

AN ACT concerning State government.

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

Section 5. The Department of Transportation Law of the Civil Administrative Code of Illinois is amended by changing Section 2705-440 as follows:

(20 ILCS 2705/2705-440) (was 20 ILCS 2705/49.25h)

Sec. 2705-440. Intercity Rail Service.

(a) For the purposes of providing intercity railroad passenger service within this State and throughout the United States ~~(or as part of service to cities in adjacent states)~~, the Department is authorized to enter into agreements with any state, state agency, units of local government or political subdivisions, the Commuter Rail Division of the Regional Transportation Authority (or a public corporation on behalf of that Division), architecture or engineering firms, the National Railroad Passenger Corporation, any carrier, ~~any adjacent state (or political subdivision, corporation, or agency of an adjacent state)~~, or any individual, corporation, partnership, or public or private entity. The cost related to such services shall be borne in such proportion as, by agreement or contract the parties may desire.

(b) In providing any intercity railroad passenger service

as provided in this Section, the Department shall have the following additional powers:

(1) to enter into trackage use agreements with rail carriers;

(1.5) to freely lease or otherwise contract for any purpose any of the locomotives, passenger railcars, and other rolling stock equipment or accessions to any state or state agency, public or private entity, or quasi-public entities;

(2) to enter into haulage agreements with rail carriers;

(3) to lease or otherwise contract for use, maintenance, servicing, and repair of any needed locomotives, rolling stock, stations, or other facilities, the lease or contract having a term not to exceed 50 years (but any multi-year contract shall recite that the contract is subject to termination and cancellation, without any penalty, acceleration payment, or other recoupment mechanism, in any fiscal year for which the General Assembly fails to make an adequate appropriation to cover the contract obligation);

(4) to enter into management agreements;

(5) to include in any contract indemnification of carriers or other parties for any liability with regard to intercity railroad passenger service;

(6) to obtain insurance for any losses or claims with

respect to the service;

(7) to promote the use of the service;

(8) to make grants to any body politic and corporate, any unit of local government, or the Commuter Rail Division of the Regional Transportation Authority to cover all or any part of any capital or operating costs of the service and to enter into agreements with respect to those grants;

(9) to set any fares or make other regulations with respect to the service, consistent with any contracts for the service; and

(10) to otherwise enter into any contracts necessary or convenient to provide rail services, operate or maintain locomotives, passenger railcars, and other rolling stock equipment or accessions, including the lease or use of such locomotives, railcars, equipment, or accessions ~~the service.~~

(c) All service provided under this Section shall be exempt from all regulations by the Illinois Commerce Commission (other than for safety matters). To the extent the service is provided by the Commuter Rail Division of the Regional Transportation Authority (or a public corporation on behalf of that Division), it shall be exempt from safety regulations of the Illinois Commerce Commission to the extent the Commuter Rail Division adopts its own safety regulations.

(d) In connection with any powers exercised under this Section, the Department

- (1) shall not have the power of eminent domain; and
- (2) shall not directly operate any railroad service with its own employees.

(e) Any contract with the Commuter Rail Division of the Regional Transportation Authority (or a public corporation on behalf of the Division) under this Section shall provide that all costs in excess of revenue received by the Division generated from intercity rail service provided by the Division shall be fully borne by the Department, and no funds for operation of commuter rail service shall be used, directly or indirectly, or for any period of time, to subsidize the intercity rail operation. If at any time the Division does not have sufficient funds available to satisfy the requirements of this Section, the Division shall forthwith terminate the operation of intercity rail service. The payments made by the Department to the Division for the intercity rail passenger service shall not be made in excess of those costs or as a subsidy for costs of commuter rail operations. This shall not prevent the contract from providing for efficient coordination of service and facilities to promote cost effective operations of both intercity rail passenger service and commuter rail services with cost allocations as provided in this paragraph.

(f) Whenever the Department enters ~~is required to enter~~ into an agreement with any carrier, state or state agency, any public or private entity, or quasi-public entity for either the Department's payment of such railroad required maintenance

expenses necessary for intercity passenger service or for the lease or use of locomotives, passenger railcars, and other rolling stock equipment or accessions, the Department may deposit such required maintenance funds, use fees, or rental payments into any ~~in an~~ escrow account. For purposes of this subsection, an escrow account means any ~~a~~ fiduciary account established with (i) any banking corporation which is both organized under the Illinois Banking Act and authorized to accept and administer trusts in this State, or (ii) any national banking association which has its principal place of business in this State and which also is authorized to accept and administer trusts in this State. The funds in any required maintenance ~~the~~ escrow account may be withdrawn by the carrier or entity in control of the railroad being maintained, only with the consent of the Department, pursuant to a written maintenance agreement and pursuant to a maintenance plan that shall be updated each year. Funds in an escrow account holding lease, use fees, or rental payments may be withdrawn by the Department to be used or expended on acquisition, offsets, overhaul fees, or costs of locomotives, railcars, equipment or accessions, including any future equipment purchase, expenses, fees, or costs, or any other purpose permitted or required by the escrow agreement or any other agreement regarding disbursement of funds. The moneys deposited in the escrow accounts shall be invested and reinvested, pursuant to the direction of the Department, in bonds and other interest

bearing obligations of this State, or in such accounts, certificates, bills, obligations, shares, pools or other securities as are authorized for the investment of public funds under the Public Funds Investment Act. Escrow accounts created under this subsection shall not have terms that exceed 20 years. At the end of the term of an escrow account, the remaining balance shall be deposited in the High-Speed Rail Rolling Stock Fund, a special fund that is created in the State Treasury. Moneys in the High-Speed Rail Rolling Stock Fund may be used for any purpose related to locomotives, passenger railcars, and other rolling stock equipment. The Department shall prepare a report for presentation to the Comptroller and the Treasurer each year that shows the amounts deposited and withdrawn, the purposes for withdrawal, the balance, and the amounts derived from investment.

(Source: P.A. 97-1080, eff. 8-24-12.)

Section 10. The State Finance Act is amended by adding Section 5.886 as follows:

(30 ILCS 105/5.886 new)

Sec. 5.886. The High-Speed Rail Rolling Stock Fund.