan	P Krause	P Reboletti
P Arroyo	P Dunkin	P Lang	P Reis
P Bassi	P Dunn	P Leitch	P Reitz
P Beaubien	P Durkin	P Lindner (ADDED)	P Riley
P Beiser	P Eddy	P Lyons	P Rita
P Bellock	P Feigenholtz	P Mathias	P Rose
P Berrios	P Flider	P Mautino	P Ryg
P Biggins	P Flowers	P May	P Sacia
P Black	P Ford	P McAuliffe	P Saviano
P Boland	P Fortner	P McCarthy	P Schmitz
P Bost	P Franks (ADDED)	P McGuire	E Schock (CHANGED)
P Bradley, John	P Fritchey	P Mendoza	P Scully
P Bradley, Richard	P Froehlich	P Meyer	P Smith
P Brady	P Golar	P Miller	P Sommer
P Brauer	P Gordon	P Mitchell, Bill	P Soto
P Brosnahan	P Graham	P Mitchell, Jerry	P Stephens
P Burke	A Granberg	P Moffitt	P Sullivan
P Chapa LaVia	P Hamos	P Molaro	P Tracy
E Coladipietro	P Hannig	P Mulligan	P Tryon
P Cole	P Harris	P Munson	P Turner
P Collins	P Hassert	P Myers	P Verschoore
P Colvin	P Hernandez	P Nekritz	P Wait
P Coulson	P Hoffman	P Osmond	P Washington
P Crespo	P Holbrook	P Osterman	P Watson
P Cross	P Howard	P Patterson	P Winters
P Cultra	P Jakobsson	P Phelps	P Yarbrough
P Currie	P Jefferies	P Pihos	P Younge
P D'Amico	P Jefferson	P Poe	P Mr. Speaker
P Davis, Monique	P Joyce	P Pritchard	
P Davis, William	P Kosel	P Ramey	

E - Denotes Excused Absence

STATE OF ILLINOIS  
NINETY-FIFTH  
GENERAL ASSEMBLY  
HOUSE ROLL CALL  
SEVENTEENTH SPECIAL SESSION  
SENATE BILL 307  
RENTAL VEHICLE DAMAGE WAIVERS  
THIRD READING  
FAILED

November 28, 2007

57 YEAS

53 NAYS

4 PRESENT

Y Acevedo	N Dugan	Y Krause	N Reboletti
Y Arroyo	Y Dunkin	Y Lang	N Reis
N Bassi	Y Dunn	N Leitch	P Reitz
N Beaubien	Y Durkin	N Lindner	Y Riley
Y Beiser	N Eddy	A Lyons	Y Rita
N Bellock	Y Feigenholtz	N Mathias	N Rose
Y Berrios	N Flider	N Mautino	N Ryg
N Biggins	Y Flowers	Y May	N Sacia
N Black	Y Ford	Y McAuliffe	P Saviano
Y Boland	N Fortner	Y McCarthy	N Schmitz
N Bost	N Franks	Y McGuire	E Schock
N Bradley, John	Y Fritchey	Y Mendoza	Y Scully
Y Bradley, Richard	Y Froehlich	N Meyer	N Smith
N Brady	Y Golar	Y Miller	N Sommer
N Brauer	N Gordon	N Mitchell, Bill	Y Soto
Y Brosnahan	Y Graham	N Mitchell, Jerry	N Stephens
Y Burke	A Granberg	N Moffitt	N Sullivan
N Chapa LaVia	Y Hamos	Y Molaro	N Tracy
E Coladipietro	N Hannig	Y Mulligan	N Tryon
N Cole	Y Harris	N Munson	Y Turner
Y Collins	P Hassert	N Myers	N Verschoore
Y Colvin	Y Hernandez	Y Nekritz	N Wait
Y Coulson	Y Hoffman	N Osmond	Y Washington
Y Crespo	Y Holbrook	Y Osterman	N Watson
P Cross	Y Howard	Y Patterson	N Winters
N Cultra	N Jakobsson	N Phelps	Y Yarbrough
Y Currie	Y Jefferies	N Pihos	Y Younge
Y D'Amico	Y Jefferson	N Poe	Y Mr. Speaker
Y Davis, Monique	Y Joyce	N Pritchard	
Y Davis, William	N Kosel	N Ramey	

E - Denotes Excused Absence