

AN ACT in relation to budget implementation.

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

ARTICLE I

Section 1-1. Short title. This Act may be cited as the FY2005 Budget Implementation (Finance) Act.

Section 1-5. Purpose. It is the purpose of this Act to make changes in State programs that are necessary to implement the Governor's FY2005 budget recommendations concerning finance.

ARTICLE 5

Section 5-1. Short title. This Act may be cited as the State Facilities Closure Act. All references in this Article to "this Act" mean this Article.

Section 5-5. Definitions. In this Act:

"Commission" means the Illinois Economic and Fiscal Commission.

"State facility" means any facility (i) that is owned and operated by the State or leased and operated by the State and (ii) that is the primary stationary work location for 25 or more State employees. "State facility" does not include any facility under the jurisdiction of the legislative branch, including the Auditor General, or the judicial branch.

Section 5-10. Facility closure process.

(a) Before a State facility may be closed, the State executive branch officer with jurisdiction over the facility shall file notice of the proposed closure with the Commission. The notice must be filed within 2 days after the first public

announcement of any planned or proposed closure. Within 10 days after it receives notice of the proposed closure, the Commission, in its discretion, may require the State executive branch officer with jurisdiction over the facility to file a recommendation for the closure of the facility with the Commission. The recommendation must be filed within 30 days after the Commission delivers the request for recommendation to the State executive branch officer. The recommendation must include, but is not limited to, the following:

(1) the location and identity of the State facility proposed to be closed;

(2) the number of employees for which the State facility is the primary stationary work location and the effect of the closure of the facility on those employees;

(3) the location or locations to which the functions and employees of the State facility would be moved;

(4) the availability and condition of land and facilities at both the existing location and any potential locations;

(5) the ability to accommodate the functions and employees at the existing and at any potential locations;

(6) the cost of operations of the State facility and at any potential locations and any other related budgetary impacts;

(7) the economic impact on existing communities in the vicinity of the State facility and any potential facility;

(8) the ability of the existing and any potential community's infrastructure to support the functions and employees;

(9) the impact on State services delivered at the existing location, in direct relation to the State services expected to be delivered at any potential locations; and

(10) the environmental impact, including the impact of costs related to potential environmental restoration, waste management, and environmental compliance activities.

(b) If a recommendation is required by the Commission, a

30-day public comment period must follow the filing of the recommendation. The Commission, in its discretion, may conduct one or more public hearings on the recommendation. Public hearings conducted by the Commission shall be conducted no later than 35 days after the filing of the recommendation. At least one of the public hearings on the recommendation shall be held at a convenient location within 25 miles of the facility for which closure is recommended. The Commission shall provide reasonable notice of the comment period and of any public hearings to the public and to units of local government and school districts that are located within 25 miles of the facility.

(c) Within 50 days after the State executive branch officer files the required recommendation, the Commission shall issue an advisory opinion on that recommendation. The Commission shall file the advisory opinion with the appropriate State executive branch officer, the Governor, the General Assembly, and the Index Department of the Office of the Secretary of State and shall make copies of the advisory opinion available to the public upon request.

(d) No action may be taken to implement the recommendation for closure of a State facility until 50 days after the filing of any required recommendation.

(e) The requirements of this Section do not apply if all of the functions and employees of a State facility are relocated to another State facility that is within 10 miles of the closed facility.

ARTICLE 10

Section 10-50. The Intergovernmental Cooperation Act is amended by adding Section 4.5 as follows:

(5 ILCS 220/4.5 new)

Sec. 4.5. Prohibited agreements and contracts. No intergovernmental or interagency agreement or contract may be

entered into, implemented, or given effect if the agreement's or contract's intent or effect is (i) to circumvent any limitation established by law on State appropriation or State expenditure authority with respect to health care and employee benefits contracts or (ii) to expend State moneys in a manner inconsistent with the purpose for which they were appropriated with respect to health care and employee benefits contracts.

Section 10-52. The Illinois Public Labor Relations Act is amended by changing Section 15 as follows:

(5 ILCS 315/15) (from Ch. 48, par. 1615)

Sec. 15. Act Takes Precedence. (a) In case of any conflict between the provisions of this Act and any other law (other than Section 5 of the State Employees Group Insurance Act of 1971), executive order or administrative regulation relating to wages, hours and conditions of employment and employment relations, the provisions of this Act or any collective bargaining agreement negotiated thereunder shall prevail and control. Nothing in this Act shall be construed to replace or diminish the rights of employees established by Sections 28 and 28a of the Metropolitan Transit Authority Act, Sections 2.15 through 2.19 of the Regional Transportation Authority Act. The provisions of this Act are subject to Section 5 of the State Employees Group Insurance Act of 1971.

(b) Except as provided in subsection (a) above, any collective bargaining contract between a public employer and a labor organization executed pursuant to this Act shall supersede any contrary statutes, charters, ordinances, rules or regulations relating to wages, hours and conditions of employment and employment relations adopted by the public employer or its agents. Any collective bargaining agreement entered into prior to the effective date of this Act shall remain in full force during its duration.

(c) It is the public policy of this State, pursuant to paragraphs (h) and (i) of Section 6 of Article VII of the

Illinois Constitution, that the provisions of this Act are the exclusive exercise by the State of powers and functions which might otherwise be exercised by home rule units. Such powers and functions may not be exercised concurrently, either directly or indirectly, by any unit of local government, including any home rule unit, except as otherwise authorized by this Act.

(Source: P.A. 83-1012.)

Section 10-55. The State Employees Group Insurance Act of 1971 is amended by changing Section 5 as follows:

(5 ILCS 375/5) (from Ch. 127, par. 525)

Sec. 5. Employee benefits; declaration of State policy. The General Assembly declares that it is the policy of the State and in the best interest of the State to assure quality benefits to members and their dependents under this Act. The implementation of this policy depends upon, among other things, stability and continuity of coverage, care, and services under benefit programs for members and their dependents. Specifically, but without limitation, members should have continued access, on substantially similar terms and conditions, to trusted family health care providers with whom they have developed long-term relationships through a benefit program under this Act. Therefore, the Director must administer this Act consistent with that State policy, but may consider affordability, cost of coverage and care, and competition among health insurers and providers. All contracts for provision of employee benefits, including those portions of any proposed collective bargaining agreement that would require implementation through contracts entered into under this Act, are subject to the following requirements:

(i) By April 1 of each year, the Director must report and provide information to the Commission concerning the status of the employee benefits program to be offered for the next fiscal year. Information includes, but is not

limited to, documents, reports of negotiations, bid invitations, requests for proposals, specifications, copies of proposed and final contracts or agreements, and any other materials concerning contracts or agreements for the employee benefits program. By the first of each month thereafter, the Director must provide updated, and any new, information to the Commission until the employee benefits program for the next fiscal year is determined. In addition to these monthly reporting requirements, at any time the Commission makes a written request, the Director must promptly, but in no event later than 5 business days after receipt of the request, provide to the Commission any additional requested information in the possession of the Director concerning employee benefits programs. The Commission may waive any of the reporting requirements of this item (i) upon the written request by the Director. Any waiver granted under this item (i) must be in writing. Nothing in this item is intended to abrogate any attorney-client privilege.

(ii) Within 30 days after notice of the awarding or letting of a contract has appeared in the Illinois Procurement Bulletin in accordance with subsection (b) of Section 15-25 of the Illinois Procurement Code, the Commission may request in writing from the Director and the Director shall promptly, but in no event later than 5 business days after receipt of the request, provide to the Commission information in the possession of the Director concerning the proposed contract. Nothing in this item is intended to waive or abrogate any privilege or right of confidentiality authorized by law.

(iii) No contract subject to this Section may be entered into until the 30-day period described in item (ii) has expired, unless the Director requests in writing that the Commission waive the period and the Commission grants the waiver in writing.

(iv) If the Director seeks to make any substantive

modification to any provision of a proposed contract after it is submitted to the Commission in accordance with item (ii), the modified contract shall be subject to the requirements of items (ii) and (iii) unless the Commission agrees, in writing, to a waiver of those requirements with respect to the modified contract.

(v) By the date of the beginning of the annual benefit choice period, the Director must transmit to the Commission a copy of each final contract or agreement for the employee benefits program to be offered for the next fiscal year. The annual benefit choice period for an employee benefits program must begin on May 1 of the fiscal year preceding the year for which the program is to be offered. If, however, in any such preceding fiscal year collective bargaining over employee benefit programs for the next fiscal year remains pending on April 15, the beginning date of the annual benefit choice period shall be not later than 15 days after ratification of the collective bargaining agreement.

(vi) The Director must provide the reports, information, and contracts required under items (i), (ii), (iv), and (v) by electronic or other means satisfactory to the Commission. Reports, information, and contracts in the possession of the Commission pursuant to items (i), (ii), (iv), and (v) are exempt from disclosure by the Commission and its members and employees under the Freedom of Information Act. Reports, information, and contracts received by the Commission pursuant to items (i), (ii), (iv), and (v) must be kept confidential by and may not be disclosed or used by the Commission or its members or employees if such disclosure or use could compromise the fairness or integrity of the procurement, bidding, or contract process. Commission meetings, or portions of Commission meetings, in which reports, information, and contracts received by the Commission pursuant to items (i), (ii), (iv), and (v) are discussed must be closed if

disclosure or use of the report or information could compromise the fairness or integrity of the procurement, bidding, or contract process.

All contracts entered into under this Section are subject to appropriation and shall comply with Section 20-60(b) of the Illinois Procurement Code (30 ILCS 500/20-60(b)).

The Director shall contract or otherwise make available group life insurance, health benefits and other employee benefits to eligible members and, where elected, their eligible dependents. Any contract or, if applicable, contracts or other arrangement for provision of benefits shall be on terms consistent with State policy and ~~deemed by the Director to be in the best interest of the State of Illinois and its members~~ based on, but not limited to, such criteria as administrative cost, service capabilities of the carrier or other contractor and premiums, fees or charges as related to benefits.

The Director may prepare and issue specifications for group life insurance, health benefits, other employee benefits and administrative services for the purpose of receiving proposals from interested parties.

The Director is authorized to execute a contract, or contracts, for the programs of group life insurance, health benefits, other employee benefits and administrative services authorized by this Act (including, without limitation, prescription drug benefits). All of the benefits provided under this Act may be included in one or more contracts, or the benefits may be classified into different types with each type included under one or more similar contracts with the same or different companies.

The term of any contract may not extend beyond 5 fiscal years. Upon recommendation of the Commission, the Director may exercise renewal options of the same contract for up to a period of 5 years. Any increases in premiums, fees or charges requested by a contractor whose contract may be renewed pursuant to a renewal option contained therein, must be justified on the basis of (1) audited experience data, (2)

increases in the costs of health care services provided under the contract, (3) contractor performance, (4) increases in contractor responsibilities, or (5) any combination thereof.

Any contractor shall agree to abide by all requirements of this Act and Rules and Regulations promulgated and adopted thereto; to submit such information and data as may from time to time be deemed necessary by the Director for effective administration of the provisions of this Act and the programs established hereunder, and to fully cooperate in any audit.

(Source: P.A. 91-390, eff. 7-30-99.)

Section 10-58. The Aquaculture Development Act is amended by changing Section 5.5 as follows:

(20 ILCS 215/5.5)

(Section scheduled to be repealed on June 30, 2009)

Sec. 5.5. Aquaculture Cooperative.

(a) The Department of Agriculture shall make grants to an Aquaculture Cooperative from the Illinois Aquaculture Development Fund, a special fund created in the State Treasury. On July 1, 1999 and on each July 1 thereafter through July 1, 2008, the Comptroller shall order transferred and the Treasurer shall transfer \$1,000,000 from the General Revenue Fund into the Illinois Aquaculture Development Fund. The Aquaculture Cooperative shall consist of any individual or entity of the aquaculture industry in this State that seeks membership pursuant to the Agricultural Co-Operative Act. The grants for the Cooperative shall be distributed from the Illinois Aquaculture Development Fund as provided by rule. At the beginning of each fiscal period, the Cooperative shall prepare a budget plan for the next fiscal period, including the probable cost of all programs, projects, and contracts. The Cooperative shall submit the proposed budget to the Director for review and comment. The Director may recommend programs and activities considered appropriate for the Cooperative. The Cooperative shall keep minutes, books, and records that clearly

reflect all of the acts and transactions of the Cooperative and shall make this information public. The financial books and records of the Cooperative shall be audited by a certified public accountant at least once each fiscal year and at other times as designated by the Director. The expense of the audit shall be the responsibility of the Cooperative. Copies of the audit shall be provided to all members of the Cooperative, to the Department, and to other requesting members of the aquaculture industry.

(b) The grants to an Aquaculture Cooperative and the proceeds generated by the Cooperative may be used for the following purposes:

(1) To buy aquatic organisms from members of the Cooperative.

(2) To buy aquatic organism food in bulk quantities for resale to the members of the Cooperative.

(3) For transportation, hauling, and delivery equipment.

(4) For employee salaries, building leases, and other administrative costs.

(5) To purchase equipment for use by the Cooperative members.

(6) Any other related costs.

~~(c) The Illinois Aquaculture Development Fund is abolished on August 31, 2004. Any balance remaining in the Fund on that date shall be transferred to the General Revenue Fund. The Department shall submit a report to the General Assembly before January 1, 2009 with a determination of whether the funding for the Aquaculture Cooperative should be extended beyond June 30, 2009. If the Department recommends an extension of the funding for the Cooperative, then the report shall detail whether the Cooperative funding should be increased, decreased, or eliminated. The report shall be submitted according to Section 5-140 of the Illinois Administrative Procedure Act.~~

(d) This Section is repealed on June 30, 2009.

(Source: P.A. 91-530, eff. 8-13-99.)

Section 10-60. The Department of Central Management Services Law of the Civil Administrative Code of Illinois is amended by changing Sections 405-105, 405-315, and 405-410 and by adding Sections 405-293, 405-411, and 405-415 as follows:

(20 ILCS 405/405-105) (was 20 ILCS 405/64.1)

Sec. 405-105. Fidelity, surety, property, and casualty insurance. The Department shall establish and implement a program to coordinate the handling of all fidelity, surety, property, and casualty insurance exposures of the State and the departments, divisions, agencies, branches, and universities of the State. In performing this responsibility, the Department shall have the power and duty to do the following:

(1) Develop and maintain loss and exposure data on all State property.

(2) Study the feasibility of establishing a self-insurance plan for State property and prepare estimates of the costs of reinsurance for risks beyond the realistic limits of the self-insurance.

(3) Prepare a plan for centralizing the purchase of property and casualty insurance on State property under a master policy or policies and purchase the insurance contracted for as provided in the Illinois Purchasing Act.

(4) Evaluate existing provisions for fidelity bonds required of State employees and recommend changes that are appropriate commensurate with risk experience and the determinations respecting self-insurance or reinsurance so as to permit reduction of costs without loss of coverage.

(5) Investigate procedures for inclusion of school districts, public community college districts, and other units of local government in programs for the centralized purchase of insurance.

(6) Implement recommendations of the State Property Insurance Study Commission that the Department finds necessary or desirable in the performance of its powers and duties under

this Section to achieve efficient and comprehensive risk management.

(7) Prepare and, in the discretion of the Director, implement a plan providing for the purchase of public liability insurance or for self-insurance for public liability or for a combination of purchased insurance and self-insurance for public liability (i) covering the State and drivers of motor vehicles owned, leased, or controlled by the State of Illinois pursuant to the provisions and limitations contained in the Illinois Vehicle Code, (ii) covering other public liability exposures of the State and its employees within the scope of their employment, and (iii) covering drivers of motor vehicles not owned, leased, or controlled by the State but used by a State employee on State business, in excess of liability covered by an insurance policy obtained by the owner of the motor vehicle or in excess of the dollar amounts that the Department shall determine to be reasonable. Any contract of insurance let under this Law shall be by bid in accordance with the procedure set forth in the Illinois Purchasing Act. Any provisions for self-insurance shall conform to subdivision (11).

The term "employee" as used in this subdivision (7) and in subdivision (11) means a person while in the employ of the State who is a member of the staff or personnel of a State agency, bureau, board, commission, committee, department, university, or college or who is a State officer, elected official, commissioner, member of or ex officio member of a State agency, bureau, board, commission, committee, department, university, or college, or a member of the National Guard while on active duty pursuant to orders of the Governor of the State of Illinois, or any other person while using a licensed motor vehicle owned, leased, or controlled by the State of Illinois with the authorization of the State of Illinois, provided the actual use of the motor vehicle is within the scope of that authorization and within the course of State service.

Subsequent to payment of a claim on behalf of an employee pursuant to this Section and after reasonable advance written notice to the employee, the Director may exclude the employee from future coverage or limit the coverage under the plan if (i) the Director determines that the claim resulted from an incident in which the employee was grossly negligent or had engaged in willful and wanton misconduct or (ii) the Director determines that the employee is no longer an acceptable risk based on a review of prior accidents in which the employee was at fault and for which payments were made pursuant to this Section.

The Director is authorized to promulgate administrative rules that may be necessary to establish and administer the plan.

Appropriations from the Road Fund shall be used to pay auto liability claims and related expenses involving employees of the Department of Transportation, the Illinois State Police, and the Secretary of State.

(8) Charge, collect, and receive from all other agencies of the State government fees or monies equivalent to the cost of purchasing the insurance.

(9) Establish, through the Director, charges for risk management services rendered to State agencies by the Department. The State agencies so charged shall reimburse the Department by vouchers drawn against their respective appropriations. The reimbursement shall be determined by the Director as amounts sufficient to reimburse the Department for expenditures incurred in rendering the service.

The Department shall charge the employing State agency or university for workers' compensation payments for temporary total disability paid to any employee after the employee has received temporary total disability payments for 120 days if the employee's treating physician has issued a release to return to work with restrictions and the employee is able to perform modified duty work but the employing State agency or university does not return the employee to work at modified

duty. Modified duty shall be duties assigned that may or may not be delineated as part of the duties regularly performed by the employee. Modified duties shall be assigned within the prescribed restrictions established by the treating physician and the physician who performed the independent medical examination. The amount of all reimbursements shall be deposited into the Workers' Compensation Revolving Fund which is hereby created as a revolving ~~special~~ fund in the State treasury. In addition to any other purpose authorized by law, moneys ~~Moneys~~ in the Fund shall be used, subject to appropriation, to pay these or other temporary total disability claims of employees of State agencies and universities.

Beginning with fiscal year 1996, all amounts recovered by the Department through subrogation in workers' compensation and workers' occupational disease cases shall be deposited into the Workers' Compensation Revolving Fund created under this subdivision (9).

(10) Establish rules, procedures, and forms to be used by State agencies in the administration and payment of workers' compensation claims. The Department shall initially evaluate and determine the compensability of any injury that is the subject of a workers' compensation claim and provide for the administration and payment of such a claim for all State agencies. The Director may delegate to any agency with the agreement of the agency head the responsibility for evaluation, administration, and payment of that agency's claims.

(11) Any plan for public liability self-insurance implemented under this Section shall provide that (i) the Department shall attempt to settle and may settle any public liability claim filed against the State of Illinois or any public liability claim filed against a State employee on the basis of an occurrence in the course of the employee's State employment; (ii) any settlement of such a claim must be approved by the Director and, in cases of settlements exceeding \$100,000, by the Governor; and (iii) a settlement of any public liability claim against the State or a State employee shall

require an unqualified release of any right of action against the State and the employee for acts within the scope of the employee's employment giving rise to the claim.

Whenever and to the extent that a State employee operates a motor vehicle or engages in other activity covered by self-insurance under this Section, the State of Illinois shall defend, indemnify, and hold harmless the employee against any claim in tort filed against the employee for acts or omissions within the scope of the employee's employment in any proper judicial forum and not settled pursuant to this subdivision (11), provided that this obligation of the State of Illinois shall not exceed a maximum liability of \$2,000,000 for any single occurrence in connection with the operation of a motor vehicle or \$100,000 per person per occurrence for any other single occurrence, or \$500,000 for any single occurrence in connection with the provision of medical care by a licensed physician employee.

Any claims against the State of Illinois under a self-insurance plan that are not settled pursuant to this subdivision (11) shall be heard and determined by the Court of Claims and may not be filed or adjudicated in any other forum. The Attorney General of the State of Illinois or the Attorney General's designee shall be the attorney with respect to all public liability self-insurance claims that are not settled pursuant to this subdivision (11) and therefore result in litigation. The payment of any award of the Court of Claims entered against the State relating to any public liability self-insurance claim shall act as a release against any State employee involved in the occurrence.

(12) Administer a plan the purpose of which is to make payments on final settlements or final judgments in accordance with the State Employee Indemnification Act. The plan shall be funded through appropriations from the General Revenue Fund specifically designated for that purpose, except that indemnification expenses for employees of the Department of Transportation, the Illinois State Police, and the Secretary of

State shall be paid from the Road Fund. The term "employee" as used in this subdivision (12) has the same meaning as under subsection (b) of Section 1 of the State Employee Indemnification Act. Subject to sufficient appropriation, the Director shall approve payment of any claim presented to the Director that is supported by a final settlement or final judgment when the Attorney General and the chief officer of the public body against whose employee the claim or cause of action is asserted certify to the Director that the claim is in accordance with the State Employee Indemnification Act and that they approve of the payment. In no event shall an amount in excess of \$150,000 be paid from this plan to or for the benefit of any claimant.

(13) Administer a plan the purpose of which is to make payments on final settlements or final judgments for employee wage claims in situations where there was an appropriation relevant to the wage claim, the fiscal year and lapse period have expired, and sufficient funds were available to pay the claim. The plan shall be funded through appropriations from the General Revenue Fund specifically designated for that purpose.

Subject to sufficient appropriation, the Director is authorized to pay any wage claim presented to the Director that is supported by a final settlement or final judgment when the chief officer of the State agency employing the claimant certifies to the Director that the claim is a valid wage claim and that the fiscal year and lapse period have expired. Payment for claims that are properly submitted and certified as valid by the Director shall include interest accrued at the rate of 7% per annum from the forty-fifth day after the claims are received by the Department or 45 days from the date on which the amount of payment is agreed upon, whichever is later, until the date the claims are submitted to the Comptroller for payment. When the Attorney General has filed an appearance in any proceeding concerning a wage claim settlement or judgment, the Attorney General shall certify to the Director that the wage claim is valid before any payment is made. In no event

shall an amount in excess of \$150,000 be paid from this plan to or for the benefit of any claimant.

Nothing in Public Act 84-961 shall be construed to affect in any manner the jurisdiction of the Court of Claims concerning wage claims made against the State of Illinois.

(14) Prepare and, in the discretion of the Director, implement a program for self-insurance for official fidelity and surety bonds for officers and employees as authorized by the Official Bond Act.

(Source: P.A. 91-239, eff. 1-1-00.)

(20 ILCS 405/405-293 new)

Sec. 405-293. Professional Services.

(a) The Department of Central Management Services (the "Department") is responsible for providing professional services for or on behalf of State agencies for all functions transferred to the Department by Executive Order No. 2003-10 (as modified by Section 5.5 of the Executive Reorganization Implementation Act) and may, with the approval of the Governor, provide additional services to or on behalf of State agencies. To the extent not compensated by direct fund transfers, the Department shall be reimbursed from each State agency receiving the benefit of these services. The reimbursement shall be determined by the Director of Central Management Services as the amount required to reimburse the Professional Services Fund for the Department's costs of rendering the professional services on behalf of that State agency.

(b) For the purposes of this Section, "State agency" means each State agency, department, board, and commission directly responsible to the Governor. "Professional services" means legal services, internal audit services, and other services as approved by the Governor.

(20 ILCS 405/405-315) (was 20 ILCS 405/67.24)

Sec. 405-315. Management of State buildings; security force; fees.

(a) To manage, operate, maintain, and preserve from waste the State buildings, facilities, structures, grounds, or other real property transferred to the Department under Section 405-415, including, without limitation, the State buildings listed below. The Department may rent portions of these and other State buildings when in the judgment of the Director those leases or subleases will be in the best interests of the State. The leases or subleases shall not exceed 5 years unless a greater term is specifically authorized.

- a. Peoria Regional Office Building
5415 North University
Peoria, Illinois 61614
- b. Springfield Regional Office Building
4500 South 6th Street
Springfield, Illinois 62703
- c. Champaign Regional Office Building
2125 South 1st Street
Champaign, Illinois 61820
- d. Illinois State Armory Building
124 East Adams
Springfield, Illinois 62706
- e. Marion Regional Office Building
2209 West Main Street
Marion, Illinois 62959
- f. Kenneth Hall Regional State Office
Building
#10 Collinsville Avenue
East St. Louis, Illinois 62201
- g. Rockford Regional Office Building
4402 North Main Street
P.O. Box 915
Rockford, Illinois 61105
- h. State of Illinois Building
160 North LaSalle
Chicago, Illinois 60601
- i. Office and Laboratory Building

2121 West Taylor Street
Chicago, Illinois 60602

j. Central Computer Facility

201 West Adams
Springfield, Illinois 62706

k. Elgin Office Building

595 South State Street
Elgin, Illinois 60120

l. James R. Thompson Center

Bounded by Lake, Clark, Randolph and
LaSalle Streets
Chicago, Illinois

m. The following buildings located within the Chicago

Medical Center District:

1. Lawndale Day Care Center

2929 West 19th Street

2. Edwards Center

2020 Roosevelt Road

3. Illinois Center for
Rehabilitation and Education

1950 West Roosevelt Road and 1151 South Wood Street

4. Department of Children and
Family Services District Office

1026 South Damen

5. The William Heally School

1731 West Taylor

6. Administrative Office Building

1100 South Paulina Street

7. Metro Children and Adolescents Center

1601 West Taylor Street

n. E.J. "Zeke" Giorgi Center

200 Wyman Street

Rockford, Illinois

o. Suburban North Facility

9511 Harrison

Des Plaines, Illinois

p. The following buildings located within the Revenue Center in Springfield:

1. State Property Control Warehouse
11th & Ash

2. Illinois State Museum Research & Collections Center
1011 East Ash Street

q. Effingham Regional Office Building
401 Industrial Drive
Effingham, Illinois

r. The Communications Center
120 West Jefferson
Springfield, Illinois

s. Portions or all of the basement and ground floor of the State of Illinois Building
160 North LaSalle
Chicago, Illinois 60601

may be leased or subleased to persons, firms, partnerships, associations, or individuals for terms not to exceed 15 years when in the judgment of the Director those leases or subleases will be in the best interests of the State.

Portions or all of the commercial space, which includes the sub-basement, storage mezzanine, concourse, and ground and second floors of the

James R. Thompson Center
Bounded by Lake, Clark, Randolph and LaSalle Streets
Chicago, Illinois

may be leased or subleased to persons, firms, partnerships, associations, or individuals for terms not to exceed 15 years subject to renewals when in the judgment of the Director those leases or subleases will be in the best interests of the State.

The Director is authorized to rent portions of the above described facilities to persons, firms, partnerships, associations, or individuals for terms not to exceed 30 days when those leases or subleases will not interfere with State

usage of the facility. This authority is meant to supplement and shall not in any way be interpreted to restrict the Director's ability to make portions of the State of Illinois Building and the James R. Thompson Center available for long-term commercial leases or subleases.

Provided however, that all rentals or fees charged to persons, firms, partnerships, associations, or individuals for any lease or use of space in the above described facilities made for terms not to exceed 30 days in length shall be deposited in a special fund in the State treasury to be known as the Special Events Revolving Fund.

Notwithstanding the provisions above, the Department of Children and Family Services and the Department of Human Services (as successor to the Department of Rehabilitation Services and the Department of Mental Health and Developmental Disabilities) shall determine the allocation of space for direct recipient care in their respective facilities. The Department of Central Management Services shall consult with the affected agency in the allocation and lease of surplus space in these facilities. Potential lease arrangements shall not endanger the direct recipient care responsibilities in these facilities.

(b) To appoint, subject to the Personnel Code, persons to be members of a police and security force. Members of the security force shall be peace officers when performing duties pursuant to this Section and as such shall have all of the powers possessed by policemen in cities and sheriffs, including the power to make arrests on view or issue citations for violations of State statutes or city or county ordinances, except that in counties of more than 1,000,000 population, any powers created by this subsection shall be exercised only (i) when necessary to protect the property, personnel, or interests of the Department or any State agency for whom the Department manages, operates, or maintains property or (ii) when specifically requested by appropriate State or local law enforcement officials, and except that within counties of

1,000,000 or less population, these powers shall be exercised only when necessary to protect the property, personnel, or interests of the State of Illinois and only while on property managed, operated, or maintained by the Department.

Nothing in this subsection shall be construed so as to make it conflict with any provisions of, or rules promulgated under, the Personnel Code.

(c) To charge reasonable fees for the lease, rental, use, or occupancy of ~~to all State agencies utilizing~~ facilities managed, operated, or maintained by the Department ~~for occupancy related fees and charges~~. Except as provided in subsection (a) regarding amounts to be deposited into the Special Events Revolving Fund, all moneys ~~All fees~~ collected under this subsection shall be deposited in a revolving ~~special~~ fund in the State treasury known as the Facilities Management Revolving Fund. ~~As used in this subsection, the term "State agencies" means all departments, officers, commissions, institutions, boards, and bodies politic and corporate of the State.~~

(d) Provisions of this Section relating to the James R. Thompson Center are subject to the provisions of Section 7.4 of the State Property Control Act.

(Source: P.A. 92-302, eff. 8-9-01; 93-19, eff. 6-20-03.)

(20 ILCS 405/405-410)

Sec. 405-410. Transfer of Information Technology functions.

(a) Notwithstanding any other law to the contrary, ~~on or before June 30, 2004,~~ the Director of Central Management Services, working in cooperation with the Director of any other agency, department, board, or commission directly responsible to the Governor, may direct the transfer, to the Department of Central Management Services, of those information technology functions at that agency, department, board, or commission that are suitable for centralization.

Upon receipt of the written direction to transfer

information technology functions to the Department of Central Management Services, the personnel, equipment, and property (both real and personal) directly relating to the transferred functions shall be transferred to the Department of Central Management Services, and the relevant documents, records, and correspondence shall be transferred or copied, as the Director may prescribe.

(b) Upon receiving written direction from the Director of Central Management Services, the Comptroller and Treasurer are authorized to transfer the unexpended balance of any appropriations related to the information technology functions transferred to the Department of Central Management Services and shall make the necessary fund transfers from any special fund in the State Treasury or from any other federal or State trust fund held by the Treasurer to the General Revenue Fund for use by the Department of Central Management Services in support of information technology functions or any other related costs or expenses of the Department of Central Management Services.

(c) The rights of employees and the State and its agencies under the Personnel Code and applicable collective bargaining agreements or under any pension, retirement, or annuity plan shall not be affected by any transfer under this Section.

(d) The functions transferred to the Department of Central Management Services by this Section shall be vested in and shall be exercised by the Department of Central Management Services. Each act done in the exercise of those functions shall have the same legal effect as if done by the agencies, offices, divisions, departments, bureaus, boards and commissions from which they were transferred.

Every person or other entity shall be subject to the same obligations and duties and any penalties, civil or criminal, arising therefrom, and shall have the same rights arising from the exercise of such rights, powers, and duties as had been exercised by the agencies, offices, divisions, departments, bureaus, boards, and commissions from which they were

transferred.

Whenever reports or notices are now required to be made or given or papers or documents furnished or served by any person in regards to the functions transferred to or upon the agencies, offices, divisions, departments, bureaus, boards, and commissions from which the functions were transferred, the same shall be made, given, furnished or served in the same manner to or upon the Department of Central Management Services.

This Section does not affect any act done, ratified, or cancelled or any right occurring or established or any action or proceeding had or commenced in an administrative, civil, or criminal cause regarding the functions transferred, but those proceedings may be continued by the Department of Central Management Services.

This Section does not affect the legality of any rules in the Illinois Administrative Code regarding the functions transferred in this Section that are in force on the effective date of this Section. If necessary, however, the affected agencies shall propose, adopt, or repeal rules, rule amendments, and rule recodifications as appropriate to effectuate this Section.

(Source: P.A. 93-25, eff. 6-20-03.)

(20 ILCS 405/405-411 new)

Sec. 405-411. Consolidation of workers' compensation functions.

(a) Notwithstanding any other law to the contrary, the Director of Central Management Services, working in cooperation with the Director of any other agency, department, board, or commission directly responsible to the Governor, may direct the consolidation, within the Department of Central Management Services, of those workers' compensation functions at that agency, department, board, or commission that are suitable for centralization.

Upon receipt of the written direction to transfer workers'

compensation functions to the Department of Central Management Services, the personnel, equipment, and property (both real and personal) directly relating to the transferred functions shall be transferred to the Department of Central Management Services, and the relevant documents, records, and correspondence shall be transferred or copied, as the Director may prescribe.

(b) Upon receiving written direction from the Director of Central Management Services, the Comptroller and Treasurer are authorized to transfer the unexpended balance of any appropriations related to the workers' compensation functions transferred to the Department of Central Management Services and shall make the necessary fund transfers from the General Revenue Fund, any special fund in the State treasury, or any other federal or State trust fund held by the Treasurer to the Workers' Compensation Revolving Fund for use by the Department of Central Management Services in support of workers' compensation functions or any other related costs or expenses of the Department of Central Management Services.

(c) The rights of employees and the State and its agencies under the Personnel Code and applicable collective bargaining agreements or under any pension, retirement, or annuity plan shall not be affected by any transfer under this Section.

(d) The functions transferred to the Department of Central Management Services by this Section shall be vested in and shall be exercised by the Department of Central Management Services. Each act done in the exercise of those functions shall have the same legal effect as if done by the agencies, offices, divisions, departments, bureaus, boards and commissions from which they were transferred.

Every person or other entity shall be subject to the same obligations and duties and any penalties, civil or criminal, arising therefrom, and shall have the same rights arising from the exercise of such rights, powers, and duties as had been exercised by the agencies, offices, divisions, departments, bureaus, boards, and commissions from which they were

transferred.

Whenever reports or notices are now required to be made or given or papers or documents furnished or served by any person in regards to the functions transferred to or upon the agencies, offices, divisions, departments, bureaus, boards, and commissions from which the functions were transferred, the same shall be made, given, furnished or served in the same manner to or upon the Department of Central Management Services.

This Section does not affect any act done, ratified, or cancelled or any right occurring or established or any action or proceeding had or commenced in an administrative, civil, or criminal cause regarding the functions transferred, but those proceedings may be continued by the Department of Central Management Services.

This Section does not affect the legality of any rules in the Illinois Administrative Code regarding the functions transferred in this Section that are in force on the effective date of this Section. If necessary, however, the affected agencies shall propose, adopt, or repeal rules, rule amendments, and rule recodifications as appropriate to effectuate this Section.

(20 ILCS 405/405-415 new)

Sec. 405-415. Transfer of facilities and facility management functions.

(a) Notwithstanding any other law to the contrary, the Director of Central Management Services may direct the transfer, to the Department of Central Management Services, of those facilities and facility management functions authorized to be transferred under Executive Order 10 (2003). Upon receipt of the written direction to transfer facilities or facility management functions to the Department of Central Management Services, the personnel, equipment, and property (both real and personal) directly relating to the transferred functions shall be transferred to the Department of Central Management

Services, and the relevant documents, records, and correspondence shall be transferred or copied, as the Director may prescribe.

(b) Upon receiving written direction from the Director of Central Management Services, the Comptroller and Treasurer are authorized to transfer the unexpended balance of any appropriations related to the facilities or facility management functions transferred to the Department of Central Management Services and shall make the necessary fund transfers from the General Revenue Fund, any special fund in the State Treasury, or any other federal or State trust fund held by the Treasurer to the Facilities Management Revolving Fund for use by the Department of Central Management Services in support of facilities and facility management functions or any other related costs or expenses of the Department of Central Management Services.

(c) The Department may adopt rules establishing standards for the maintenance, management, operations, and occupancy of State facilities and the disposition of excess State facilities that are subject to the transfer of ownership and control authorized by Executive Order 10 (2003) and this Section, regardless of whether the Department has actually exercised its rights of ownership and control.

Section 10-65. The Personnel Code is amended by adding Section 12f as follows:

(20 ILCS 415/12f new)

Sec. 12f. Merit compensation/salary grade employees; layoffs.

(a) Each State agency shall make every attempt to minimize the number of its employees that are laid off. In an effort to minimize layoffs, each merit compensation/salary grade employee who is subject to layoff shall be offered any vacant positions for the same title held by that employee within the same agency and county from which the employee is subject to

layoff and within 2 additional alternate counties designated by the employee (or 3 additional counties if the employee's facility or office is closing), excluding titles that are subject to collective bargaining. If no such vacancies exist, then the employee shall be placed on the agency's reemployment list for (i) the title from which the employee was laid off and (ii) any other titles or successor titles previously held by that employee in which the employee held certified status within the county from which the employee was laid off and within 2 additional alternate counties designated by the employee (or 3 additional counties if the employee's facility or office is closing), excluding titles that are subject to collective bargaining. Laid-off employees shall remain on a reemployment list for 3 years, commencing with the date of layoff.

(b) Merit compensation/salary grade employees who are laid off shall be extended the same medical and dental insurance benefits to which employees laid off from positions subject to collective bargaining are entitled and on the same terms.

(c) Employees laid off from merit compensation/salary grade positions may apply to be qualified for any titles subject to collective bargaining.

(d) Merit compensation/salary grade employees subject to layoff shall be given 30 days' notice of the layoff. A list of all current vacancies of all titles within the agency shall be provided to the employee with the notice of the layoff.

Section 10-70. The Department of Commerce and Economic Opportunity Law of the Civil Administrative Code of Illinois is amended by changing Section 605-365 as follows:

(20 ILCS 605/605-365) (was 20 ILCS 605/46.19a in part)

(Section scheduled to be repealed on September 1, 2004)

Sec. 605-365. Technology Innovation and Commercialization Fund. There is hereby created a special fund in the State treasury to be known as the Technology Innovation and

Commercialization Fund. The moneys in the Fund may be used, subject to appropriation, only for making grants pursuant to Section 605-355 and for the purposes of the Technology Advancement and Development Act. All royalties received by the Department shall be deposited into the Fund.

The Technology Innovation and Commercialization Fund is abolished on August 31, 2004. Any balance remaining in the Fund on that date shall be transferred to the General Revenue Fund.

This Section is repealed on September 1, 2004.

(Source: P.A. 90-454, eff. 8-16-97; 91-239, eff. 1-1-00.)

Section 10-75. The Department of Veterans Affairs Act is amended by changing Section 2 as follows:

(20 ILCS 2805/2) (from Ch. 126 1/2, par. 67)

Sec. 2. Powers and duties. The Department shall have the following powers and duties:

To perform such acts at the request of any veteran, or his or her spouse, surviving spouse or dependents as shall be reasonably necessary or reasonably incident to obtaining or endeavoring to obtain for the requester any advantage, benefit or emolument accruing or due to such person under any law of the United States, the State of Illinois or any other state or governmental agency by reason of the service of such veteran, and in pursuance thereof shall:

1. Contact veterans, their survivors and dependents and advise them of the benefits of state and federal laws and assist them in obtaining such benefits;

2. Establish field offices and direct the activities of the personnel assigned to such offices;

3. Create a volunteer field force of accredited representatives, representing educational institutions, labor organizations, veterans organizations, employers, churches, and farm organizations;

4. Conduct informational and training services;

5. Conduct educational programs through newspapers,

periodicals and radio for the specific purpose of disseminating information affecting veterans and their dependents;

6. Coordinate the services and activities of all state departments having services and resources affecting veterans and their dependents;

7. Encourage and assist in the coordination of agencies within counties giving service to veterans and their dependents;

8. Cooperate with veterans organizations and other governmental agencies;

9. Make, alter, amend and promulgate reasonable rules and procedures for the administration of this Act;

10. Make and publish annual reports to the Governor regarding the administration and general operation of the Department; and

11. Encourage the State to implement more programs to address the wide range of issues faced by Persian Gulf War Veterans, especially those who took part in combat, by creating an official commission to further study Persian Gulf War Diseases. The commission shall consist of 9 members appointed as follows: the Speaker and Minority Leader of the House of Representatives and the President and Minority Leader of the Senate shall each appoint one member from the General Assembly, the Governor shall appoint 4 members to represent veterans' organizations, and the Department shall appoint one member. The commission members shall serve without compensation.

The Department may accept and hold on behalf of the State, if for the public interest, a grant, gift, devise or bequest of money or property to the Department made for the general benefit of Illinois veterans, including the conduct of informational and training services by the Department and other authorized purposes of the Department. The Department shall cause each grant, gift, devise or bequest to be kept as a distinct fund and shall invest such funds in the manner

provided by the Public Funds Investment Act, as now or hereafter amended, and shall make such reports as may be required by the Comptroller concerning what funds are so held and the manner in which such funds are invested. The Department may make grants from these funds for the general benefit of Illinois veterans. Grants from these funds, except for the funds established under Sections 2.01a and 2.03, shall be subject to appropriation.

The Department has the power to make grants, from funds appropriated from the Korean War Veterans National Museum and Library Fund, to private organizations for the benefit of the Korean War Veterans National Museum and Library.

The Department has the power to make grants, from funds appropriated from the Illinois Military Family Relief Fund, for benefits authorized under the Survivors Compensation Act.

(Source: P.A. 92-198, eff. 8-1-01; 92-651, eff. 7-11-02.)

Section 10-85. The Illinois Economic and Fiscal Commission Act is amended by changing Section 3 as follows:

(25 ILCS 155/3) (from Ch. 63, par. 343)

Sec. 3. The Commission shall:

(1) Study from time to time and report to the General Assembly on economic development and trends in the State.

(2) Make such special economic and fiscal studies as it deems appropriate or desirable or as the General Assembly may request.

(3) Based on its studies, recommend such State fiscal and economic policies as it deems appropriate or desirable to improve the functioning of State government and the economy of the various regions within the State.

(4) Prepare annually a State economic report.

(5) Provide information for all appropriate legislative organizations and personnel on economic trends in relation to long range planning and budgeting.

(6) Study and make such recommendations as it deems

appropriate to the General Assembly on local and regional economic and fiscal policy and on federal fiscal policy as it may affect Illinois.

(7) Review capital expenditures, appropriations and authorizations for both the State's general obligation and revenue bonding authorities. At the direction of the Commission, specific reviews may include economic feasibility reviews of existing or proposed revenue bond projects to determine the accuracy of the original estimate of useful life of the projects, maintenance requirements and ability to meet debt service requirements through their operating expenses.

(8) Receive and review all executive agency and revenue bonding authority annual and 3 year plans. The Commission shall prepare a consolidated review of these plans, an updated assessment of current State agency capital plans, a report on the outstanding and unissued bond authorizations, an evaluation of the State's ability to market further bond issues and shall submit them as the "Legislative Capital Plan Analysis" to the House and Senate Appropriations Committees at least once a year. The Commission shall annually submit to the General Assembly on the first Wednesday of April a report on the State's long-term capital needs, with particular emphasis upon and detail of the 5-year period in the immediate future.

(9) Study and make recommendations it deems appropriate to the General Assembly on State bond financing, bondability guidelines, and debt management. At the direction of the Commission, specific studies and reviews may take into consideration short and long-run implications of State bonding and debt management policy.

(10) Comply with the provisions of the "State Debt Impact Note Act" as now or hereafter amended.

(11) Comply with the provisions of the Pension Impact Note Act, as now or hereafter amended.

(12) By August 1st of each year, the Commission must prepare and cause to be published a summary report of State appropriations for the State fiscal year beginning the previous

July 1st. The summary report must discuss major categories of appropriations, the issues the General Assembly faced in allocating appropriations, comparisons with appropriations for previous State fiscal years, and other matters helpful in providing the citizens of Illinois with an overall understanding of appropriations for that fiscal year. The summary report must be written in plain language and designed for readability. Publication must be in newspapers of general circulation in the various areas of the State to ensure distribution statewide. The summary report must also be published on the General Assembly's web site.

(13) Comply with the provisions of the State Facilities Closure Act.

The requirement for reporting to the General Assembly shall be satisfied by filing copies of the report with the Speaker, the Minority Leader and the Clerk of the House of Representatives and the President, the Minority Leader and the Secretary of the Senate and the Legislative Research Unit, as required by Section 3.1 of the General Assembly Organization Act, and filing such additional copies with the State Government Report Distribution Center for the General Assembly as is required under paragraph (t) of Section 7 of the State Library Act.

(Source: P.A. 92-67, eff. 7-12-01; 93-632, eff. 2-1-04.)

Section 10-90. The Fiscal Note Act is amended by changing Section 1 as follows:

(25 ILCS 50/1) (from Ch. 63, par. 42.31)

Sec. 1. Every bill, except those bills making a direct appropriation, (1) the purpose or effect of which is (i) to expend any State funds or to increase or decrease the revenues of the State, either directly or indirectly, or (ii) to require the expenditure of their own funds by, or to increase or decrease the revenues of, units of local government, school districts or community college districts, or to revise the

distribution of State funds among units of local government, school districts, or community college districts, either directly or indirectly, or (2) that amends the Mental Health and Developmental Disabilities Code or the Developmental Disability and Mental Disability Services Act shall have prepared for it prior to second reading in the house of introduction a brief explanatory statement or note which, for a bill under item (1), shall include a reliable estimate of the anticipated change in State, local governmental, school district, or community college district expenditures or revenues under its provisions and, for a bill under item (2), shall include a reliable estimate of the fiscal impact of its provisions upon community agencies. For purposes of this Act, indirect revenues include, but are not limited to, increased tax revenues or other increased revenues resulting from economic development, job creation, or cost reduction. The statement or note shall also include an explanation of the methodology used to determine the estimated direct and indirect costs or estimated impact on community agencies. Any notes for bills having a fiscal impact on units of local government, school districts or community college districts shall include such cost estimates as may be required under the State Mandates Act.

If a bill authorizes capital expenditures or appropriates funds for capital expenditures, a statement shall be prepared by the Governor's Office of Management and Budget ~~Bureau of the Budget~~ specifying by year any principal and interest payments required to finance such capital expenditures.

If a bill authorizes the issuance of bonds, a statement or note shall be prepared by the Governor's Office of Management and Budget specifying the estimated total principal and interest payments (assuming interest is paid at a fixed rate) if all of the bonds authorized were issued. The statement or note shall include the total principal on all other then-outstanding Bonds of the State.

These statements or notes shall be known as "fiscal notes".

(Source: P.A. 92-567, eff. 1-1-03; revised 8-23-03.)

Section 10-95. The State Debt Impact Note Act is amended by changing Section 4 as follows:

(25 ILCS 65/4) (from Ch. 63, par. 42.74)

Sec. 4. The State Debt Impact Note shall be factual in nature and as brief and concise as possible. For bills which would appropriate from bond funds, the note shall provide a reliable estimate of the impact of the bill on the State's debt service requirements; a description of the estimated useful life and intended use of the project; and maintenance and operating costs associated with the project. For bills which would add new or increase existing bond authorization levels the note shall assess current outstanding, unissued, and retired bond authorization levels and make reasonable projections of the cost associated with the retirement of the additional bonds. The estimated costs shall specify the estimated total principal and interest payments (assuming interest is paid at a fixed rate) if all of the Bonds authorized were issued. The statement or note shall include the total principal on all other then-outstanding Bonds of the State. A brief summary or work sheet of computations used in arriving at State Debt Impact Notes shall be attached.

(Source: P.A. 81-615.)

Section 10-100. The State Finance Act is amended by changing Sections 6z-32, 8g, 8h, 8.3, 8.12, 9, 13.2, 14, and 25 and by adding Sections 5.625, 6z-27.1, 6z-63, 6z-64, 6z-65, 8k, 8m, 8.43, 14c, and 24.11 as follows:

(30 ILCS 105/5.625 new)

Sec. 5.625. The Professional Services Fund.

(30 ILCS 105/6z-27.1 new)

Sec. 6z-27.1. Transfer from Efficiency Initiative Fund.

The sum of \$750,000 is ordered transferred from the Efficiency Initiative Fund to the Comptroller's Administrative Fund to reimburse the Comptroller's office for costs and expenses incurred by that office in relation to efficiency initiatives and agency consolidation, reorganization, and restructuring pursuant to Section 405-292 of the Department of Central Management Services Law of the Civil Administrative Code of Illinois (20 ILCS 405/405-292).

(30 ILCS 105/6z-32)

Sec. 6z-32. Conservation 2000.

(a) The Conservation 2000 Fund and the Conservation 2000 Projects Fund are created as special funds in the State Treasury. These funds shall be used to establish a comprehensive program to protect Illinois' natural resources through cooperative partnerships between State government and public and private landowners. Moneys in these Funds may be used, subject to appropriation, by the Environmental Protection Agency and the Departments of Agriculture, Natural Resources, and Transportation for purposes relating to natural resource protection, recreation, tourism, and compatible agricultural and economic development activities. Without limiting these general purposes, moneys in these Funds may be used, subject to appropriation, for the following specific purposes:

(1) To foster sustainable agriculture practices and control soil erosion and sedimentation, including grants to Soil and Water Conservation Districts for conservation practice cost-share grants and for personnel, educational, and administrative expenses.

(2) To establish and protect a system of ecosystems in public and private ownership through conservation easements, incentives to public and private landowners, including technical assistance and grants, and land acquisition provided these mechanisms are all voluntary on the part of the landowner and do not involve the use of

eminent domain.

(3) To develop a systematic and long-term program to effectively measure and monitor natural resources and ecological conditions through investments in technology and involvement of scientific experts.

(4) To initiate strategies to enhance, use, and maintain Illinois' inland lakes through education, technical assistance, research, and financial incentives.

(5) To conduct an extensive review of existing Illinois water laws.

(b) The State Comptroller and State Treasurer shall automatically transfer on the last day of each month, beginning on September 30, 1995 and ending on June 30, 2009, from the General Revenue Fund to the Conservation 2000 Fund, an amount equal to 1/10 of the amount set forth below in fiscal year 1996 and an amount equal to 1/12 of the amount set forth below in each of the other specified fiscal years:

Fiscal Year	Amount
1996	\$ 3,500,000
1997	\$ 9,000,000
1998	\$10,000,000
1999	\$11,000,000
2000	\$12,500,000
2001 through <u>2004</u> 2009	\$14,000,000
<u>2005</u>	<u>\$7,000,000</u>
<u>2006 through 2009</u>	<u>\$14,000,000</u>

(c) There shall be deposited into the Conservation 2000 Projects Fund such bond proceeds and other moneys as may, from time to time, be provided by law.

(Source: P.A. 90-14, eff. 7-1-97; 90-490, eff. 8-17-97; 91-379, eff. 1-1-00.)

(30 ILCS 105/6z-63 new)

Sec. 6z-63. The Professional Services Fund.

(a) The Professional Services Fund is created as a revolving fund in the State treasury. The following moneys

shall be deposited into the Fund:

(1) amounts authorized for transfer to the Fund from the General Revenue Fund and other State funds (except for funds classified by the Comptroller as federal trust funds or State trust funds) pursuant to State law or Executive Order;

(2) federal funds received by the Department of Central Management Services (the "Department") as a result of expenditures from the Fund;

(3) interest earned on moneys in the Fund; and

(4) receipts or inter-fund transfers resulting from billings issued by the Department to State agencies for the cost of professional services rendered by the Department that are not compensated through the specific fund transfers authorized by this Section.

(b) Moneys in the Fund may be used by the Department for reimbursement or payment for:

(1) providing professional services to State agencies;

(2) rendering other services at the Governor's direction to State agencies; or

(3) providing for payment of administrative and other expenses incurred by the Department in providing professional services.

(c) State agencies may direct the Comptroller to process inter-fund transfers or make payment through the voucher and warrant process to the Professional Services Fund in satisfaction of billings issued under subsection (a) of this Section.

(d) Reconciliation. The Director of Central Management Services (the "Director") shall order that each State agency's payments and transfers made to the Fund be reconciled with actual Fund costs for professional services provided by the Department on no less than an annual basis. The Director may require reports from State agencies as deemed necessary to perform this reconciliation.

(e) The following amounts are authorized for transfer into

the Professional Services Fund for the fiscal year beginning July 1, 2004:

<u>General Revenue Fund</u>	<u>.....\$5,440,431</u>
<u>Road Fund</u>	<u>.....\$814,468</u>
<u>Motor Fuel Tax Fund</u>	<u>.....\$263,500</u>
<u>Child Support Administrative Fund</u>	<u>.....\$234,013</u>
<u>Professions Indirect Cost Fund</u>	<u>.....\$276,800</u>
<u>Capital Development Board Revolving Fund</u>	<u>.....\$207,610</u>
<u>Bank & Trust Company Fund</u>	<u>.....\$200,214</u>
<u>State Lottery Fund</u>	<u>.....\$193,691</u>
<u>Insurance Producer Administration Fund</u>	<u>.....\$174,672</u>
<u>Insurance Financial Regulation Fund</u>	<u>.....\$168,327</u>
<u>Illinois Clean Water Fund</u>	<u>.....\$124,675</u>
<u>Clean Air Act (CAA) Permit Fund</u>	<u>..... \$91,803</u>
<u>Statistical Services Revolving Fund</u>	<u>..... \$90,959</u>
<u>Financial Institution Fund</u>	<u>.....\$109,428</u>
<u>Horse Racing Fund</u>	<u>..... \$71,127</u>
<u>Health Insurance Reserve Fund</u>	<u>..... \$66,577</u>
<u>Solid Waste Management Fund</u>	<u>..... \$61,081</u>
<u>Guardianship and Advocacy Fund</u>	<u>.....\$1,068</u>
<u>Agricultural Premium Fund</u>	<u>.....\$493</u>
<u>Wildlife and Fish Fund</u>	<u>.....\$247</u>
<u>Radiation Protection Fund</u>	<u>..... \$33,277</u>
<u>Nuclear Safety Emergency Preparedness Fund</u>	<u>..... \$25,652</u>
<u>Tourism Promotion Fund</u>	<u>.....\$6,814</u>

All of these transfers shall be made on July 1, 2004, or as soon thereafter as practical. These transfers shall be made notwithstanding any other provision of State law to the contrary.

(f) The term "professional services" means services rendered on behalf of State agencies pursuant to Section 405-293 of the Department of Central Management Services Law of the Civil Administrative Code of Illinois.

(30 ILCS 105/6z-64 new)

Sec. 6z-64. The Workers' Compensation Revolving Fund.

(a) The Workers' Compensation Revolving Fund is created as a revolving fund in the State treasury. The following moneys shall be deposited into the Fund:

(1) amounts authorized for transfer to the Fund from the General Revenue Fund and other State funds (except for funds classified by the Comptroller as federal trust funds or State trust funds) pursuant to State law or Executive Order;

(2) federal funds received by the Department of Central Management Services (the "Department") as a result of expenditures from the Fund;

(3) interest earned on moneys in the Fund;

(4) receipts or inter-fund transfers resulting from billings issued by the Department to State agencies for the cost of workers' compensation services rendered by the Department that are not compensated through the specific fund transfers authorized by this Section, if any;

(5) amounts received from a State agency or university for workers' compensation payments for temporary total disability, as provided in Section 405-105 of the Department of Central Management Services Law of the Civil Administrative Code of Illinois; and

(6) amounts recovered through subrogation in workers' compensation and workers' occupational disease cases.

(b) Moneys in the Fund may be used by the Department for reimbursement or payment for:

(1) providing workers' compensation services to State agencies and State universities; or

(2) providing for payment of administrative and other expenses incurred by the Department in providing workers' compensation services.

(c) State agencies may direct the Comptroller to process inter-fund transfers or make payment through the voucher and warrant process to the Workers' Compensation Revolving Fund in satisfaction of billings issued under subsection (a) of this Section.

(d) Reconciliation. The Director of Central Management Services (the "Director") shall order that each State agency's payments and transfers made to the Fund be reconciled with actual Fund costs for workers' compensation services provided by the Department and attributable to the State agency and relevant fund on no less than an annual basis. The Director may require reports from State agencies as deemed necessary to perform this reconciliation.

(e) The term "workers' compensation services" means services, claims expenses, and related administrative costs incurred in performing the functions consolidated within the Department of Central Management Services under Section 405-411 of the Department of Central Management Services Law of the Civil Administrative Code of Illinois.

(30 ILCS 105/6z-65 new)

Sec. 6z-65. The Facilities Management Revolving Fund.

(a) The Facilities Management Revolving Fund is created as a revolving fund in the State treasury. The following moneys shall be deposited into the Fund:

(1) amounts authorized for transfer to the Fund from the General Revenue Fund and other State funds (except for funds classified by the Comptroller as federal trust funds or State trust funds) pursuant to State law or Executive Order;

(2) federal funds received by the Department of Central Management Services (the "Department") as a result of expenditures from the Fund;

(3) interest earned on moneys in the Fund;

(4) receipts or inter-fund transfers resulting from billings issued by the Department to State agencies for the cost of facilities management services rendered by the Department that are not compensated through the specific fund transfers authorized by this Section, if any; and

(5) fees from the lease, rental, use, or occupancy of State facilities managed, operated, or maintained by the

Department.

(b) Moneys in the Fund may be used by the Department for reimbursement or payment for:

(1) the acquisition and operation of State facilities, including, without limitation, rental or installment payments and interest, personal services, utilities, maintenance, and remodeling; or

(2) providing for payment of administrative and other expenses incurred by the Department in providing facilities management services.

(c) State agencies may direct the Comptroller to process inter-fund transfers or make payment through the voucher and warrant process to the Facilities Management Revolving Fund in satisfaction of billings issued under subsection (a) of this Section.

(d) Reconciliation. The Director of Central Management Services (the "Director") shall order that each State agency's payments and transfers made to the Fund be reconciled with actual Fund costs for facilities management services provided by the Department and attributable to the State agency and relevant fund on no less than an annual basis. The Director may require reports from State agencies as deemed necessary to perform this reconciliation.

(e) The term "facilities management services" means services performed by the Department in providing for the acquisition, occupancy, management, and operation of State owned and leased buildings, facilities, structures, grounds, or the real property under management of the Department.

(30 ILCS 105/8.12) (from Ch. 127, par. 144.12)

Sec. 8.12. State Pensions Fund.

(a) The moneys in the State Pensions Fund shall be used exclusively for the administration of the Uniform Disposition of Unclaimed Property Act and for the payment of or repayment to the General Revenue Fund a portion of the required State contributions to the designated retirement systems.

"Designated retirement systems" means:

- (1) the State Employees' Retirement System of Illinois;
- (2) the Teachers' Retirement System of the State of Illinois;
- (3) the State Universities Retirement System;
- (4) the Judges Retirement System of Illinois; and
- (5) the General Assembly Retirement System.

(b) Each year the General Assembly may make appropriations from the State Pensions Fund for the administration of the Uniform Disposition of Unclaimed Property Act.

Each month, the Commissioner of the Office of Banks and Real Estate shall certify to the State Treasurer the actual expenditures that the Office of Banks and Real Estate incurred conducting unclaimed property examinations under the Uniform Disposition of Unclaimed Property Act during the immediately preceding month. Within a reasonable time following the acceptance of such certification by the State Treasurer, the State Treasurer shall pay from its appropriation from the State Pensions Fund to the Bank and Trust Company Fund and the Savings and Residential Finance Regulatory Fund an amount equal to the expenditures incurred by each Fund for that month.

Each month, the Director of Financial Institutions shall certify to the State Treasurer the actual expenditures that the Department of Financial Institutions incurred conducting unclaimed property examinations under the Uniform Disposition of Unclaimed Property Act during the immediately preceding month. Within a reasonable time following the acceptance of such certification by the State Treasurer, the State Treasurer shall pay from its appropriation from the State Pensions Fund to the Financial Institutions Fund and the Credit Union Fund an amount equal to the expenditures incurred by each Fund for that month.

(c) As soon as possible after the effective date of this amendatory Act of the 93rd General Assembly, the General Assembly shall appropriate from the State Pensions Fund (1) to

the State Universities Retirement System the amount certified under Section 15-165 during the prior year, (2) to the Judges Retirement System of Illinois the amount certified under Section 18-140 during the prior year, and (3) to the General Assembly Retirement System the amount certified under Section 2-134 during the prior year as part of the required State contributions to each of those designated retirement systems; except that amounts appropriated under this subsection (c) in State fiscal year 2005 shall not reduce the amount in the State Pensions Fund below \$5,000,000. If the amount in the State Pensions Fund does not exceed the sum of the amounts certified in Sections 15-165, 18-140, and 2-134 by at least \$5,000,000, the amount paid to each designated retirement system under this subsection shall be reduced in proportion to the amount certified by each of those designated retirement systems. For each State fiscal year beginning with State fiscal year 2006,
~~Each year~~ the General Assembly shall appropriate a total amount equal to the balance in the State Pensions Fund at the close of business on June 30 of the preceding fiscal year, less \$5,000,000, as part of the required State contributions to the designated retirement systems. The amount of the appropriation to ~~each~~ designated retirement systems ~~system~~ shall constitute a portion of the total appropriation under this subsection for that fiscal year which is the same as that retirement system's portion of the total actuarial reserve deficiency of the systems, as most recently determined by the Governor's Office of Management and Budget.

(d) The Governor's Office of Management and Budget shall determine the individual and total reserve deficiencies of the designated retirement systems. For this purpose, the Governor's Office of Management and Budget shall utilize the latest available audit and actuarial reports of each of the retirement systems and the relevant reports and statistics of the Public Employee Pension Fund Division of the Department of Insurance.

(d-1) As soon as practicable after the effective date of

this amendatory Act of the 93rd General Assembly, the Comptroller shall direct and the Treasurer shall transfer from the State Pensions Fund to the General Revenue Fund, as funds become available, a sum equal to the amounts that would have been paid from the State Pensions Fund to the Teachers' Retirement System of the State of Illinois, the State Universities Retirement System, the Judges Retirement System of Illinois, the General Assembly Retirement System, and the State Employees' Retirement System of Illinois after the effective date of this amendatory Act during the remainder of fiscal year 2004 to the designated retirement systems from the appropriations provided for in this Section if the transfers provided in Section 6z-61 had not occurred. The transfers described in this subsection (d-1) are to partially repay the General Revenue Fund for the costs associated with the bonds used to fund the moneys transferred to the designated retirement systems under Section 6z-61.

(e) The changes to this Section made by this amendatory Act of 1994 shall first apply to distributions from the Fund for State fiscal year 1996.

(Source: P.A. 93-665, eff. 3-5-04.)

(30 ILCS 105/8.43 new)

Sec. 8.43. Special fund transfers.

(a) In order to maintain the integrity of special funds and improve stability in the General Revenue Fund, the following transfers are authorized from the designated funds into the General Revenue Fund:

<u>SECRETARY OF STATE SPECIAL LICENSE</u>	
<u>PLATE FUND</u>	<u>.....\$856,000</u>
<u>SECURITIES INVESTORS EDUCATION FUND</u>	<u>.....\$3,271,000</u>
<u>SECURITIES AUDIT & ENFORCEMENT FUND</u>	<u>..... \$17,014,000</u>
<u>DEPARTMENT OF BUSINESS SERVICES SPECIAL</u>	
<u>OPERATIONS FUND</u>	<u>.....\$524,000</u>
<u>SECRETARY OF STATE SPECIAL SERVICES FUND</u>	<u>.....\$600,000</u>
<u>SECRETARY OF STATE DUI ADMINISTRATION FUND</u>	<u>.....\$582,000</u>

<u>FOOD & DRUG SAFETY FUND</u>	<u>.....\$817,000</u>
<u>TRANSPORTATION REGULATORY FUND</u>	<u>.....\$2,379,000</u>
<u>FINANCIAL INSTITUTION FUND</u>	<u>.....\$2,003,000</u>
<u>GENERAL PROFESSIONS DEDICATED FUND</u>	<u>.....\$497,000</u>
<u>DRIVERS EDUCATION FUND</u>	<u>.....\$2,967,000</u>
<u>STATE BOATING ACT FUND</u>	<u>.....\$1,072,000</u>
<u>AGRICULTURAL PREMIUM FUND</u>	<u>.....\$7,777,000</u>
<u>PUBLIC UTILITY FUND</u>	<u>.....\$8,202,000</u>
<u>RADIATION PROTECTION FUND</u>	<u>.....\$750,000</u>
<u>SOLID WASTE MANAGEMENT FUND</u>	<u>.....\$10,084,000</u>
<u>SUBTITLE D MANAGEMENT FUND</u>	<u>.....\$3,006,000</u>
<u>PLUGGING AND RESTORATION FUND</u>	<u>.....\$1,255,000</u>
<u>REGISTERED CERTIFIED PUBLIC ACCOUNTANTS</u>	
<u>ADMINISTRATION AND DISCIPLINARY FUND</u>	<u>.....\$819,000</u>
<u>WEIGHTS AND MEASURES FUND</u>	<u>.....\$1,800,000</u>
<u>SOLID WASTE MANAGEMENT REVOLVING LOAN FUND</u>	<u>.....\$647,000</u>
<u>RESPONSE CONTRACTORS INDEMNIFICATION FUND</u>	<u>.....\$107,000</u>
<u>CAPITAL DEVELOPMENT BOARD REVOLVING LOAN FUND</u>	<u>...\$1,229,000</u>
<u>PROFESSIONS INDIRECT COST FUND</u>	<u>.....\$39,000</u>
<u>ILLINOIS HEALTH FACILITIES PLANNING FUND</u>	<u>.....\$2,351,000</u>
<u>OPTOMETRIC LICENSING AND DISCIPLINARY</u>	
<u>BOARD FUND</u>	<u>.....\$1,121,000</u>
<u>STATE RAIL FREIGHT LOAN REPAYMENT FUND</u>	<u>.....\$3,500,000</u>
<u>ILLINOIS TAX INCREMENT FUND</u>	<u>.....\$1,500,000</u>
<u>USED TIRE MANAGEMENT FUND</u>	<u>.....\$3,278,000</u>
<u>AUDIT EXPENSE FUND</u>	<u>.....\$1,237,000</u>
<u>INSURANCE PREMIUM TAX REFUND FUND</u>	<u>.....\$2,500,000</u>
<u>CORPORATE FRANCHISE TAX REFUND FUND</u>	<u>.....\$1,650,000</u>
<u>TAX COMPLIANCE AND ADMINISTRATION FUND</u>	<u>.....\$9,513,000</u>
<u>APPRAISAL ADMINISTRATION FUND</u>	<u>.....\$1,107,000</u>
<u>STATE ASSET FORFEITURE FUND</u>	<u>.....\$1,500,000</u>
<u>FEDERAL ASSET FORFEITURE FUND</u>	<u>.....\$3,943,000</u>
<u>DEPARTMENT OF CORRECTIONS REIMBURSEMENT</u>	
<u>AND EDUCATION FUND</u>	<u>.....\$14,500,000</u>
<u>LEADS MAINTENANCE FUND</u>	<u>.....\$2,000,000</u>
<u>STATE OFFENDER DNA IDENTIFICATION SYSTEM FUND</u>	<u>.....\$250,000</u>

WORKFORCE, TECHNOLOGY, AND ECONOMIC

<u>DEVELOPMENT FUND</u>	<u>.....\$1,500,000</u>
<u>RENEWABLE ENERGY RESOURCES TRUST FUND</u>	<u>.....\$9,510,000</u>
<u>ENERGY EFFICIENCY TRUST FUND</u>	<u>.....\$3,040,000</u>
<u>CONSERVATION 2000 FUND</u>	<u>.....\$7,439,000</u>
<u>HORSE RACING FUND</u>	<u>.....\$2,500,000</u>
<u>STATE POLICE WIRELESS SERVICE EMERGENCY FUND</u>	<u>.....\$500,000</u>
<u>WHISTLEBLOWER REWARD AND PROTECTION FUND</u>	<u>.....\$750,000</u>
<u>TOBACCO SETTLEMENT RECOVERY FUND</u>	<u>.....\$19,300,000</u>
<u>PRESIDENTIAL LIBRARY AND MUSEUM FUND</u>	<u>.....\$500,000</u>
<u>MEDICAL SPECIAL PURPOSES TRUST FUND</u>	<u>.....\$967,000</u>
<u>DRAM SHOP FUND</u>	<u>.....\$1,517,000</u>
<u>DESIGN PROFESSIONALS ADMINISTRATION AND</u>	
<u>INVESTIGATION FUND</u>	<u>.....\$1,172,000</u>
<u>ILLINOIS FORESTRY DEVELOPMENT FUND</u>	<u>.....\$1,257,000</u>
<u>STATE POLICE SERVICES FUND</u>	<u>.....\$250,000</u>
<u>METABOLIC SCREENING AND TREATMENT FUND</u>	<u>.....\$3,435,000</u>
<u>INSURANCE PRODUCER ADMINISTRATION FUND</u>	<u>.....\$12,727,000</u>
<u>LOW-LEVEL RADIOACTIVE WASTE FACILITY</u>	
<u>DEVELOPMENT AND OPERATION FUND</u>	<u>.....\$2,202,000</u>
<u>LOW-LEVEL RADIOACTIVE WASTE FACILITY CLOSURE,</u>	
<u>POST-CLOSURE CARE AND COMPENSATION FUND</u>	<u>.....\$6,000,000</u>
<u>ENVIRONMENTAL PROTECTION PERMIT AND</u>	
<u>INSPECTION FUND</u>	<u>.....\$874,000</u>
<u>PARK AND CONSERVATION FUND</u>	<u>.....\$1,000,000</u>
<u>PUBLIC INFRASTRUCTURE CONSTRUCTION LOAN</u>	
<u>REVOLVING FUND</u>	<u>.....\$1,822,000</u>
<u>LOBBYIST REGISTRATION ADMINISTRATION FUND</u>	<u>.....\$327,000</u>
<u>DIVISION OF CORPORATIONS REGISTERED</u>	
<u>LIMITED LIABILITY PARTNERSHIP FUND</u>	<u>.....\$356,000</u>
<u>WORKING CAPITAL REVOLVING FUND</u>	
<u>(30 ILCS 105/6)</u>	<u>.....\$12,000,000</u>

All of these transfers shall be made on the effective date of this amendatory Act of the 93rd General Assembly, or as soon thereafter as practical. These transfers shall be made notwithstanding any other provision of State law to the

contrary.

(b) On and after the effective date of this amendatory Act of the 93rd General Assembly through June 30, 2005, when any of the funds listed in subsection (a) have insufficient cash from which the State Comptroller may make expenditures properly supported by appropriations from the fund, then the State Treasurer and State Comptroller shall transfer from the General Revenue Fund to the fund only such amount as is immediately necessary to satisfy outstanding expenditure obligations on a timely basis, subject to the provisions of the State Prompt Payment Act. Any amounts transferred from the General Revenue Fund to a fund pursuant to this subsection (b) from time to time shall be re-transferred by the State Comptroller and the State Treasurer from the receiving fund into the General Revenue Fund as soon as and to the extent that deposits are made into or receipts are collected by the receiving fund. In all events, the full amounts of all transfers from the General Revenue Fund to receiving funds shall be re-transferred to the General Revenue Fund no later than June 30, 2005.

(c) The sum of \$57,700,000 shall be transferred, pursuant to appropriation, from the State Pensions Fund to the designated retirement systems (as defined in Section 8.12 of the State Finance Act) on the effective date of this amendatory Act of the 93rd General Assembly, or as soon thereafter as practical. On April 16, 2005, or as soon thereafter as practical, there shall be transferred, pursuant to appropriation, from the State Pensions Fund to the designated retirement systems (as defined in Section 8.12 of the State Finance Act) the lesser of (i) an amount equal to the balance in the State Pensions Fund on April 16, 2005, minus an amount equal to 75% of the total amount of fiscal year 2005 appropriations from the State Pensions Fund that were appropriated to the State Treasurer for administration of the Uniform Disposition of Unclaimed Property Act or (ii) \$35,000,000. These transfers are intended to be all or part of the transfer required under Section 8.12 of the State Finance

Act for fiscal year 2005.

(d) The sum of \$49,775,000 shall be transferred from the School Technology Revolving Loan Fund to the Common School Fund on the effective date of this amendatory Act of the 93rd General Assembly, or as soon thereafter as practical, notwithstanding any other provision of State law to the contrary.

(e) The sum of \$80,000,000 shall be transferred from the General Revenue Fund to the State Pensions Fund on the effective date of this amendatory Act of the 93rd General Assembly, or as soon thereafter as practical.

(30 ILCS 105/8g)

Sec. 8g. Fund transfers ~~Transfers from General Revenue Fund.~~

(a) In addition to any other transfers that may be provided for by law, as soon as may be practical after the effective date of this amendatory Act of the 91st General Assembly, the State Comptroller shall direct and the State Treasurer shall transfer the sum of \$10,000,000 from the General Revenue Fund to the Motor Vehicle License Plate Fund created by Senate Bill 1028 of the 91st General Assembly.

(b) In addition to any other transfers that may be provided for by law, as soon as may be practical after the effective date of this amendatory Act of the 91st General Assembly, the State Comptroller shall direct and the State Treasurer shall transfer the sum of \$25,000,000 from the General Revenue Fund to the Fund for Illinois' Future created by Senate Bill 1066 of the 91st General Assembly.

(c) In addition to any other transfers that may be provided for by law, on August 30 of each fiscal year's license period, the Illinois Liquor Control Commission shall direct and the State Comptroller and State Treasurer shall transfer from the General Revenue Fund to the Youth Alcoholism and Substance Abuse Prevention Fund an amount equal to the number of retail liquor licenses issued for that fiscal year multiplied by \$50.

(d) The payments to programs required under subsection (d) of Section 28.1 of the Horse Racing Act of 1975 shall be made, pursuant to appropriation, from the special funds referred to in the statutes cited in that subsection, rather than directly from the General Revenue Fund.

Beginning January 1, 2000, on the first day of each month, or as soon as may be practical thereafter, the State Comptroller shall direct and the State Treasurer shall transfer from the General Revenue Fund to each of the special funds from which payments are to be made under Section 28.1(d) of the Horse Racing Act of 1975 an amount equal to 1/12 of the annual amount required for those payments from that special fund, which annual amount shall not exceed the annual amount for those payments from that special fund for the calendar year 1998. The special funds to which transfers shall be made under this subsection (d) include, but are not necessarily limited to, the Agricultural Premium Fund; the Metropolitan Exposition Auditorium and Office Building Fund; the Fair and Exposition Fund; the Standardbred Breeders Fund; the Thoroughbred Breeders Fund; and the Illinois Veterans' Rehabilitation Fund.

(e) In addition to any other transfers that may be provided for by law, as soon as may be practical after the effective date of this amendatory Act of the 91st General Assembly, but in no event later than June 30, 2000, the State Comptroller shall direct and the State Treasurer shall transfer the sum of \$15,000,000 from the General Revenue Fund to the Fund for Illinois' Future.

(f) In addition to any other transfers that may be provided for by law, as soon as may be practical after the effective date of this amendatory Act of the 91st General Assembly, but in no event later than June 30, 2000, the State Comptroller shall direct and the State Treasurer shall transfer the sum of \$70,000,000 from the General Revenue Fund to the Long-Term Care Provider Fund.

(f-1) In fiscal year 2002, in addition to any other transfers that may be provided for by law, at the direction of

and upon notification from the Governor, the State Comptroller shall direct and the State Treasurer shall transfer amounts not exceeding a total of \$160,000,000 from the General Revenue Fund to the Long-Term Care Provider Fund.

(g) In addition to any other transfers that may be provided for by law, on July 1, 2001, or as soon thereafter as may be practical, the State Comptroller shall direct and the State Treasurer shall transfer the sum of \$1,200,000 from the General Revenue Fund to the Violence Prevention Fund.

(h) In each of fiscal years 2002 through 2004 ~~2007~~, but not thereafter, in addition to any other transfers that may be provided for by law, the State Comptroller shall direct and the State Treasurer shall transfer \$5,000,000 from the General Revenue Fund to the Tourism Promotion Fund.

(i) On or after July 1, 2001 and until May 1, 2002, in addition to any other transfers that may be provided for by law, at the direction of and upon notification from the Governor, the State Comptroller shall direct and the State Treasurer shall transfer amounts not exceeding a total of \$80,000,000 from the General Revenue Fund to the Tobacco Settlement Recovery Fund. Any amounts so transferred shall be re-transferred by the State Comptroller and the State Treasurer from the Tobacco Settlement Recovery Fund to the General Revenue Fund at the direction of and upon notification from the Governor, but in any event on or before June 30, 2002.

(i-1) On or after July 1, 2002 and until May 1, 2003, in addition to any other transfers that may be provided for by law, at the direction of and upon notification from the Governor, the State Comptroller shall direct and the State Treasurer shall transfer amounts not exceeding a total of \$80,000,000 from the General Revenue Fund to the Tobacco Settlement Recovery Fund. Any amounts so transferred shall be re-transferred by the State Comptroller and the State Treasurer from the Tobacco Settlement Recovery Fund to the General Revenue Fund at the direction of and upon notification from the Governor, but in any event on or before June 30, 2003.

(j) On or after July 1, 2001 and no later than June 30, 2002, in addition to any other transfers that may be provided for by law, at the direction of and upon notification from the Governor, the State Comptroller shall direct and the State Treasurer shall transfer amounts not to exceed the following sums into the Statistical Services Revolving Fund:

From the General Revenue Fund	\$8,450,000
From the Public Utility Fund	1,700,000
From the Transportation Regulatory Fund	2,650,000
From the Title III Social Security and Employment Fund	3,700,000
From the Professions Indirect Cost Fund	4,050,000
From the Underground Storage Tank Fund	550,000
From the Agricultural Premium Fund	750,000
From the State Pensions Fund	200,000
From the Road Fund	2,000,000
From the Health Facilities Planning Fund	1,000,000
From the Savings and Residential Finance Regulatory Fund	130,800
From the Appraisal Administration Fund	28,600
From the Pawnbroker Regulation Fund	3,600
From the Auction Regulation Administration Fund	35,800
From the Bank and Trust Company Fund.....	634,800
From the Real Estate License Administration Fund	313,600

(k) In addition to any other transfers that may be provided for by law, as soon as may be practical after the effective date of this amendatory Act of the 92nd General Assembly, the State Comptroller shall direct and the State Treasurer shall transfer the sum of \$2,000,000 from the General Revenue Fund to the Teachers Health Insurance Security Fund.

(k-1) In addition to any other transfers that may be provided for by law, on July 1, 2002, or as soon as may be practical thereafter, the State Comptroller shall direct and

the State Treasurer shall transfer the sum of \$2,000,000 from the General Revenue Fund to the Teachers Health Insurance Security Fund.

(k-2) In addition to any other transfers that may be provided for by law, on July 1, 2003, or as soon as may be practical thereafter, the State Comptroller shall direct and the State Treasurer shall transfer the sum of \$2,000,000 from the General Revenue Fund to the Teachers Health Insurance Security Fund.

(k-3) On or after July 1, 2002 and no later than June 30, 2003, in addition to any other transfers that may be provided for by law, at the direction of and upon notification from the Governor, the State Comptroller shall direct and the State Treasurer shall transfer amounts not to exceed the following sums into the Statistical Services Revolving Fund:

Appraisal Administration Fund	\$150,000
General Revenue Fund	10,440,000
Savings and Residential Finance	
Regulatory Fund	200,000
State Pensions Fund	100,000
Bank and Trust Company Fund	100,000
Professions Indirect Cost Fund	3,400,000
Public Utility Fund	2,081,200
Real Estate License Administration Fund	150,000
Title III Social Security and	
Employment Fund	1,000,000
Transportation Regulatory Fund	3,052,100
Underground Storage Tank Fund	50,000

(l) In addition to any other transfers that may be provided for by law, on July 1, 2002, or as soon as may be practical thereafter, the State Comptroller shall direct and the State Treasurer shall transfer the sum of \$3,000,000 from the General Revenue Fund to the Presidential Library and Museum Operating Fund.

(m) In addition to any other transfers that may be provided for by law, on July 1, 2002 and on the effective date of this

amendatory Act of the 93rd General Assembly, or as soon thereafter as may be practical, the State Comptroller shall direct and the State Treasurer shall transfer the sum of \$1,200,000 from the General Revenue Fund to the Violence Prevention Fund.

(n) In addition to any other transfers that may be provided for by law, on July 1, 2003, or as soon thereafter as may be practical, the State Comptroller shall direct and the State Treasurer shall transfer the sum of \$6,800,000 from the General Revenue Fund to the DHS Recoveries Trust Fund.

(o) On or after July 1, 2003, and no later than June 30, 2004, in addition to any other transfers that may be provided for by law, at the direction of and upon notification from the Governor, the State Comptroller shall direct and the State Treasurer shall transfer amounts not to exceed the following sums into the Vehicle Inspection Fund:

From the Underground Storage Tank Fund\$35,000,000.

(p) On or after July 1, 2003 and until May 1, 2004, in addition to any other transfers that may be provided for by law, at the direction of and upon notification from the Governor, the State Comptroller shall direct and the State Treasurer shall transfer amounts not exceeding a total of \$80,000,000 from the General Revenue Fund to the Tobacco Settlement Recovery Fund. Any amounts so transferred shall be re-transferred from the Tobacco Settlement Recovery Fund to the General Revenue Fund at the direction of and upon notification from the Governor, but in any event on or before June 30, 2004.

(q) In addition to any other transfers that may be provided for by law, on July 1, 2003, or as soon as may be practical thereafter, the State Comptroller shall direct and the State Treasurer shall transfer the sum of \$5,000,000 from the General Revenue Fund to the Illinois Military Family Relief Fund.

(r) In addition to any other transfers that may be provided for by law, on July 1, 2003, or as soon as may be practical thereafter, the State Comptroller shall direct and the State Treasurer shall transfer the sum of \$1,922,000 from the General

Revenue Fund to the Presidential Library and Museum Operating Fund.

(s) In addition to any other transfers that may be provided for by law, on or after July 1, 2003, the State Comptroller shall direct and the State Treasurer shall transfer the sum of \$4,800,000 from the Statewide Economic Development Fund to the General Revenue Fund.

(t) In addition to any other transfers that may be provided for by law, on or after July 1, 2003, the State Comptroller shall direct and the State Treasurer shall transfer the sum of \$50,000,000 from the General Revenue Fund to the Budget Stabilization Fund.

(u) On or after July 1, 2004 and until May 1, 2005, in addition to any other transfers that may be provided for by law, at the direction of and upon notification from the Governor, the State Comptroller shall direct and the State Treasurer shall transfer amounts not exceeding a total of \$80,000,000 from the General Revenue Fund to the Tobacco Settlement Recovery Fund. Any amounts so transferred shall be retransferred by the State Comptroller and the State Treasurer from the Tobacco Settlement Recovery Fund to the General Revenue Fund at the direction of and upon notification from the Governor, but in any event on or before June 30, 2005.

(v) In addition to any other transfers that may be provided for by law, on July 1, 2004, or as soon thereafter as may be practical, the State Comptroller shall direct and the State Treasurer shall transfer the sum of \$1,200,000 from the General Revenue Fund to the Violence Prevention Fund.

(w) In addition to any other transfers that may be provided for by law, on July 1, 2004, or as soon thereafter as may be practical, the State Comptroller shall direct and the State Treasurer shall transfer the sum of \$6,445,000 from the General Revenue Fund to the Presidential Library and Museum Operating Fund.

(Source: P.A. 92-11, eff. 6-11-01; 92-505, eff. 12-20-01; 92-600, eff. 6-28-02; 93-32, eff. 6-20-03; 93-648, eff.

1-8-04.)

(30 ILCS 105/8h)

Sec. 8h. Transfers to General Revenue Fund.

(a) Except as provided in subsection (b), notwithstanding any other State law to the contrary, the Governor ~~Director of the Governor's Office of Management and Budget~~ may, through June 30, 2007, from time to time direct the State Treasurer and Comptroller to transfer a specified sum from any fund held by the State Treasurer to the General Revenue Fund in order to help defray the State's operating costs for the fiscal year. The total transfer under this Section from any fund in any fiscal year shall not exceed the lesser of (i) 8% of the revenues to be deposited into the fund during that fiscal year or (ii) an amount that leaves a remaining fund balance of 25% of the July 1 fund balance of that fiscal year ~~of the beginning balance in the fund.~~ In fiscal year 2005 only, prior to calculating the July 1, 2004 final balances, the Governor may calculate and direct the State Treasurer with the Comptroller to transfer additional amounts determined by applying the formula authorized in this amendatory Act of the 93rd General Assembly to the funds balances on July 1, 2003. No transfer may be made from a fund under this Section that would have the effect of reducing the available balance in the fund to an amount less than the amount remaining unexpended and unreserved from the total appropriation from that fund estimated to be expended for that fiscal year. This Section does not apply to any funds that are restricted by federal law to a specific use or to any funds in the Motor Fuel Tax Fund, the Hospital Provider Fund, or the Medicaid Provider Relief Fund. Notwithstanding any other provision of this Section, for fiscal year 2004, the total transfer under this Section from the Road Fund or the State Construction Account Fund shall not exceed the lesser of (i) 5% of the revenues to be deposited into the fund during that fiscal year or (ii) 25% of the beginning balance in the fund. For fiscal year 2005 through fiscal year

2007, no amounts may be transferred under this Section from the Road Fund, the State Construction Account Fund, the Criminal Justice Information Systems Trust Fund, the Wireless Carrier Reimbursement Fund, or the Mandatory Arbitration Fund.

In determining the available balance in a fund, the ~~Governor~~ ~~Director of the Governor's Office of Management and Budget~~ may include receipts, transfers into the fund, and other resources anticipated to be available in the fund in that fiscal year.

The State Treasurer and Comptroller shall transfer the amounts designated under this Section as soon as may be practicable after receiving the direction to transfer from the ~~Governor~~ ~~Director of the Governor's Office of Management and Budget~~.

(b) This Section does not apply to any fund established under the Community Senior Services and Resources Act.

(Source: P.A. 93-32, eff. 6-20-03; 93-659, eff. 2-3-04; 93-674, eff. 6-10-04; 93-714, eff. 7-12-04; revised 7-20-04.)

(30 ILCS 105/8k new)

Sec. 8k. Interfund transfers from inactive funds. Notwithstanding any other provision of law to the contrary, on June 30, 2004, or as soon thereafter as may be practical, the State Comptroller shall direct and the State Treasurer shall transfer the remaining balance from the designated funds into the General Revenue Fund:

- (1) the Grape and Wine Resources Fund; and
- (2) the Statewide Economic Development Fund.

(30 ILCS 105/8m new)

Sec. 8m. Transfers from the Board of Higher Education State Projects Fund. On September 1, 2004, or as soon thereafter as may be practical, the Comptroller shall order and the Treasurer shall transfer remaining moneys in the Board of Higher Education State Projects Fund, certified by the Board of Higher Education to be attributable to the Illinois Century Network,

into the Communications Revolving Fund.

(30 ILCS 105/8.3) (from Ch. 127, par. 144.3)

Sec. 8.3. Money in the Road Fund shall, if and when the State of Illinois incurs any bonded indebtedness for the construction of permanent highways, be set aside and used for the purpose of paying and discharging annually the principal and interest on that bonded indebtedness then due and payable, and for no other purpose. The surplus, if any, in the Road Fund after the payment of principal and interest on that bonded indebtedness then annually due shall be used as follows:

first -- to pay the cost of administration of Chapters 2 through 10 of the Illinois Vehicle Code, except the cost of administration of Articles I and II of Chapter 3 of that Code; and

secondly -- for expenses of the Department of Transportation for construction, reconstruction, improvement, repair, maintenance, operation, and administration of highways in accordance with the provisions of laws relating thereto, or for any purpose related or incident to and connected therewith, including the separation of grades of those highways with railroads and with highways and including the payment of awards made by the Industrial Commission under the terms of the Workers' Compensation Act or Workers' Occupational Diseases Act for injury or death of an employee of the Division of Highways in the Department of Transportation; or for the acquisition of land and the erection of buildings for highway purposes, including the acquisition of highway right-of-way or for investigations to determine the reasonably anticipated future highway needs; or for making of surveys, plans, specifications and estimates for and in the construction and maintenance of flight strips and of highways necessary to provide access to military and naval reservations, to defense industries and defense-industry sites, and to the sources of raw materials

and for replacing existing highways and highway connections shut off from general public use at military and naval reservations and defense-industry sites, or for the purchase of right-of-way, except that the State shall be reimbursed in full for any expense incurred in building the flight strips; or for the operating and maintaining of highway garages; or for patrolling and policing the public highways and conserving the peace; or for the operating expenses of the Department relating to the administration of public transportation programs; or for any of those purposes or any other purpose that may be provided by law.

Appropriations for any of those purposes are payable from the Road Fund. Appropriations may also be made from the Road Fund for the administrative expenses of any State agency that are related to motor vehicles or arise from the use of motor vehicles.

Beginning with fiscal year 1980 and thereafter, no Road Fund monies shall be appropriated to the following Departments or agencies of State government for administration, grants, or operations; but this limitation is not a restriction upon appropriating for those purposes any Road Fund monies that are eligible for federal reimbursement;

1. Department of Public Health;
2. Department of Transportation, only with respect to subsidies for one-half fare Student Transportation and Reduced Fare for Elderly;
3. Department of Central Management Services, except for expenditures incurred for group insurance premiums of appropriate personnel;
4. Judicial Systems and Agencies.

Beginning with fiscal year 1981 and thereafter, no Road Fund monies shall be appropriated to the following Departments or agencies of State government for administration, grants, or operations; but this limitation is not a restriction upon appropriating for those purposes any Road Fund monies that are eligible for federal reimbursement:

1. Department of State Police, except for expenditures with respect to the Division of Operations;

2. Department of Transportation, only with respect to Intercity Rail Subsidies and Rail Freight Services.

Beginning with fiscal year 1982 and thereafter, no Road Fund monies shall be appropriated to the following Departments or agencies of State government for administration, grants, or operations; but this limitation is not a restriction upon appropriating for those purposes any Road Fund monies that are eligible for federal reimbursement: Department of Central Management Services, except for awards made by the Industrial Commission under the terms of the Workers' Compensation Act or Workers' Occupational Diseases Act for injury or death of an employee of the Division of Highways in the Department of Transportation.

Beginning with fiscal year 1984 and thereafter, no Road Fund monies shall be appropriated to the following Departments or agencies of State government for administration, grants, or operations; but this limitation is not a restriction upon appropriating for those purposes any Road Fund monies that are eligible for federal reimbursement:

1. Department of State Police, except not more than 40% of the funds appropriated for the Division of Operations;

2. State Officers.

Beginning with fiscal year 1984 and thereafter, no Road Fund monies shall be appropriated to any Department or agency of State government for administration, grants, or operations except as provided hereafter; but this limitation is not a restriction upon appropriating for those purposes any Road Fund monies that are eligible for federal reimbursement. It shall not be lawful to circumvent the above appropriation limitations by governmental reorganization or other methods. Appropriations shall be made from the Road Fund only in accordance with the provisions of this Section.

Money in the Road Fund shall, if and when the State of Illinois incurs any bonded indebtedness for the construction of

permanent highways, be set aside and used for the purpose of paying and discharging during each fiscal year the principal and interest on that bonded indebtedness as it becomes due and payable as provided in the Transportation Bond Act, and for no other purpose. The surplus, if any, in the Road Fund after the payment of principal and interest on that bonded indebtedness then annually due shall be used as follows:

first -- to pay the cost of administration of Chapters 2 through 10 of the Illinois Vehicle Code; and

secondly -- no Road Fund monies derived from fees, excises, or license taxes relating to registration, operation and use of vehicles on public highways or to fuels used for the propulsion of those vehicles, shall be appropriated or expended other than for costs of administering the laws imposing those fees, excises, and license taxes, statutory refunds and adjustments allowed thereunder, administrative costs of the Department of Transportation, including, but not limited to, the operating expenses of the Department relating to the administration of public transportation programs, payment of debts and liabilities incurred in construction and reconstruction of public highways and bridges, acquisition of rights-of-way for and the cost of construction, reconstruction, maintenance, repair, and operation of public highways and bridges under the direction and supervision of the State, political subdivision, or municipality collecting those monies, and the costs for patrolling and policing the public highways (by State, political subdivision, or municipality collecting that money) for enforcement of traffic laws. The separation of grades of such highways with railroads and costs associated with protection of at-grade highway and railroad crossing shall also be permissible.

Appropriations for any of such purposes are payable from the Road Fund or the Grade Crossing Protection Fund as provided in Section 8 of the Motor Fuel Tax Law.

Except as provided in this paragraph, beginning with fiscal year 1991 and thereafter, no Road Fund monies shall be appropriated to the Department of State Police for the purposes of this Section in excess of its total fiscal year 1990 Road Fund appropriations for those purposes unless otherwise provided in Section 5g of this Act. For fiscal years 2003, ~~and~~ 2004, and 2005 only, no Road Fund monies shall be appropriated to the Department of State Police for the purposes of this Section in excess of \$97,310,000. It shall not be lawful to circumvent this limitation on appropriations by governmental reorganization or other methods unless otherwise provided in Section 5g of this Act.

In fiscal year 1994, no Road Fund monies shall be appropriated to the Secretary of State for the purposes of this Section in excess of the total fiscal year 1991 Road Fund appropriations to the Secretary of State for those purposes, plus \$9,800,000. It shall not be lawful to circumvent this limitation on appropriations by governmental reorganization or other method.

Beginning with fiscal year 1995 and thereafter, no Road Fund monies shall be appropriated to the Secretary of State for the purposes of this Section in excess of the total fiscal year 1994 Road Fund appropriations to the Secretary of State for those purposes. It shall not be lawful to circumvent this limitation on appropriations by governmental reorganization or other methods.

Beginning with fiscal year 2000, total Road Fund appropriations to the Secretary of State for the purposes of this Section shall not exceed the amounts specified for the following fiscal years:

Fiscal Year 2000	\$80,500,000;
Fiscal Year 2001	\$80,500,000;
Fiscal Year 2002	\$80,500,000;
Fiscal Year 2003	\$130,500,000;
Fiscal Year 2004	\$130,500,000;
Fiscal Year 2005 and	<u>\$130,500,000;</u>

Fiscal Year 2006 and

each year thereafter \$30,500,000.

It shall not be lawful to circumvent this limitation on appropriations by governmental reorganization or other methods.

No new program may be initiated in fiscal year 1991 and thereafter that is not consistent with the limitations imposed by this Section for fiscal year 1984 and thereafter, insofar as appropriation of Road Fund monies is concerned.

Nothing in this Section prohibits transfers from the Road Fund to the State Construction Account Fund under Section 5e of this Act; nor to the General Revenue Fund, as authorized by this amendatory Act of the 93rd General Assembly.

The additional amounts authorized for expenditure in this Section by Public Acts 92-0600 and 93-0025 ~~this amendatory Act of the 92nd General Assembly~~ shall be repaid to the Road Fund from the General Revenue Fund in the next succeeding fiscal year that the General Revenue Fund has a positive budgetary balance, as determined by generally accepted accounting principles applicable to government.

The additional amounts authorized for expenditure by the Secretary of State and the Department of State Police in this Section by this amendatory Act of the 93rd General Assembly shall be repaid to the Road Fund from the General Revenue Fund in the next succeeding fiscal year that the General Revenue Fund has a positive budgetary balance, as determined by generally accepted accounting principles applicable to government.

(Source: P.A. 92-600, eff. 6-28-02; 93-25, eff. 6-20-03.)

(30 ILCS 105/9) (from Ch. 127, par. 145)

Sec. 9. (a) No disbursements from appropriations shall be made for rental or purchase of office or other space, buildings or land, except in pursuance of a written lease or purchase contract entered into by the proper State authority and the owner or authorized agent of the property. Such lease shall not

exceed 5 years unless a greater term is authorized by law, but such lease may contain a renewal clause subject to acceptance by the State after that date or an option to purchase. Such purchase contract may provide for the title to the property to transfer immediately to the State or a trustee or nominee for the benefit of the State and for the consideration to be paid in installments to be made at stated intervals during a certain term not to exceed 30 years from the date of the contract and may provide for the payment of interest on the unpaid balance at a rate that does not exceed a rate determined by adding 3 percentage points to the annual yield on United States Treasury obligations of comparable maturity as most recently published in the Wall Street Journal at the time such contract is signed. Such lease or purchase contract shall be and shall recite that it is subject to termination and cancellation in any year for which the General Assembly fails to make an appropriation to pay the rent or purchase installments payable under the terms of such lease or purchase contract. Additionally such purchase contract shall specify that title to the office and storage space, buildings, land and other facilities being acquired under such a contract shall revert to the Seller in the event of the failure of the General Assembly to appropriate suitable funds. This limitation does not apply to leases for office or other space, buildings, or land, where such leases or purchase contracts contain a provision limiting the liability for the payment of the rental or installments thereunder solely to funds received from the Federal Government. A copy of each such lease or purchase contract shall be filed in the office of the Secretary of State within 15 days after execution.

(b) The State shall not enter into any third-party vendor or other arrangement relating to the issuance of certificates of participation or other forms of financing relating to the rental or purchase of office or other space, buildings, or land unless otherwise authorized by law. ~~through the Bureau of the Budget for real property and improvements and personal property related thereto, and through the Department of Central~~

~~Management Services for personal property, may issue or cause to be issued certificates of participation or similar instruments representing the right to receive a proportionate share in lease purchase or installment purchase payments to be made by or for the benefit of one or more State agencies for the acquisition or improvement of real or personal property, or refinancing of such property or payment of expenses related to the issuance. The total principal amount of the certificates issued or caused to be issued pursuant to this Section for acquisition of real property shall not exceed \$125,000,000. Certificates issued or caused to be issued pursuant to this Section shall mean certificates heretofore or hereafter signed and delivered by the State or signed and delivered by a trustee or fiscal agent pursuant to the written direction of the State. Nothing in this Section shall (i) prohibit or restrict the issuance of or affect the validity or enforceability of certificates heretofore or hereafter signed and delivered by any lessor or seller or an assignee of either under a lease purchase or installment purchase contract with the State or signed and delivered by a trustee or fiscal agent pursuant to the written direction of such lessor or seller or an assignee of either, or (ii) affect the validity or enforceability of any such lease purchase or installment purchase contract.~~

~~(1) Certificates may be issued or caused to be issued pursuant to this Section if the Director of the Bureau of the Budget determines that it is financially desirable and in the best interest of the State to use certificates of participation to finance or refinance installment purchase or lease purchase contracts entered into by State departments, agencies, or universities or to refund or advance refund prior issuances of certificates of participation or similar instruments including certificates of participation issued under this Section and certificates of participation issued before the effective date of this amendatory Act of 1997. The State, through the Bureau of the Budget for real property and~~

~~improvements and personal property related thereto, and through the Department of Central Management Services for personal property, may enter into arrangements for issuing, securing, and marketing certificates of participation, including agreements, trust indentures and other arrangements necessary or desirable to carry out the foregoing, and any reserve funds or other amounts securing the certificates may be held and invested as provided in such agreements and trust indentures.~~

~~(2) Certificates of participation or similar instruments issued or caused to be issued pursuant to this Section and the underlying lease purchase or installment purchase contracts shall not constitute or create debt of the State as defined in the Illinois Constitution, nor a contractual obligation in excess of the amounts appropriated therefor, and the State shall have no continuing obligation to appropriate money for said payments or other obligations due under the lease purchase or installment purchase contracts; provided, however, that the Governor shall include in the annual budget request to the General Assembly for each relevant fiscal year appropriations sufficient to permit payment of all amounts which will be due and payable during the fiscal year with respect to certificates of participation issued or caused to be issued pursuant to this Section.~~

~~(3) The maximum term of certificates of participation issued to finance personal property shall be 10 years. The maximum term of certificates of participation to finance the acquisition or improvement of real property shall be 25 years. In no event, however, shall the term exceed the expected useful life of the property being financed, with the term calculated from the date of delivery, with respect to personal property, and the date of occupancy, with respect to real property.~~

~~(4) Ten days before the issuance of certificates of participation under this Section, the Director of the~~

~~Bureau of the Budget for real property and improvements and personal property related thereto and the Department of Central Management Services for personal property shall transmit to the Executive Director of the Economic and Fiscal Commission, to the Auditor General, to the President of the Senate, the Minority Leader of the Senate, the Speaker of the House of Representatives, and the Minority Leader of the House of Representatives, to the Chairs of the Appropriations Committees, and to the Secretary of the Senate and Clerk of the House a notice providing the following information pertaining to the property to be financed by the certificates:~~

- ~~(1) The agency and program procuring the property.~~
- ~~(2) A brief description of the property.~~
- ~~(3) The estimated cost of the property if purchased outright.~~
- ~~(4) The estimated terms of the financings.~~
- ~~(5) The estimated total lease or installment purchase payments for property.~~
- ~~(6) The estimated lease or installment purchase payments by fiscal year for the current fiscal year and the next 5 fiscal years.~~
- ~~(7) The anticipated source of funds to make lease or installment purchase payments.~~
- ~~(8) Those items not anticipated to be financed upon enactment of the budget for the fiscal year.~~

~~A copy of the Preliminary Official Statement shall also be transmitted to the Executive Director of the Economic and Fiscal Commission, to the Auditor General, to the President of the Senate, the Minority Leader of the Senate, the Speaker of the House of Representatives, the Minority Leader of the House of Representatives, to the Chairs of the Appropriations Committees, and to the Secretary of the Senate and Clerk of the House at the time it is submitted for publication. After the issuance of the certificates, a copy of the final official statement accompanying the issuance shall be filed with the~~

~~Economic and Fiscal Commission, with the Auditor General, with the President of the Senate, the Minority Leader of the Senate, the Speaker of the House of Representatives, and the Minority Leader of the House of Representatives, with the Chairs of the Appropriations Committees, and with the Secretary of the Senate and Clerk of the House.~~

~~(5) The Bureau of the Budget may, based on a cost benefit analysis, issue general obligation bonds to finance or refinance installment purchase or lease purchase contracts entered into by State departments, agencies, or universities or to refund or advance refund prior issuances of certificates of participation or similar instruments, including certificates of participation issued under this Section and certificates of participation issued before the effective date of this amendatory Act of 1997.~~

~~(6) The Department of Central Management Services may promulgate rules governing its issuance and conditions of use of certificates of participation and similar instruments.~~

(c) Amounts paid from appropriations for personal service of any officer or employee of the State, either temporary or regular, shall be considered as full payment for all services rendered between the dates specified in the payroll or other voucher and no additional sum shall be paid to such officer or employee from any lump sum appropriation, appropriation for extra help or other purpose or any accumulated balances in specific appropriations, which payments would constitute in fact an additional payment for work already performed and for which remuneration had already been made, except that wage payments made pursuant to the application of the prevailing rate principle or based upon the effective date of a collective bargaining agreement between the State, or a State agency and an employee group, or payment of funds as an adjustment to wages paid employees or officers of the State for the purpose of correcting a clerical or administrative error or oversight

or pursuant to a backpay order issued by an appropriate State or federal administrative or judicial body or officer shall not be construed as an additional payment for work already performed.

(d) Disbursements from appropriations which are subject to the approval or certification of the Department of Central Management Services are subject to the following restrictions.

Payments for personal service except for positions specified in all appropriation Acts shall be made in conformity with schedules and amendments thereto submitted by the respective officers and approved by the Department of Central Management Services before becoming effective. Such schedules and amendments thereto may set up groups of employment showing the approximate number to be employed, with fixed or minimum and maximum salary rates.

This Section is subject to the provisions of Section 9.02.
(Source: P.A. 90-520, eff. 6-1-98; revised 8-23-03.)

(30 ILCS 105/13.2) (from Ch. 127, par. 149.2)

Sec. 13.2. Transfers among line item appropriations.

(a) Transfers among line item appropriations from the same treasury fund for the objects specified in this Section may be made in the manner provided in this Section when the balance remaining in one or more such line item appropriations is insufficient for the purpose for which the appropriation was made.

(a-1) No transfers may be made from one agency to another agency, nor may transfers be made from one institution of higher education to another institution of higher education.

(a-2) Except as otherwise provided in this Section, ~~transfers~~ ~~Transfers~~ may be made only among the objects of expenditure enumerated in this Section, except that no funds may be transferred from any appropriation for personal services, from any appropriation for State contributions to the State Employees' Retirement System, from any separate appropriation for employee retirement contributions paid by

the employer, nor from any appropriation for State contribution for employee group insurance. During State fiscal year 2005, an agency may transfer amounts among its appropriations within the same treasury fund for personal services, employee retirement contributions paid by employer, and State Contributions to retirement systems; notwithstanding and in addition to the transfers authorized in subsection (c) of this Section, the fiscal year 2005 transfers authorized in this sentence may be made in an amount not to exceed 2% of the aggregate amount appropriated to an agency within the same treasury fund.

(a-3) Further, if an agency receives a separate appropriation for employee retirement contributions paid by the employer, any transfer by that agency into an appropriation for personal services must be accompanied by a corresponding transfer into the appropriation for employee retirement contributions paid by the employer, in an amount sufficient to meet the employer share of the employee contributions required to be remitted to the retirement system.

(b) In addition to the general transfer authority provided under subsection (c), the following agencies have the specific transfer authority granted in this subsection:

The Illinois Department of Public Aid is authorized to make transfers representing savings attributable to not increasing grants due to the births of additional children from line items for payments of cash grants to line items for payments for employment and social services for the purposes outlined in subsection (f) of Section 4-2 of the Illinois Public Aid Code.

The Department of Children and Family Services is authorized to make transfers not exceeding 2% of the aggregate amount appropriated to it within the same treasury fund for the following line items among these same line items: Foster Home and Specialized Foster Care and Prevention, Institutions and Group Homes and Prevention, and Purchase of Adoption and Guardianship Services.

The Department on Aging is authorized to make transfers not exceeding 2% of the aggregate amount appropriated to it within

the same treasury fund for the following Community Care Program line items among these same line items: Homemaker and Senior Companion Services, Case Coordination Units, and Adult Day Care Services.

The State Treasurer is authorized to make transfers among line item appropriations from the Capital Litigation Trust Fund, with respect to costs incurred in fiscal years 2002 and 2003 only, when the balance remaining in one or more such line item appropriations is insufficient for the purpose for which the appropriation was made, provided that no such transfer may be made unless the amount transferred is no longer required for the purpose for which that appropriation was made.

(c) The sum of such transfers for an agency in a fiscal year shall not exceed 2% of the aggregate amount appropriated to it within the same treasury fund for the following objects: Personal Services; Extra Help; Student and Inmate Compensation; State Contributions to Retirement Systems; State Contributions to Social Security; State Contribution for Employee Group Insurance; Contractual Services; Travel; Commodities; Printing; Equipment; Electronic Data Processing; Operation of Automotive Equipment; Telecommunications Services; Travel and Allowance for Committed, Paroled and Discharged Prisoners; Library Books; Federal Matching Grants for Student Loans; Refunds; Workers' Compensation, Occupational Disease, and Tort Claims; and, in appropriations to institutions of higher education, Awards and Grants. Notwithstanding the above, any amounts appropriated for payment of workers' compensation claims to an agency to which the authority to evaluate, administer and pay such claims has been delegated by the Department of Central Management Services may be transferred to any other expenditure object where such amounts exceed the amount necessary for the payment of such claims.

(c-1) Special provisions for State fiscal year 2003. Notwithstanding any other provision of this Section to the contrary, for State fiscal year 2003 only, transfers among line

item appropriations to an agency from the same treasury fund may be made provided that the sum of such transfers for an agency in State fiscal year 2003 shall not exceed 3% of the aggregate amount appropriated to that State agency for State fiscal year 2003 for the following objects: personal services, except that no transfer may be approved which reduces the aggregate appropriations for personal services within an agency; extra help; student and inmate compensation; State contributions to retirement systems; State contributions to social security; State contributions for employee group insurance; contractual services; travel; commodities; printing; equipment; electronic data processing; operation of automotive equipment; telecommunications services; travel and allowance for committed, paroled, and discharged prisoners; library books; federal matching grants for student loans; refunds; workers' compensation, occupational disease, and tort claims; and, in appropriations to institutions of higher education, awards and grants.

(c-2) Special provisions for State fiscal year 2005. Notwithstanding subsections (a), (a-2), and (c), for State fiscal year 2005 only, transfers may be made among any line item appropriations from the same or any other treasury fund for any objects or purposes, without limitation, when the balance remaining in one or more such line item appropriations is insufficient for the purpose for which the appropriation was made, provided that the sum of those transfers by a State agency shall not exceed 4% of the aggregate amount appropriated to that State agency for fiscal year 2005.

(d) Transfers among appropriations made to agencies of the Legislative and Judicial departments and to the constitutionally elected officers in the Executive branch require the approval of the officer authorized in Section 10 of this Act to approve and certify vouchers. Transfers among appropriations made to the University of Illinois, Southern Illinois University, Chicago State University, Eastern Illinois University, Governors State University, Illinois

State University, Northeastern Illinois University, Northern Illinois University, Western Illinois University, the Illinois Mathematics and Science Academy and the Board of Higher Education require the approval of the Board of Higher Education and the Governor. Transfers among appropriations to all other agencies require the approval of the Governor.

The officer responsible for approval shall certify that the transfer is necessary to carry out the programs and purposes for which the appropriations were made by the General Assembly and shall transmit to the State Comptroller a certified copy of the approval which shall set forth the specific amounts transferred so that the Comptroller may change his records accordingly. The Comptroller shall furnish the Governor with information copies of all transfers approved for agencies of the Legislative and Judicial departments and transfers approved by the constitutionally elected officials of the Executive branch other than the Governor, showing the amounts transferred and indicating the dates such changes were entered on the Comptroller's records.

(Source: P.A. 92-600, eff. 6-28-02; 92-885, eff. 1-13-03; 93-680, eff. 7-1-04.)

(30 ILCS 105/14) (from Ch. 127, par. 150)

Sec. 14. The item "personal services", when used in an appropriation Act, means the reward or recompense made for personal services rendered for the State by an officer or employee of the State or of an instrumentality thereof, or for the purpose of Section 14a of this Act, or any amount required or authorized to be deducted from the salary of any such person under the provisions of Section 30c of this Act, or any retirement or tax law, or both, or deductions from the salary of any such person under the Social Security Enabling Act or deductions from the salary of such person pursuant to the Voluntary Payroll Deductions Act of 1983.

If no home is furnished to a person who is a full-time chaplain employed by the State or a former full-time chaplain

retired from State employment, 20% of the salary or pension paid to that person for his personal services to the State as chaplain are considered to be a rental allowance paid to him to rent or otherwise provide a home. This amendatory Act of 1973 applies to State salary amounts received after December 31, 1973.

When any appropriation payable from trust funds or federal funds includes an item for personal services but does not include a separate item for State contribution for employee group insurance, the State contribution for employee group insurance in relation to employees paid under that personal services line item shall also be payable under that personal services line item.

When any appropriation payable from trust funds or federal funds includes an item for personal services but does not include a separate item for employee retirement contributions paid by the employer, the State contribution for employee retirement contributions paid by the employer in relation to employees paid under that personal services line item shall also be payable under that personal services line item.

The item "personal services", when used in an appropriation Act, shall also mean and include a payment to a State retirement system by a State agency to discharge a debt arising from the over-refund to an employee of retirement contributions. The payment to a State retirement system authorized by this paragraph shall not be construed to release the employee from his or her obligation to return to the State the amount of the over-refund.

The item "personal services", when used in an appropriation Act, also includes a payment to reimburse the Department of Central Management Services for temporary total disability benefit payments in accordance with subdivision (9) of Section 405-105 of the Department of Central Management Services Law (20 ILCS 405/405-105).

Beginning July 1, 1993, the item "personal services" and related line items, when used in an appropriation Act or this

Act, shall also mean and include back wage claims of State officers and employees to the extent those claims have not been satisfied from the back wage appropriation to the Department of Central Management Services in the preceding fiscal year, as provided in Section 14b of this Act and subdivision (13) of Section 405-105 of the Department of Central Management Services Law (20 ILCS 405/405-105).

The item "personal services", when used with respect to State police officers in an appropriation Act, also includes a payment for the burial expenses of a State police officer killed in the line of duty, made in accordance with Section 12.2 of the State Police Act and any rules adopted under that Section.

For State fiscal year 2005, the item "personal services", when used in an appropriation Act, also includes payments for employee retirement contributions paid by the employer.

(Source: P.A. 90-178, eff. 7-23-97; 91-239, eff. 1-1-00.)

(30 ILCS 105/14c new)

Sec. 14c. Prescription drug benefits. For contracts entered into on or after the effective date of this amendatory Act of the 93rd General Assembly, no appropriation may be expended for prescription drug benefits under the State Employees Group Insurance Act of 1971 unless the benefit program allows all prescription drug benefits to be provided on the same terms and conditions by any willing provider that is qualified for network participation and is authorized to dispense prescription drugs.

(30 ILCS 105/24.11 new)

Sec. 24.11. "State contributions to Employees' Retirement System" defined. The item "State contributions to Employees' Retirement System", when used in an appropriation Act, shall include an additional amount determined by the State Employees' Retirement System to be paid over by the State Employees' Retirement System to the General Obligation Bond Retirement and

Interest Fund to be used to pay principal of and interest on those general obligation bonds due that fiscal year authorized by subsection (a) of Section 7.2 of the General Obligation Bond Act and issued to provide the proceeds deposited by the State with the State Employees' Retirement System in July 2003, representing deposits other than amounts reserved under subsection (c) of Section 7.2 of the General Obligation Bond Act.

(30 ILCS 105/25) (from Ch. 127, par. 161)

Sec. 25. Fiscal year limitations.

(a) All appropriations shall be available for expenditure for the fiscal year or for a lesser period if the Act making that appropriation so specifies. A deficiency or emergency appropriation shall be available for expenditure only through June 30 of the year when the Act making that appropriation is enacted unless that Act otherwise provides.

(b) Outstanding liabilities as of June 30, payable from appropriations which have otherwise expired, may be paid out of the expiring appropriations during the 2-month period ending at the close of business on August 31. Any service involving professional or artistic skills or any personal services by an employee whose compensation is subject to income tax withholding must be performed as of June 30 of the fiscal year in order to be considered an "outstanding liability as of June 30" that is thereby eligible for payment out of the expiring appropriation.

However, payment of tuition reimbursement claims under Section 14-7.03 or 18-3 of the School Code may be made by the State Board of Education from its appropriations for those respective purposes for any fiscal year, even though the claims reimbursed by the payment may be claims attributable to a prior fiscal year, and payments may be made at the direction of the State Superintendent of Education from the fund from which the appropriation is made without regard to any fiscal year limitations.

Medical payments may be made by the Department of Veterans' Affairs from its appropriations for those purposes for any fiscal year, without regard to the fact that the medical services being compensated for by such payment may have been rendered in a prior fiscal year.

Medical payments may be made by the Department of Public Aid and child care payments may be made by the Department of Human Services (as successor to the Department of Public Aid) from appropriations for those purposes for any fiscal year, without regard to the fact that the medical or child care services being compensated for by such payment may have been rendered in a prior fiscal year; and payments may be made at the direction of the Department of Central Management Services from the Health Insurance Reserve Fund and the Local Government Health Insurance Reserve Fund without regard to any fiscal year limitations.

Additionally, payments may be made by the Department of Human Services from its appropriations, or any other State agency from its appropriations with the approval of the Department of Human Services, from the Immigration Reform and Control Fund for purposes authorized pursuant to the Immigration Reform and Control Act of 1986, without regard to any fiscal year limitations.

Further, with respect to costs incurred in fiscal years 2002 and 2003 only, payments may be made by the State Treasurer from its appropriations from the Capital Litigation Trust Fund without regard to any fiscal year limitations.

Lease payments may be made by the Department of Central Management Services under the sale and leaseback provisions of Section 7.4 of the State Property Control Act with respect to the James R. Thompson Center and the Elgin Mental Health Center and surrounding land from appropriations for that purpose without regard to any fiscal year limitations.

Lease payments may be made under the sale and leaseback provisions of Section 7.5 of the State Property Control Act with respect to the Illinois State Toll Highway Authority

headquarters building and surrounding land without regard to any fiscal year limitations.

(c) Further, payments may be made by the Department of Public Health and the Department of Human Services (acting as successor to the Department of Public Health under the Department of Human Services Act) from their respective appropriations for grants for medical care to or on behalf of persons suffering from chronic renal disease, persons suffering from hemophilia, rape victims, and premature and high-mortality risk infants and their mothers and for grants for supplemental food supplies provided under the United States Department of Agriculture Women, Infants and Children Nutrition Program, for any fiscal year without regard to the fact that the services being compensated for by such payment may have been rendered in a prior fiscal year.

(d) The Department of Public Health and the Department of Human Services (acting as successor to the Department of Public Health under the Department of Human Services Act) shall each annually submit to the State Comptroller, Senate President, Senate Minority Leader, Speaker of the House, House Minority Leader, and the respective Chairmen and Minority Spokesmen of the Appropriations Committees of the Senate and the House, on or before December 31, a report of fiscal year funds used to pay for services provided in any prior fiscal year. This report shall document by program or service category those expenditures from the most recently completed fiscal year used to pay for services provided in prior fiscal years.

(e) The Department of Public Aid and the Department of Human Services (acting as successor to the Department of Public Aid) shall each annually submit to the State Comptroller, Senate President, Senate Minority Leader, Speaker of the House, House Minority Leader, the respective Chairmen and Minority Spokesmen of the Appropriations Committees of the Senate and the House, on or before November 30, a report that shall document by program or service category those expenditures from the most recently completed fiscal year used to pay for (i)

services provided in prior fiscal years and (ii) services for which claims were received in prior fiscal years.

(f) The Department of Human Services (as successor to the Department of Public Aid) shall annually submit to the State Comptroller, Senate President, Senate Minority Leader, Speaker of the House, House Minority Leader, and the respective Chairmen and Minority Spokesmen of the Appropriations Committees of the Senate and the House, on or before December 31, a report of fiscal year funds used to pay for services (other than medical care) provided in any prior fiscal year. This report shall document by program or service category those expenditures from the most recently completed fiscal year used to pay for services provided in prior fiscal years.

(g) In addition, each annual report required to be submitted by the Department of Public Aid under subsection (e) shall include the following information with respect to the State's Medicaid program:

(1) Explanations of the exact causes of the variance between the previous year's estimated and actual liabilities.

(2) Factors affecting the Department of Public Aid's liabilities, including but not limited to numbers of aid recipients, levels of medical service utilization by aid recipients, and inflation in the cost of medical services.

(3) The results of the Department's efforts to combat fraud and abuse.

(h) As provided in Section 4 of the General Assembly Compensation Act, any utility bill for service provided to a General Assembly member's district office for a period including portions of 2 consecutive fiscal years may be paid from funds appropriated for such expenditure in either fiscal year.

(i) An agency which administers a fund classified by the Comptroller as an internal service fund may issue rules for:

(1) billing user agencies in advance for payments or authorized inter-fund transfers based on estimated charges

for goods or services;

(2) issuing credits, refunding through inter-fund transfers, or reducing future inter-fund transfers during the subsequent fiscal year for all user agency payments or authorized inter-fund transfers received during the prior fiscal year which were in excess of the final amounts owed by the user agency for that period; and

(3) issuing catch-up billings to user agencies during the subsequent fiscal year for amounts remaining due when payments or authorized inter-fund transfers received from the user agency during the prior fiscal year were less than the total amount owed for that period.

User agencies are authorized to reimburse internal service funds for catch-up billings by vouchers drawn against their respective appropriations for the fiscal year in which the catch-up billing was issued or by increasing an authorized inter-fund transfer during the current fiscal year. For the purposes of this Act, "inter-fund transfers" means transfers without the use of the voucher-warrant process, as authorized by Section 9.01 of the State Comptroller Act.

(Source: P.A. 92-885, eff. 1-13-03; 93-19, eff. 6-20-03.)

Section 10-105. The State Officers and Employees Money Disposition Act is amended by adding Section 5a as follows:

(30 ILCS 230/5a new)

Sec. 5a. The Secretary of State shall deposit all fees into the funds specified in the statute imposing or authorizing the fee no more than 30 days after receipt of the fee by the Secretary of State.

Section 10-110. The General Obligation Bond Act is amended by changing Sections 2, 8, 9, 11, and 16 and by adding Sections 2.5, 15.5, and 21 as follows:

(30 ILCS 330/2) (from Ch. 127, par. 652)

Sec. 2. Authorization for Bonds. The State of Illinois is authorized to issue, sell and provide for the retirement of General Obligation Bonds of the State of Illinois for the categories and specific purposes expressed in Sections 2 through 8 of this Act, in the total amount of \$27,658,149,369.

The bonds authorized in this Section 2 and in Section 16 of this Act are herein called "Bonds".

Of the total amount of Bonds authorized in this Act, up to \$2,200,000,000 in aggregate original principal amount may be issued and sold in accordance with the Baccalaureate Savings Act in the form of General Obligation College Savings Bonds.

Of the total amount of Bonds authorized in this Act, up to \$300,000,000 in aggregate original principal amount may be issued and sold in accordance with the Retirement Savings Act in the form of General Obligation Retirement Savings Bonds.

Of the total amount of Bonds authorized in this Act, the additional \$10,000,000,000 authorized by this amendatory Act of the 93rd General Assembly shall be used solely as provided in Section 7.2.

The issuance and sale of Bonds pursuant to the General Obligation Bond Act is an economical and efficient method of financing the long-term capital ~~and general operating~~ needs of the State. This Act will permit the issuance of a multi-purpose General Obligation Bond with uniform terms and features. This will not only lower the cost of registration but also reduce the overall cost of issuing debt by improving the marketability of Illinois General Obligation Bonds.

(Source: P.A. 92-13, eff. 6-22-01; 92-596, eff. 6-28-02; 92-598, eff. 6-28-02; 93-2, eff. 4-7-03.)

(30 ILCS 330/2.5 new)

Sec. 2.5. Limitation on issuance of Bonds.

(a) Except as provided in subsection (b), no Bonds may be issued if, after the issuance, in the next State fiscal year after the issuance of the Bonds, the amount of debt service (including principal, whether payable at maturity or pursuant

to mandatory sinking fund installments, and interest) on all then-outstanding Bonds would exceed 7% of the aggregate appropriations from the general funds (which consist of the General Revenue Fund, the Common School Fund, the General Revenue Common School Special Account Fund, and the Education Assistance Fund) and the Road Fund for the fiscal year immediately prior to the fiscal year of the issuance.

(b) If the Comptroller and Treasurer each consent in writing, Bonds may be issued even if the issuance does not comply with subsection (a).

(30 ILCS 330/8) (from Ch. 127, par. 658)

Sec. 8. Bond sale expenses; ~~capitalized interest.~~

(a) An amount not to exceed 0.5 percent of the principal amount of the proceeds of sale of each bond sale is authorized to be used to pay the reasonable costs of issuance and sale, including, without limitation, underwriter's discounts and fees, but excluding bond insurance, of State of Illinois general obligation bonds authorized and sold pursuant to this Act, provided that no salaries of State employees or other State office operating expenses shall be paid out of non-appropriated proceeds. The Governor's Office of Management and Budget shall compile a summary of all costs of issuance on each sale (including both costs paid out of proceeds and those paid out of appropriated funds) and post that summary on its web site within 20 business days after the issuance of the Bonds. The summary shall include, as applicable, the respective percentages of participation and compensation of each underwriter that is a member of the underwriting syndicate, legal counsel, financial advisors, and other professionals for the bond issue and an identification of all costs of issuance paid to minority owned businesses, female owned businesses, and businesses owned by persons with disabilities. The terms "minority owned businesses", "female owned businesses", and "business owned by a person with a disability" have the meanings given to those terms in the Business Enterprise for

Minorities, Females, and Persons with Disabilities Act. That posting shall be maintained on the web site for a period of at least 30 days. In addition, the Governor's Office of Management and Budget shall provide a written copy of each summary of costs to the Speaker and Minority Leader of the House of Representatives, the President and Minority Leader of the Senate, and the Illinois Economic and Fiscal Commission within 20 business days after each issuance of the Bonds. In addition, the Governor's Office of Management and Budget shall provide copies of all contracts under which any costs of issuance are paid or to be paid to the Illinois Economic and Fiscal Commission within 20 business days after the issuance of Bonds for which those costs are paid or to be paid. Instead of filing a second or subsequent copy of the same contract, the Governor's Office of Management and Budget may file a statement that specified costs are paid under specified contracts filed earlier with the Commission.

(b) The Director of the Governor's Office of Management and Budget shall not, in connection with the issuance of Bonds, contract with any underwriter, financial advisor, or attorney unless that underwriter, financial advisor, or attorney certifies that the underwriter, financial advisor, or attorney has not and will not pay a contingent fee, whether directly or indirectly, to a third party for having promoted the selection of the underwriter, financial advisor, or attorney for that contract. In the event that the Governor's Office of Management and Budget determines that an underwriter, financial advisor, or attorney has filed a false certification with respect to the payment of contingent fees, the Governor's Office of Management and Budget shall not contract with that underwriter, financial advisor, or attorney, or with any firm employing any person who signed false certifications, for a period of 2 calendar years, beginning with the date the determination is made. The validity of Bonds issued under such circumstances of violation pursuant to this Section shall not be affected. ~~The Bond Sale Order may provide for a portion of the proceeds of the bond sale,~~

~~representing up to 12 months' interest on the bonds, to be deposited directly into the capitalized interest account of the General Obligation Bond Retirement and Interest Fund.~~

(Source: P.A. 93-2, eff. 4-7-03.)

(30 ILCS 330/9) (from Ch. 127, par. 659)

Sec. 9. Conditions for Issuance and Sale of Bonds - Requirements for Bonds.

(a) Except as otherwise provided in this subsection, Bonds ~~Bonds~~ shall be issued and sold from time to time, in one or more series, in such amounts and at such prices as may be directed by the Governor, upon recommendation by the Director of the Governor's Office of Management and Budget. Bonds shall be in such form (either coupon, registered or book entry), in such denominations, payable within 25 ~~30~~ years from their date, subject to such terms of redemption with or without premium, bear interest payable at such times and at such fixed or variable rate or rates, and be dated as shall be fixed and determined by the Director of the Governor's Office of Management and Budget in the order authorizing the issuance and sale of any series of Bonds, which order shall be approved by the Governor and is herein called a "Bond Sale Order"; provided however, that interest payable at fixed or variable rates shall not exceed that permitted in the Bond Authorization Act, as now or hereafter amended. Bonds shall be payable at such place or places, within or without the State of Illinois, and may be made registrable as to either principal or as to both principal and interest, as shall be specified in the Bond Sale Order. Bonds may be callable or subject to purchase and retirement or tender and remarketing as fixed and determined in the Bond Sale Order. Bonds must be issued with principal or mandatory redemption amounts in equal amounts, with the first maturity issued occurring within the fiscal year in which the Bonds are issued or within the next succeeding fiscal year, with Bonds issued maturing or subject to mandatory redemption each fiscal year thereafter up to 25 years.

In the case of any series of Bonds bearing interest at a variable interest rate ("Variable Rate Bonds"), in lieu of determining the rate or rates at which such series of Variable Rate Bonds shall bear interest and the price or prices at which such Variable Rate Bonds shall be initially sold or remarketed (in the event of purchase and subsequent resale), the Bond Sale Order may provide that such interest rates and prices may vary from time to time depending on criteria established in such Bond Sale Order, which criteria may include, without limitation, references to indices or variations in interest rates as may, in the judgment of a remarketing agent, be necessary to cause Variable Rate Bonds of such series to be remarketable from time to time at a price equal to their principal amount, and may provide for appointment of a bank, trust company, investment bank, or other financial institution to serve as remarketing agent in that connection. The Bond Sale Order may provide that alternative interest rates or provisions for establishing alternative interest rates, different security or claim priorities, or different call or amortization provisions will apply during such times as Variable Rate Bonds of any series are held by a person providing credit or liquidity enhancement arrangements for such Bonds as authorized in subsection (b) of this Section. The Bond Sale Order may also provide for such variable interest rates to be established pursuant to a process generally known as an auction rate process and may provide for appointment of one or more financial institutions to serve as auction agents and broker-dealers in connection with the establishment of such interest rates and the sale and remarketing of such Bonds.

(b) In connection with the issuance of any series of Bonds, the State may enter into arrangements to provide additional security and liquidity for such Bonds, including, without limitation, bond or interest rate insurance or letters of credit, lines of credit, bond purchase contracts, or other arrangements whereby funds are made available to retire or purchase Bonds, thereby assuring the ability of owners of the

Bonds to sell or redeem their Bonds. The State may enter into contracts and may agree to pay fees to persons providing such arrangements, but only under circumstances where the Director of the Governor's Office of Management and Budget certifies that he or she reasonably expects the total interest paid or to be paid on the Bonds, together with the fees for the arrangements (being treated as if interest), would not, taken together, cause the Bonds to bear interest, calculated to their stated maturity, at a rate in excess of the rate that the Bonds would bear in the absence of such arrangements.

The State may, with respect to Bonds issued or anticipated to be issued, participate in and enter into arrangements with respect to interest rate protection or exchange agreements, guarantees, or financial futures contracts for the purpose of limiting, reducing, or managing interest rate exposure. The authority granted under this paragraph, however, shall not increase the principal amount of Bonds authorized to be issued by law. The arrangements may be executed and delivered by the Director of the Governor's Office of Management and Budget on behalf of the State. Net payments for such arrangements shall constitute interest on the Bonds and shall be paid from the General Obligation Bond Retirement and Interest Fund. The Director of the Governor's Office of Management and Budget shall at least annually certify to the Governor and the State Comptroller his or her estimate of the amounts of such net payments to be included in the calculation of interest required to be paid by the State.

(c) Prior to the issuance of any Variable Rate Bonds pursuant to subsection (a), the Director of the Governor's Office of Management and Budget shall adopt an interest rate risk management policy providing that the amount of the State's variable rate exposure with respect to Bonds shall not exceed 20%. This policy shall remain in effect while any Bonds are outstanding and the issuance of Bonds shall be subject to the terms of such policy. The terms of this policy may be amended from time to time by the Director of the Governor's Office of

Management and Budget but in no event shall any amendment cause the permitted level of the State's variable rate exposure with respect to Bonds to exceed 20%.

(Source: P.A. 92-16, eff. 6-28-01; 93-9, eff. 6-3-03; 93-666, eff. 3-5-04.)

(30 ILCS 330/11) (from Ch. 127, par. 661)

Sec. 11. Sale of Bonds. Except as otherwise provided in this Section, Bonds shall be sold from time to time pursuant to notice of sale and public bid or by negotiated sale in such amounts and at such times as is directed by the Governor, upon recommendation by the Director of the Governor's Office of Management and Budget. At least 25%, based on total principal amount, of all Bonds issued each fiscal year shall be sold pursuant to notice of sale and public bid. At all times during each fiscal year, no more than 75%, based on total principal amount, of the Bonds issued each fiscal year, shall have been sold by negotiated sale. Failure to satisfy the requirements in the preceding 2 sentences shall not affect the validity of any previously issued Bonds ~~Bureau of the Budget.~~

If any Bonds, including refunding Bonds, are to be sold by negotiated sale, the Director of the Governor's Office of Management and Budget ~~Bureau of the Budget~~ shall comply with the competitive request for proposal process set forth in the Illinois Procurement Code and all other applicable requirements of that Code.

If Bonds are to be sold pursuant to notice of sale and public bid, the Director of the Governor's Office of Management and Budget ~~Bureau of the Budget~~ shall, from time to time, as Bonds are to be sold, advertise the sale of the Bonds in at least 2 ~~two~~ daily newspapers, one of which is published in the City of Springfield and one in the City of Chicago. The sale of the Bonds shall also be advertised in the volume of the Illinois Procurement Bulletin that is published by the Department of Central Management Services. Each of the advertisements for proposals shall be published once at least

10 days prior to the date fixed for the opening of the bids. The Director of the Governor's Office of Management and Budget Bureau of the Budget may reschedule the date of sale upon the giving of such additional notice as the Director deems adequate to inform prospective bidders of such change; provided, however, that all other conditions of the sale shall continue as originally advertised.

Executed Bonds shall, upon payment therefor, be delivered to the purchaser, and the proceeds of Bonds shall be paid into the State Treasury as directed by Section 12 of this Act.

(Source: P.A. 91-39, eff. 6-15-99; revised 8-23-03.)

(30 ILCS 330/15.5 new)

Sec. 15.5. Compliance with the Business Enterprise for Minorities, Females, and Persons with Disabilities Act. Notwithstanding any other provision of law, the Governor's Office of Management and Budget shall comply with the Business Enterprise for Minorities, Females, and Persons with Disabilities Act.

(30 ILCS 330/16) (from Ch. 127, par. 666)

Sec. 16. Refunding Bonds. The State of Illinois is authorized to issue, sell, and provide for the retirement of General Obligation Bonds of the State of Illinois in the amount of \$2,839,025,000, at any time and from time to time outstanding, for the purpose of refunding any State of Illinois general obligation Bonds then outstanding, including the payment of any redemption premium thereon, any reasonable expenses of such refunding, any interest accrued or to accrue to the earliest or any subsequent date of redemption or maturity of such outstanding Bonds and any interest to accrue to the first interest payment on the refunding Bonds; provided that all non-refunding Bonds in an issue that includes such refunding Bonds shall mature no later than the final maturity date of Bonds being refunded; provided that no refunding Bonds shall be offered for sale unless the net present value of debt

service savings to be achieved by the issuance of the refunding Bonds is 3% or more of the principal amount of the refunding Bonds to be issued; and further provided that the maturities of the refunding Bonds shall not extend beyond the maturities of the Bonds they refund, so that for each fiscal year in the maturity schedule of a particular issue of refunding Bonds, the total amount of refunding principal maturing and redemption amounts due in that fiscal year and all prior fiscal years in that schedule shall be greater than or equal to the total amount of refunded principal and redemption amounts that had been due over that year and all prior fiscal years prior to the refunding.

~~Refunding Bonds may be sold from time to time pursuant to notice of sale and public bid or by negotiated sale in such amounts and at such times, as directed by the Governor, upon recommendation by the Director of the Bureau of the Budget.~~ The Governor shall notify the State Treasurer and Comptroller of such refunding. The proceeds received from the sale of refunding Bonds shall be used for the retirement at maturity or redemption of such outstanding Bonds on any maturity or redemption date and, pending such use, shall be placed in escrow, subject to such terms and conditions as shall be provided for in the Bond Sale Order relating to the Refunding Bonds. Proceeds not needed for deposit in an escrow account shall be deposited in the General Obligation Bond Retirement and Interest Fund. This Act shall constitute an irrevocable and continuing appropriation of all amounts necessary to establish an escrow account for the purpose of refunding outstanding general obligation Bonds and to pay the reasonable expenses of such refunding and of the issuance and sale of the refunding Bonds. Any such escrowed proceeds may be invested and reinvested in direct obligations of the United States of America, maturing at such time or times as shall be appropriate to assure the prompt payment, when due, of the principal of and interest and redemption premium, if any, on the refunded Bonds. After the terms of the escrow have been fully satisfied, any

remaining balance of such proceeds and interest, income and profits earned or realized on the investments thereof shall be paid into the General Revenue Fund. The liability of the State upon the Bonds shall continue, provided that the holders thereof shall thereafter be entitled to payment only out of the moneys deposited in the escrow account.

Except as otherwise herein provided in this Section, such refunding Bonds shall in all other respects be subject to the terms and conditions of this Act.

(Source: P.A. 91-39, eff. 6-15-99; 91-53, eff. 6-30-99; 91-710, eff. 5-17-00; revised 8-23-03.)

(30 ILCS 330/21 new)

Sec. 21. Truth in borrowing disclosures.

(a) Within 20 business days after the issuance of any Bonds under this Act, the Director of the Governor's Office of Management and Budget shall publish a truth in borrowing disclosure that discloses the total principal and interest payments to be paid on the Bonds over the full stated term of the Bonds. The disclosure also shall include principal and interest payments to be made by each fiscal year over the full stated term of the Bonds and total principal and interest payments to be made by each fiscal year on all other outstanding Bonds issued under this Act over the full stated terms of those Bonds.

(b) Within 20 business days after the issuance of any refunding bonds under Section 16 of this Act, the Director of the Governor's Office of Management and Budget shall publish a truth in borrowing disclosure that discloses the estimated present-valued savings to be obtained through the refunding, in total and by each fiscal year that the refunding Bonds may be outstanding.

(c) The disclosures required in subsections (a) and (b) shall be published by posting the disclosures for no less than 30 days on the web site of the Governor's Office of Management and Budget and by providing the disclosures in written form to

the Illinois Economic and Fiscal Commission. These disclosures shall be calculated assuming Bonds are not redeemed or refunded prior to their stated maturities. Amounts included in these disclosures as payment of interest on variable rate Bonds shall be computed at an interest rate equal to the rate at which the variable rate Bonds are first set upon issuance, plus 2.5%, after taking into account any credits permitted in the related indenture or other instrument against the amount of such interest for each fiscal year. Amounts included in these disclosures as payment of interest on variable rate Bonds shall include the amounts certified by the Director of the Governor's Office of Management and Budget under subsection (b) of Section 9 of this Act.

Section 10-115. The Metropolitan Civic Center Support Act is amended by changing Section 14 as follows:

(30 ILCS 355/14) (from Ch. 85, par. 1397g)

Sec. 14. (a) To provide for the manner of repayment of Bonds, the Governor shall include an appropriation in each annual State Budget of monies in such amount as shall be necessary and sufficient, for the period covered by such budget, to pay the interest, as it shall accrue, on all Bonds issued under this Act, to pay and discharge the principal of such Bonds as shall, by their terms fall due during such period and to pay a premium, if any, on Bonds to be redeemed prior to the maturity date and to replenish any reserve fund as may be required under any trust indenture.

(b) A separate fund in the State Treasury called the "Illinois Civic Center Bond Retirement and Interest Fund" is hereby created.

(c) The Governor's Office of Management and Budget ~~Department~~ shall pay subject to annual appropriation by the General Assembly the principal of, interest on, and premium, if any, on Bonds sold under this Act from the Bond Retirement Fund.

(Source: P.A. 84-245.)

Section 10-120. The Build Illinois Bond Act is amended by changing Sections 3, 5, 6, 8, 9, and 15 and by adding Sections 8.3 and 8.5 as follows:

(30 ILCS 425/3) (from Ch. 127, par. 2803)

Sec. 3. Findings. The General Assembly hereby makes the following findings and determinations:

(a) The issuance and sale of Bonds pursuant to this Act is an economical and efficient method of financing long-term capital needs, including certain of the purposes of the State, as set forth in Section 4 hereof.

(b) This Act will permit the issuance of Bonds, from time to time, for various purposes and with varying terms, features and conditions in order to enhance marketability and lower interest costs incurred by the State. Subsection (a) of Section 6 of this Act authorizes the issuance, from time to time, of Bonds in one or more series, in such principal amounts, bearing interest at such fixed rates or variable rates and having such other terms and provisions as designated State officers may fix and determine pursuant to the authority delegated under this Act. Subsection (b) of Section 6 of this Act authorizes, in connection with the issuance of and as security for any series of Bonds, the purchase of bond or interest rate insurance, the establishment of credit and liquidity enhancement arrangements with financial institutions, and participation in interest rate swaps or guarantee agreements or other arrangements to limit interest rate risk.

(c) The financing of the facilities and other purposes described in Section 4 of this Act through the issuance of Bonds will involve numerous expenditures over extended periods of time, all of which expenditures shall be made only pursuant to and in conformity with appropriations from Bond proceeds by the General Assembly prior to the making of such expenditures.

(d) Determinations with respect to (i) advantageous timing

and amounts of such expenditures for particular approved facilities or purposes, (ii) establishing an advantageous mix of short-term and long-term debt instruments under bond market conditions prevailing from time to time, and (iii) specific allocations of Bond proceeds to particular facilities and purposes should be based upon financial, engineering and construction management judgments made from time to time.

(e) The State's ability to issue Bonds from time to time, without further action by the General Assembly, in separate series, in various principal amounts and with various interest rates, maturities, redemption provisions and other terms will enhance the State's opportunities to obtain such financing as needed, upon favorable terms.

In order to provide for flexibility in meeting the financial, engineering and construction needs of the State and its agencies and departments and in order to provide continuing and adequate financing for the aforesaid purposes on favorable terms, the delegations of authority to the Governor, the Director of the Governor's Office of Management and Budget Bureau of the Budget, the State Comptroller, the State Treasurer and other officers of the State which are contained in this Act are necessary and desirable because this General Assembly cannot itself as understandingly, advantageously, expeditiously or conveniently exercise such authority and make such specific determinations.

(Source: P.A. 84-111; revised 8-23-03.)

(30 ILCS 425/5) (from Ch. 127, par. 2805)

Sec. 5. Bond Sale Expenses.

(a) An amount not to exceed 0.5% of the principal amount of the proceeds of the sale of each bond sale is authorized to be used to pay necessary to pay the reasonable costs of each issuance and sale of Bonds authorized and sold pursuant to this Act, including, without limitation, underwriter's discounts and fees, but excluding bond insurance, advertising, printing, bond rating, travel of outside vendors, security, delivery,

legal and financial advisory services, ~~insurance~~, initial fees of trustees, registrars, paying agents and other fiduciaries, initial costs of credit or liquidity enhancement arrangements, initial fees of indexing and remarketing agents, and initial costs of interest rate swaps, guarantees or arrangements to limit interest rate risk, as determined in the related Bond Sale Order, ~~is hereby authorized to be paid~~ from the proceeds of each Bond sale, provided that no salaries of State employees or other State office operating expenses shall be paid out of non-appropriated proceeds. The Governor's Office of Management and Budget shall compile a summary of all costs of issuance on each sale (including both costs paid out of proceeds and those paid out of appropriated funds) and post that summary on its web site within 20 business days after the issuance of the bonds. That posting shall be maintained on the web site for a period of at least 30 days. In addition, the Governor's Office of Management and Budget shall provide a written copy of each summary of costs to the Speaker and Minority Leader of the House of Representatives, the President and Minority Leader of the Senate, and the Illinois Economic and Fiscal Commission within 20 business days after each issuance of the bonds. This summary shall include, as applicable, the respective percentage of participation and compensation of each underwriter that is a member of the underwriting syndicate, legal counsel, financial advisors, and other professionals for the Bond issue, and an identification of all costs of issuance paid to minority owned businesses, female owned businesses, and businesses owned by persons with disabilities. The terms "minority owned businesses", "female owned businesses", and "business owned by a person with a disability" have the meanings given to those terms in the Business Enterprise for Minorities, Females, and Persons with Disabilities Act. In addition, the Governor's Office of Management and Budget shall provide copies of all contracts under which any costs of issuance are paid or to be paid to the Illinois Economic and Fiscal Commission within 20 business days after the issuance of

Bonds for which those costs are paid or to be paid. Instead of filing a second or subsequent copy of the same contract, the Governor's Office of Management and Budget may file a statement that specified costs are paid under specified contracts filed earlier with the Commission.

(b) The Director of the Governor's Office of Management and Budget shall not, in connection with the issuance of Bonds, contract with any underwriter, financial advisor, or attorney unless that underwriter, financial advisor, or attorney certifies that the underwriter, financial advisor, or attorney has not and will not pay a contingent fee, whether directly or indirectly, to any third party for having promoted the selection of the underwriter, financial advisor, or attorney for that contract. In the event that the Governor's Office of Management and Budget determines that an underwriter, financial advisor, or attorney has filed a false certification with respect to the payment of contingent fees, the Governor's Office of Management and Budget shall not contract with that underwriter, financial advisor, or attorney, or with any firm employing any person who signed false certifications, for a period of 2 calendar years, beginning with the date the determination is made. The validity of Bonds issued under such circumstances of violation pursuant to this Section shall not be affected.

(Source: P.A. 84-111.)

(30 ILCS 425/6) (from Ch. 127, par. 2806)

Sec. 6. Conditions for Issuance and Sale of Bonds - Requirements for Bonds - Master and Supplemental Indentures - Credit and Liquidity Enhancement. (a) Bonds shall be issued and sold from time to time, in one or more series, in such amounts and at such prices as directed by the Governor, upon recommendation by the Director of the Governor's Office of Management and Budget ~~Bureau of the Budget~~. Bonds shall be payable only from the specific sources and secured in the manner provided in this Act. Bonds shall be in such form, in

such denominations, mature on such dates within 25 ~~30~~ years from their date of issuance, be subject to optional or mandatory redemption, bear interest payable at such times and at such rate or rates, fixed or variable, and be dated as shall be fixed and determined by the Director of the Governor's Office of Management and Budget ~~Bureau of the Budget~~ in an order authorizing the issuance and sale of any series of Bonds, which order shall be approved by the Governor and is herein called a "Bond Sale Order"; provided, however, that interest payable at fixed rates shall not exceed that permitted in "An Act to authorize public corporations to issue bonds, other evidences of indebtedness and tax anticipation warrants subject to interest rate limitations set forth therein", approved May 26, 1970, as now or hereafter amended, and interest payable at variable rates shall not exceed the maximum rate permitted in the Bond Sale Order. Said Bonds shall be payable at such place or places, within or without the State of Illinois, and may be made registrable as to either principal only or as to both principal and interest, as shall be specified in the Bond Sale Order. Bonds may be callable or subject to purchase and retirement or remarketing as fixed and determined in the Bond Sale Order. Bonds must be issued with principal or mandatory redemption amounts in equal amounts, with the first maturity issued occurring within the fiscal year in which the Bonds are issued or within the next succeeding fiscal year, with Bonds issued maturing or subject to mandatory redemption each fiscal year thereafter up to 25 years.

All Bonds authorized under this Act shall be issued pursuant to a master trust indenture ("Master Indenture") executed and delivered on behalf of the State by the Director of the Governor's Office of Management and Budget ~~Bureau of the Budget~~, such Master Indenture to be in substantially the form approved in the Bond Sale Order authorizing the issuance and sale of the initial series of Bonds issued under this Act. Such initial series of Bonds may, and each subsequent series of Bonds shall, also be issued pursuant to a supplemental trust

indenture ("Supplemental Indenture") executed and delivered on behalf of the State by the Director of the Governor's Office of Management and Budget ~~Bureau of the Budget~~, each such Supplemental Indenture to be in substantially the form approved in the Bond Sale Order relating to such series. The Master Indenture and any Supplemental Indenture shall be entered into with a bank or trust company in the State of Illinois having trust powers and possessing capital and surplus of not less than \$100,000,000. Such indentures shall set forth the terms and conditions of the Bonds and provide for payment of and security for the Bonds, including the establishment and maintenance of debt service and reserve funds, and for other protections for holders of the Bonds. The term "reserve funds" as used in this Act shall include funds and accounts established under indentures to provide for the payment of principal of and premium and interest on Bonds, to provide for the purchase, retirement or defeasance of Bonds, to provide for fees of trustees, registrars, paying agents and other fiduciaries and to provide for payment of costs of and debt service payable in respect of credit or liquidity enhancement arrangements, interest rate swaps or guarantees or financial futures contracts and indexing and remarketing agents' services.

In the case of any series of Bonds bearing interest at a variable interest rate ("Variable Rate Bonds"), in lieu of determining the rate or rates at which such series of Variable Rate Bonds shall bear interest and the price or prices at which such Variable Rate Bonds shall be initially sold or remarketed (in the event of purchase and subsequent resale), the Bond Sale Order may provide that such interest rates and prices may vary from time to time depending on criteria established in such Bond Sale Order, which criteria may include, without limitation, references to indices or variations in interest rates as may, in the judgment of a remarketing agent, be necessary to cause Bonds of such series to be remarketable from time to time at a price equal to their principal amount (or

compound accreted value in the case of original issue discount Bonds), and may provide for appointment of indexing agents and a bank, trust company, investment bank or other financial institution to serve as remarketing agent in that connection. The Bond Sale Order may provide that alternative interest rates or provisions for establishing alternative interest rates, different security or claim priorities or different call or amortization provisions will apply during such times as Bonds of any series are held by a person providing credit or liquidity enhancement arrangements for such Bonds as authorized in subsection (b) of Section 6 of this Act.

(b) In connection with the issuance of any series of Bonds, the State may enter into arrangements to provide additional security and liquidity for such Bonds, including, without limitation, bond or interest rate insurance or letters of credit, lines of credit, bond purchase contracts or other arrangements whereby funds are made available to retire or purchase Bonds, thereby assuring the ability of owners of the Bonds to sell or redeem their Bonds. The State may enter into contracts and may agree to pay fees to persons providing such arrangements, but only under circumstances where the Director of the Bureau of the Budget (now Governor's Office of Management and Budget) certifies that he reasonably expects the total interest paid or to be paid on the Bonds, together with the fees for the arrangements (being treated as if interest), would not, taken together, cause the Bonds to bear interest, calculated to their stated maturity, at a rate in excess of the rate which the Bonds would bear in the absence of such arrangements. Any bonds, notes or other evidences of indebtedness issued pursuant to any such arrangements for the purpose of retiring and discharging outstanding Bonds shall constitute refunding Bonds under Section 15 of this Act. The State may participate in and enter into arrangements with respect to interest rate swaps or guarantees or financial futures contracts for the purpose of limiting or restricting interest rate risk; provided that such arrangements shall be

made with or executed through banks having capital and surplus of not less than \$100,000,000 or insurance companies holding the highest policyholder rating accorded insurers by A.M. Best & Co. or any comparable rating service or government bond dealers reporting to, trading with, and recognized as primary dealers by a Federal Reserve Bank and having capital and surplus of not less than \$100,000,000, or other persons whose debt securities are rated in the highest long-term categories by both Moody's Investors' Services, Inc. and Standard & Poor's Corporation. Agreements incorporating any of the foregoing arrangements may be executed and delivered by the Director of the Governor's Office of Management and Budget ~~Bureau of the Budget~~ on behalf of the State in substantially the form approved in the Bond Sale Order relating to such Bonds.

(Source: P.A. 84-111; revised 8-23-03.)

(30 ILCS 425/8) (from Ch. 127, par. 2808)

Sec. 8. Sale of Bonds. Bonds, except as otherwise provided in this Section, shall be sold from time to time pursuant to notice of sale and public bid or by negotiated sale in such amounts and at such times as are directed by the Governor, upon recommendation by the Director of the Governor's Office of Management and Budget. At least 25%, based on total principal amount, of all Bonds issued each fiscal year shall be sold pursuant to notice of sale and public bid. At all times during each fiscal year, no more than 75%, based on total principal amount, of the Bonds issued each fiscal year shall have been sold by negotiated sale. Failure to satisfy the requirements in the preceding 2 sentences shall not affect the validity of any previously issued Bonds.

If any Bonds are to be sold pursuant to notice of sale and public bid, the Director of the Governor's Office of Management and Budget shall comply with the competitive request for proposal process set forth in the Illinois Procurement Code and all other applicable requirements of that Code.

If Bonds are to be sold pursuant to notice of sale and

public bid, the Director of the Governor's Office of Management and Budget shall, from time to time, as Bonds are to be sold, advertise the sale of the Bonds in at least 2 daily newspapers, one of which is published in the City of Springfield and one in the City of Chicago. The sale of the Bonds shall also be advertised in the volume of the Illinois Procurement Bulletin that is published by the Department of Central Management Services. Each of the advertisements for proposals shall be published once at least 10 days prior to the date fixed for the opening of the bids. The Director of the Governor's Office of Management and Budget may reschedule the date of sale upon the giving of such additional notice as the Director deems adequate to inform prospective bidders of the change; provided, however, that all other conditions of the sale shall continue as originally advertised. ~~Bonds shall be sold from time to time pursuant to advertised notice of sale and public bid or by negotiated sale as the Director of the Bureau of the Budget shall, in his sole discretion, determine in order to market the Bonds in an economic, effective manner.~~ Executed Bonds shall, upon payment therefor, be delivered to the purchaser, and the proceeds of Bonds shall be paid into the State Treasury as directed by Section 9 of this Act. The Governor or the Director of the Governor's Office of Management and Budget ~~Bureau of the Budget~~ is hereby authorized and directed to execute and deliver contracts of sale with underwriters and to execute and deliver such certificates, indentures, agreements and documents, including any supplements or amendments thereto, and to take such actions and do such things as shall be necessary or desirable to carry out the purposes of this Act. Any action authorized or permitted to be taken by the Director of the Governor's Office of Management and Budget ~~Bureau of the Budget~~ pursuant to this Act is hereby authorized to be taken by any person specifically designated by the Governor to take such action in a certificate signed by the Governor and filed with the Secretary of State.

(Source: P.A. 84-111; revised 8-23-03.)

(30 ILCS 425/8.3 new)

Sec. 8.3. Compliance with the Business Enterprise for Minorities, Females, and Persons with Disabilities Act. Notwithstanding any other provision of law, the Governor's Office of Management and Budget shall comply with the Business Enterprise for Minorities, Females, and Persons with Disabilities Act.

(30 ILCS 425/8.5 new)

Sec. 8.5. Truth in borrowing disclosures.

(a) Within 20 business days after the issuance of any Bonds under this Act, the Director of the Governor's Office of Management and Budget shall publish a truth in borrowing disclosure that discloses the total principal and interest payments to be paid on the Bonds over the full stated term of the Bonds. The disclosure also shall include principal and interest payments to be made by each fiscal year over the full stated term of the Bonds and total principal and interest payments to be made by each fiscal year on all other outstanding Bonds issued under this Act over the full stated terms of those Bonds.

(b) Within 20 business days after the issuance of any refunding bonds under Section 15 of this Act, the Director of the Governor's Office of Management and Budget shall publish a truth in borrowing disclosure that discloses the estimated present-valued savings to be obtained through the refunding, in total and by each fiscal year that the refunding Bonds may be outstanding.

(c) The disclosures required in subsections (a) and (b) shall be published by posting the disclosures for no less than 30 days on the web site of the Governor's Office of Management and Budget and by providing the disclosures in written form to the Illinois Economic and Fiscal Commission. These disclosures shall be calculated assuming Bonds are not redeemed or refunded prior to their stated maturities. Amounts included in these

disclosures as payment of interest on variable rate Bonds shall be computed at an interest rate equal to the rate at which the variable rate Bonds are first set upon issuance, plus 2.5%, after taking into account any credits permitted in the related indenture or other instrument against the amount of such interest for each fiscal year. Amounts included in these disclosures as payments of interest shall include those amounts paid pursuant to arrangements authorized pursuant to subsection (b) of Section 6 of this Act.

(30 ILCS 425/9) (from Ch. 127, par. 2809)

Sec. 9. Allocation of Proceeds from Sale of Bonds. Proceeds from the sale of Bonds (other than refunding Bonds) shall be deposited in the separate fund in the State Treasury known as the Build Illinois Bond Fund and shall be expended only pursuant to appropriation by the General Assembly. Proceeds to be deposited into any debt service or reserve funds as may be required under any trust indenture shall be paid from the Build Illinois Bond Fund to the trustee under the trust indenture specified in the Bond Sale Order at the time of the delivery of the Bonds ~~and proceeds to be used to pay expenses of issuance and sale shall be paid from the Build Illinois Bond Fund~~ as directed in the Bond Sale Order. Accrued interest paid to the State at the time of the delivery of any series of Bonds shall be deposited into the Build Illinois Bond Retirement and Interest Fund in the State Treasury and shall be paid immediately from that Fund to the trustee under the trust indenture specified in the Bond Sale Order.

(Source: P.A. 86-44.)

(30 ILCS 425/15) (from Ch. 127, par. 2815)

Sec. 15. Refunding Bonds. Refunding Bonds are hereby authorized for the purpose of refunding any outstanding Bonds, including the payment of any redemption premium thereon, any reasonable expenses of such refunding, and any interest accrued or to accrue to the earliest or any subsequent date of

redemption or maturity of outstanding Bonds; provided that all non-refunding Bonds in an issue that includes ~~such~~ refunding Bonds shall mature no later than the final maturity date of Bonds being refunded; provided that no refunding Bonds shall be offered for sale unless the net present value of debt service savings to be achieved by the issuance of the refunding Bonds is 3% or more of the principal amount of the refunding Bonds to be issued; and further provided that the maturities of the refunding Bonds shall not extend beyond the maturities of the Bonds they refund, so that for each fiscal year in the maturity schedule of a particular issue of refunding Bonds, the total amount of refunding principal maturing and redemption amounts due in that fiscal year and all prior fiscal years in that schedule shall be greater than or equal to the total amount of refunded principal and redemption amounts that had been due over that year and all prior fiscal years prior to the refunding.

Refunding Bonds may be sold in such amounts and at such times, as directed by the Governor upon recommendation by the Director of the Governor's Office of Management and Budget Bureau of the Budget. The Governor shall notify the State Treasurer and Comptroller of such refunding. The proceeds received from the sale of refunding Bonds shall be used for the retirement at maturity or redemption of such outstanding Bonds on any maturity or redemption date and, pending such use, shall be placed in escrow, subject to such terms and conditions as shall be provided for in the Bond Sale Order relating to the refunding Bonds. This Act shall constitute an irrevocable and continuing appropriation of all amounts necessary to establish an escrow account for the purpose of refunding outstanding Bonds and to pay the reasonable expenses of such refunding and of the issuance and sale of the refunding Bonds. Any such escrowed proceeds may be invested and reinvested in direct obligations of the United States of America, maturing at such time or times as shall be appropriate to assure the prompt payment, when due, of the principal of and interest and

redemption premium, if any, on the refunded Bonds. After the terms of the escrow have been fully satisfied, any remaining balance of such proceeds and interest, income and profits earned or realized on the investments thereof shall be paid into the General Revenue Fund. The liability of the State upon the refunded Bonds shall continue, provided that the holders thereof shall thereafter be entitled to payment only out of the moneys deposited in the escrow account and the refunded Bonds shall be deemed paid, discharged and no longer to be outstanding.

Except as otherwise herein provided in this Section, such refunding Bonds shall in all other respects be issued pursuant to and subject to the terms and conditions of this Act and shall be secured by and payable from only the funds and sources which are provided under this Act.

(Source: P.A. 84-111; revised 8-23-03.)

Section 10-130. The Illinois Procurement Code is amended by changing Sections 5-5, 5-25, and 40-15 and by adding Sections 5-30, 20-150, 25-200, 30-150, 35-150, 40-55, 40-150, and 53-150 as follows:

(30 ILCS 500/5-5)

Sec. 5-5. Procurement Policy Board.

(a) Creation. There is created a Procurement Policy Board, an agency of the State of Illinois.

(b) Authority and duties. The Board shall have the authority and responsibility to review, comment upon, and recommend, consistent with this Code, rules and practices governing the procurement, management, control, and disposal of supplies, services, professional or artistic services, construction, and real property and capital improvement leases procured by the State.

Upon a three-fifths vote of its members, the Board may review a contract. Upon a three-fifths vote of its members, the Board may propose procurement rules for consideration by chief

procurement officers. These proposals shall be published in each volume of the Procurement Bulletin. Except as otherwise provided by law, the Board shall act upon the vote of a majority of its members who have been appointed and are serving.

(b-5) Reviews, studies, and hearings. The Board may review, study, and hold public hearings concerning the implementation and administration of this Code. Each chief procurement officer, associate procurement officer, State purchasing officer, and State agency shall cooperate with the Board, provide information to the Board, and be responsive to the Board in the Board's conduct of its reviews, studies, and hearings.

(c) Members. The Board shall consist of 5 members appointed one each by the 4 legislative leaders and the Governor. Each member shall have demonstrated sufficient business or professional experience in the area of procurement to perform the functions of the Board. No member may be a member of the General Assembly.

(d) Terms. Of the initial appointees, the Governor shall designate one member, as Chairman, to serve a one-year term, the President of the Senate and the Speaker of the House shall each appoint one member to serve 3-year terms, and the Minority Leader of the House and the Minority Leader of the Senate shall each appoint one member to serve 2-year terms. Subsequent terms shall be 4 years. Members may be reappointed for succeeding terms.

(e) Reimbursement. Members shall receive no compensation but shall be reimbursed for any expenses reasonably incurred in the performance of their duties.

(f) Staff support. Upon a three-fifths vote of its members, the Board may employ an executive director. Subject to appropriation, the Board also may employ a reasonable and necessary number of ~~have up to 3~~ staff persons. ~~Other support services shall be provided by the chief procurement officers.~~

(g) Meetings. Meetings of the Board may be conducted

telephonically, electronically, or through the use of other telecommunications. Written minutes of such meetings shall be created and available for public inspection and copying.

(Source: P.A. 90-572, eff. date - See Sec. 99-5.)

(30 ILCS 500/5-25)

Sec. 5-25. Rulemaking authority; agency policy; agency response.

(a) Rulemaking. A State agency authorized to make procurements under this Code shall have the authority to promulgate rules to carry out that authority. That rulemaking on specific procurement topics is mentioned in specific Sections of this Code shall not be construed as prohibiting or limiting rulemaking on other procurement topics.

All rules shall be promulgated in accordance with the Illinois Administrative Procedure Act. Contractual provisions, specifications, and procurement descriptions are not rules and are not subject to the Illinois Administrative Procedure Act. All rules other than those promulgated by the Board shall be presented in writing to the Board for its review and comment. The Board shall express its opinions and recommendations in writing. Both the proposed rules and Board recommendations shall be made available for public review. The rules shall also be approved by the applicable chief procurement officer and the Joint Committee on Administrative Rules.

(b) Policy. Each chief procurement officer, associate procurement officer, and State agency shall promptly notify the Procurement Policy Board in writing of any proposed new procurement rule or policy or any proposed change in an existing procurement rule or policy.

(c) Response. Each State agency must respond promptly in writing to all inquiries and comments of the Procurement Policy Board.

(Source: P.A. 90-572, eff. date - See Sec. 99-5.)

(30 ILCS 500/5-30 new)

Sec. 5-30. Proposed contracts; Procurement Policy Board.

(a) Except as provided in subsection (c), within 30 days after notice of the awarding or letting of a contract has appeared in the Procurement Bulletin in accordance with subsection (b) of Section 15-25, the Board may request in writing from the contracting agency and the contracting agency shall promptly, but in no event later than 5 business days after receipt of the request, provide to the Board, by electronic or other means satisfactory to the Board, documentation in the possession of the contracting agency concerning the proposed contract. Nothing in this subsection is intended to waive or abrogate any privilege or right of confidentiality authorized by law.

(b) No contract subject to this Section may be entered into until the 30-day period described in subsection (a) has expired, unless the contracting agency requests in writing that the Board waive the period and the Board grants the waiver in writing.

(c) This Section does not apply to (i) contracts entered into under this Code for small and emergency procurements as those procurements are defined in Article 20 and (ii) contracts for professional and artistic services that are nonrenewable, one year or less in duration, and have a value of less than \$20,000. If requested in writing by the Board, however, the contracting agency must promptly, but in no event later than 8 business days after receipt of the request, transmit to the Board a copy of the contract for an emergency procurement and documentation in the possession of the contracting agency concerning the contract.

(30 ILCS 500/20-150 new)

Sec. 20-150. Proposed contracts; Procurement Policy Board.

This Article is subject to Section 5-30 of this Code.

(30 ILCS 500/25-200 new)

Sec. 25-200. Proposed contracts; Procurement Policy Board.

This Article is subject to Section 5-30 of this Code.

(30 ILCS 500/30-150 new)

Sec. 30-150. Proposed contracts; Procurement Policy Board.

This Article is subject to Section 5-30 of this Code.

(30 ILCS 500/35-150 new)

Sec. 35-150. Proposed contracts; Procurement Policy Board.

This Article is subject to Section 5-30 of this Code.

(30 ILCS 500/40-15)

Sec. 40-15. Method of source selection.

(a) Request for information. Except as provided in subsections (b) and (c), all State contracts for leases of real property or capital improvements shall be awarded by a request for information process in accordance with Section 40-20.

(b) Other methods. A request for information process need not be used in procuring any of the following leases:

(1) Property of less than 10,000 square feet.

(2) Rent of less than \$100,000 per year.

(3) Duration of less than one year that cannot be renewed.

(4) Specialized space available at only one location.

(5) Renewal or extension of a lease in effect before July 1, ~~2002~~ 1999; provided that: (i) the chief procurement officer determines in writing that the renewal or extension is in the best interest of the State; (ii) the chief procurement officer submits his or her written determination and the renewal or extension to the Board; (iii) the Board does not object in writing to the renewal or extension within 30 days after its submission; and (iv) the chief procurement officer publishes the renewal or extension in the appropriate volume of the Procurement Bulletin.

(c) Leases with governmental units. Leases with other governmental units may be negotiated without using the request

for information process when deemed by the chief procurement officer to be in the best interest of the State.

(Source: P.A. 93-133, eff. 1-1-04.)

(30 ILCS 500/40-55 new)

Sec. 40-55. Lessor's failure to make improvements. Each lease must provide for a penalty upon the lessor's failure to make improvements agreed upon in the lease. The penalty shall consist of a reduction in lease payments equal to the corresponding percentage of the improvement value to the lease value. The penalty shall continue until the lessor complies with the lease and the improvements are certified by the chief procurement officer and the leasing State agency.

(30 ILCS 500/40-150 new)

Sec. 40-150. Proposed contracts; Procurement Policy Board. This Article is subject to Section 5-30 of this Code.

(30 ILCS 500/53-150 new)

Sec. 53-150. Proposed contracts; Procurement Policy Board. This Article is subject to Section 5-30 of this Code.

Section 10-133. The Illinois Coal Technology Development Assistance Act is amended by changing Section 3 as follows:

(30 ILCS 730/3) (from Ch. 96 1/2, par. 8203)

Sec. 3. Transfers to Coal Technology Development Assistance Funds. As soon as may be practicable after the first day of each month, the Department of Revenue shall certify to the Treasurer an amount equal to 1/64 of the revenue realized from the tax imposed by the Electricity Excise Tax Law, Section 2 of the Public Utilities Revenue Act, Section 2 of the Messages Tax Act, and Section 2 of the Gas Revenue Tax Act, during the preceding month. Upon receipt of the certification, the Treasurer shall transfer the amount shown on such certification from the General Revenue Fund to the Coal

Technology Development Assistance Fund, which is hereby created as a special fund in the State treasury, except that no transfer shall be made in any month in which the Fund has reached the following balance:

- (1) \$7,000,000 during fiscal year 1994.
- (2) \$8,500,000 during fiscal year 1995.
- (3) \$10,000,000 during fiscal years 1996 and 1997.

(4) During fiscal year 1998 through fiscal year 2004 ~~and each year thereafter~~, an amount equal to the sum of \$10,000,000 plus additional moneys deposited into the Coal Technology Development Assistance Fund from the Renewable Energy Resources and Coal Technology Development Assistance Charge under Section 6.5 of the Renewable Energy, Energy Efficiency, and Coal Resources Development Law of 1997.

(5) During fiscal year 2005, an amount equal to the sum of \$7,000,000 plus additional moneys deposited into the Coal Technology Development Assistance Fund from the Renewable Energy Resources and Coal Technology Development Assistance Charge under Section 6.5 of the Renewable Energy, Energy Efficiency, and Coal Resources Development Law of 1997.

(6) During fiscal year 2006 and each fiscal year thereafter, an amount equal to the sum of \$10,000,000 plus additional moneys deposited into the Coal Technology Development Assistance Fund from the Renewable Energy Resources and Coal Technology Development Assistance Charge under Section 6.5 of the Renewable Energy, Energy Efficiency, and Coal Resources Development Law of 1997.

(Source: P.A. 90-561, eff. 12-16-97; 90-624, eff. 7-10-98.)

Section 10-135. The Illinois Income Tax Act is amended by changing Section 901 as follows:

(35 ILCS 5/901) (from Ch. 120, par. 9-901)

Sec. 901. Collection Authority.

(a) In general.

The Department shall collect the taxes imposed by this Act. The Department shall collect certified past due child support amounts under Section 2505-650 of the Department of Revenue Law (20 ILCS 2505/2505-650). Except as provided in subsections (c) and (e) of this Section, money collected pursuant to subsections (a) and (b) of Section 201 of this Act shall be paid into the General Revenue Fund in the State treasury; money collected pursuant to subsections (c) and (d) of Section 201 of this Act shall be paid into the Personal Property Tax Replacement Fund, a special fund in the State Treasury; and money collected under Section 2505-650 of the Department of Revenue Law (20 ILCS 2505/2505-650) shall be paid into the Child Support Enforcement Trust Fund, a special fund outside the State Treasury, or to the State Disbursement Unit established under Section 10-26 of the Illinois Public Aid Code, as directed by the Department of Public Aid.

(b) Local Governmental Distributive Fund.

Beginning August 1, 1969, and continuing through June 30, 1994, the Treasurer shall transfer each month from the General Revenue Fund to a special fund in the State treasury, to be known as the "Local Government Distributive Fund", an amount equal to 1/12 of the net revenue realized from the tax imposed by subsections (a) and (b) of Section 201 of this Act during the preceding month. Beginning July 1, 1994, and continuing through June 30, 1995, the Treasurer shall transfer each month from the General Revenue Fund to the Local Government Distributive Fund an amount equal to 1/11 of the net revenue realized from the tax imposed by subsections (a) and (b) of Section 201 of this Act during the preceding month. Beginning July 1, 1995, the Treasurer shall transfer each month from the General Revenue Fund to the Local Government Distributive Fund an amount equal to the net of (i) 1/10 of the net revenue realized from the tax imposed by subsections (a) and (b) of Section 201 of the Illinois Income Tax Act during the preceding month (ii) minus, beginning July 1, 2003 and ending June 30, 2004, \$6,666,666, and beginning July 1, 2004, zero. Net revenue

realized for a month shall be defined as the revenue from the tax imposed by subsections (a) and (b) of Section 201 of this Act which is deposited in the General Revenue Fund, the Educational Assistance Fund and the Income Tax Surcharge Local Government Distributive Fund during the month minus the amount paid out of the General Revenue Fund in State warrants during that same month as refunds to taxpayers for overpayment of liability under the tax imposed by subsections (a) and (b) of Section 201 of this Act.

(c) Deposits Into Income Tax Refund Fund.

(1) Beginning on January 1, 1989 and thereafter, the Department shall deposit a percentage of the amounts collected pursuant to subsections (a) and (b)(1), (2), and (3), of Section 201 of this Act into a fund in the State treasury known as the Income Tax Refund Fund. The Department shall deposit 6% of such amounts during the period beginning January 1, 1989 and ending on June 30, 1989. Beginning with State fiscal year 1990 and for each fiscal year thereafter, the percentage deposited into the Income Tax Refund Fund during a fiscal year shall be the Annual Percentage. For fiscal years 1999 through 2001, the Annual Percentage shall be 7.1%. For fiscal year 2003, the Annual Percentage shall be 8%. For fiscal year 2004, the Annual Percentage shall be 11.7%. Upon the effective date of this amendatory Act of the 93rd General Assembly, the Annual Percentage shall be 10% for fiscal year 2005. For all other fiscal years, the Annual Percentage shall be calculated as a fraction, the numerator of which shall be the amount of refunds approved for payment by the Department during the preceding fiscal year as a result of overpayment of tax liability under subsections (a) and (b)(1), (2), and (3) of Section 201 of this Act plus the amount of such refunds remaining approved but unpaid at the end of the preceding fiscal year, minus the amounts transferred into the Income Tax Refund Fund from the Tobacco Settlement Recovery Fund, and the denominator of

which shall be the amounts which will be collected pursuant to subsections (a) and (b) (1), (2), and (3) of Section 201 of this Act during the preceding fiscal year; except that in State fiscal year 2002, the Annual Percentage shall in no event exceed 7.6%. The Director of Revenue shall certify the Annual Percentage to the Comptroller on the last business day of the fiscal year immediately preceding the fiscal year for which it is to be effective.

(2) Beginning on January 1, 1989 and thereafter, the Department shall deposit a percentage of the amounts collected pursuant to subsections (a) and (b) (6), (7), and (8), (c) and (d) of Section 201 of this Act into a fund in the State treasury known as the Income Tax Refund Fund. The Department shall deposit 18% of such amounts during the period beginning January 1, 1989 and ending on June 30, 1989. Beginning with State fiscal year 1990 and for each fiscal year thereafter, the percentage deposited into the Income Tax Refund Fund during a fiscal year shall be the Annual Percentage. For fiscal years 1999, 2000, and 2001, the Annual Percentage shall be 19%. For fiscal year 2003, the Annual Percentage shall be 27%. For fiscal year 2004, the Annual Percentage shall be 32%. Upon the effective date of this amendatory Act of the 93rd General Assembly, the Annual Percentage shall be 24% for fiscal year 2005. For all other fiscal years, the Annual Percentage shall be calculated as a fraction, the numerator of which shall be the amount of refunds approved for payment by the Department during the preceding fiscal year as a result of overpayment of tax liability under subsections (a) and (b) (6), (7), and (8), (c) and (d) of Section 201 of this Act plus the amount of such refunds remaining approved but unpaid at the end of the preceding fiscal year, and the denominator of which shall be the amounts which will be collected pursuant to subsections (a) and (b) (6), (7), and (8), (c) and (d) of Section 201 of this Act during the preceding fiscal year; except that in State fiscal year

2002, the Annual Percentage shall in no event exceed 23%. The Director of Revenue shall certify the Annual Percentage to the Comptroller on the last business day of the fiscal year immediately preceding the fiscal year for which it is to be effective.

(3) The Comptroller shall order transferred and the Treasurer shall transfer from the Tobacco Settlement Recovery Fund to the Income Tax Refund Fund (i) \$35,000,000 in January, 2001, (ii) \$35,000,000 in January, 2002, and (iii) \$35,000,000 in January, 2003.

(d) Expenditures from Income Tax Refund Fund.

(1) Beginning January 1, 1989, money in the Income Tax Refund Fund shall be expended exclusively for the purpose of paying refunds resulting from overpayment of tax liability under Section 201 of this Act, for paying rebates under Section 208.1 in the event that the amounts in the Homeowners' Tax Relief Fund are insufficient for that purpose, and for making transfers pursuant to this subsection (d).

(2) The Director shall order payment of refunds resulting from overpayment of tax liability under Section 201 of this Act from the Income Tax Refund Fund only to the extent that amounts collected pursuant to Section 201 of this Act and transfers pursuant to this subsection (d) and item (3) of subsection (c) have been deposited and retained in the Fund.

(3) As soon as possible after the end of each fiscal year, the Director shall order transferred and the State Treasurer and State Comptroller shall transfer from the Income Tax Refund Fund to the Personal Property Tax Replacement Fund an amount, certified by the Director to the Comptroller, equal to the excess of the amount collected pursuant to subsections (c) and (d) of Section 201 of this Act deposited into the Income Tax Refund Fund during the fiscal year over the amount of refunds resulting from overpayment of tax liability under subsections (c) and

(d) of Section 201 of this Act paid from the Income Tax Refund Fund during the fiscal year.

(4) As soon as possible after the end of each fiscal year, the Director shall order transferred and the State Treasurer and State Comptroller shall transfer from the Personal Property Tax Replacement Fund to the Income Tax Refund Fund an amount, certified by the Director to the Comptroller, equal to the excess of the amount of refunds resulting from overpayment of tax liability under subsections (c) and (d) of Section 201 of this Act paid from the Income Tax Refund Fund during the fiscal year over the amount collected pursuant to subsections (c) and (d) of Section 201 of this Act deposited into the Income Tax Refund Fund during the fiscal year.

(4.5) As soon as possible after the end of fiscal year 1999 and of each fiscal year thereafter, the Director shall order transferred and the State Treasurer and State Comptroller shall transfer from the Income Tax Refund Fund to the General Revenue Fund any surplus remaining in the Income Tax Refund Fund as of the end of such fiscal year; excluding for fiscal years 2000, 2001, and 2002 amounts attributable to transfers under item (3) of subsection (c) less refunds resulting from the earned income tax credit.

(5) This Act shall constitute an irrevocable and continuing appropriation from the Income Tax Refund Fund for the purpose of paying refunds upon the order of the Director in accordance with the provisions of this Section.

(e) Deposits into the Education Assistance Fund and the Income Tax Surcharge Local Government Distributive Fund.

On July 1, 1991, and thereafter, of the amounts collected pursuant to subsections (a) and (b) of Section 201 of this Act, minus deposits into the Income Tax Refund Fund, the Department shall deposit 7.3% into the Education Assistance Fund in the State Treasury. Beginning July 1, 1991, and continuing through January 31, 1993, of the amounts collected pursuant to subsections (a) and (b) of Section 201 of the Illinois Income

Tax Act, minus deposits into the Income Tax Refund Fund, the Department shall deposit 3.0% into the Income Tax Surcharge Local Government Distributive Fund in the State Treasury. Beginning February 1, 1993 and continuing through June 30, 1993, of the amounts collected pursuant to subsections (a) and (b) of Section 201 of the Illinois Income Tax Act, minus deposits into the Income Tax Refund Fund, the Department shall deposit 4.4% into the Income Tax Surcharge Local Government Distributive Fund in the State Treasury. Beginning July 1, 1993, and continuing through June 30, 1994, of the amounts collected under subsections (a) and (b) of Section 201 of this Act, minus deposits into the Income Tax Refund Fund, the Department shall deposit 1.475% into the Income Tax Surcharge Local Government Distributive Fund in the State Treasury.

(Source: P.A. 92-11, eff. 6-11-01; 92-16, eff. 6-28-01; 92-600, eff. 6-28-02; 93-32, eff. 6-20-03.)

Section 10-140. The Cigarette Tax Act is amended by changing Section 2 as follows:

(35 ILCS 130/2) (from Ch. 120, par. 453.2)

Sec. 2. Tax imposed; rate; collection, payment, and distribution; discount.

(a) A tax is imposed upon any person engaged in business as a retailer of cigarettes in this State at the rate of 5 1/2 mills per cigarette sold, or otherwise disposed of in the course of such business in this State. In addition to any other tax imposed by this Act, a tax is imposed upon any person engaged in business as a retailer of cigarettes in this State at a rate of 1/2 mill per cigarette sold or otherwise disposed of in the course of such business in this State on and after January 1, 1947, and shall be paid into the Metropolitan Fair and Exposition Authority Reconstruction Fund. On and after December 1, 1985, in addition to any other tax imposed by this Act, a tax is imposed upon any person engaged in business as a retailer of cigarettes in this State at a rate of 4 mills per

cigarette sold or otherwise disposed of in the course of such business in this State. Of the additional tax imposed by this amendatory Act of 1985, \$9,000,000 of the moneys received by the Department of Revenue pursuant to this Act shall be paid each month into the Common School Fund. On and after the effective date of this amendatory Act of 1989, in addition to any other tax imposed by this Act, a tax is imposed upon any person engaged in business as a retailer of cigarettes at the rate of 5 mills per cigarette sold or otherwise disposed of in the course of such business in this State. On and after the effective date of this amendatory Act of 1993, in addition to any other tax imposed by this Act, a tax is imposed upon any person engaged in business as a retailer of cigarettes at the rate of 7 mills per cigarette sold or otherwise disposed of in the course of such business in this State. On and after December 15, 1997, in addition to any other tax imposed by this Act, a tax is imposed upon any person engaged in business as a retailer of cigarettes at the rate of 7 mills per cigarette sold or otherwise disposed of in the course of such business of this State. All of the moneys received by the Department of Revenue pursuant to this Act and the Cigarette Use Tax Act from the additional taxes imposed by this amendatory Act of 1997, shall be paid each month into the Common School Fund. On and after July 1, 2002, in addition to any other tax imposed by this Act, a tax is imposed upon any person engaged in business as a retailer of cigarettes at the rate of 20.0 mills per cigarette sold or otherwise disposed of in the course of such business in this State. The payment of such taxes shall be evidenced by a stamp affixed to each original package of cigarettes, or an authorized substitute for such stamp imprinted on each original package of such cigarettes underneath the sealed transparent outside wrapper of such original package, as hereinafter provided. However, such taxes are not imposed upon any activity in such business in interstate commerce or otherwise, which activity may not under the Constitution and statutes of the United States be made the

subject of taxation by this State.

Beginning on the effective date of this amendatory Act of the 92nd General Assembly, all of the moneys received by the Department of Revenue pursuant to this Act and the Cigarette Use Tax Act, other than the moneys that are dedicated to the Metropolitan Fair and Exposition Authority Reconstruction Fund and the Common School Fund, shall be distributed each month as follows: first, there shall be paid into the General Revenue Fund an amount which, when added to the amount paid into the Common School Fund for that month, equals \$33,300,000, except that in the month of August of 2004, this amount shall equal \$83,300,000; then, from the moneys remaining, if any amounts required to be paid into the General Revenue Fund in previous months remain unpaid, those amounts shall be paid into the General Revenue Fund; then, beginning on April 1, 2003, from the moneys remaining, \$5,000,000 per month shall be paid into the School Infrastructure Fund; then, if any amounts required to be paid into the School Infrastructure Fund in previous months remain unpaid, those amounts shall be paid into the School Infrastructure Fund; then the moneys remaining, if any, shall be paid into the Long-Term Care Provider Fund. To the extent that more than \$25,000,000 has been paid into the General Revenue Fund and Common School Fund per month for the period of July 1, 1993 through the effective date of this amendatory Act of 1994 from combined receipts of the Cigarette Tax Act and the Cigarette Use Tax Act, notwithstanding the distribution provided in this Section, the Department of Revenue is hereby directed to adjust the distribution provided in this Section to increase the next monthly payments to the Long Term Care Provider Fund by the amount paid to the General Revenue Fund and Common School Fund in excess of \$25,000,000 per month and to decrease the next monthly payments to the General Revenue Fund and Common School Fund by that same excess amount.

When any tax imposed herein terminates or has terminated, distributors who have bought stamps while such tax was in

effect and who therefore paid such tax, but who can show, to the Department's satisfaction, that they sold the cigarettes to which they affixed such stamps after such tax had terminated and did not recover the tax or its equivalent from purchasers, shall be allowed by the Department to take credit for such absorbed tax against subsequent tax stamp purchases from the Department by such distributor.

The impact of the tax levied by this Act is imposed upon the retailer and shall be prepaid or pre-collected by the distributor for the purpose of convenience and facility only, and the amount of the tax shall be added to the price of the cigarettes sold by such distributor. Collection of the tax shall be evidenced by a stamp or stamps affixed to each original package of cigarettes, as hereinafter provided.

Each distributor shall collect the tax from the retailer at or before the time of the sale, shall affix the stamps as hereinafter required, and shall remit the tax collected from retailers to the Department, as hereinafter provided. Any distributor who fails to properly collect and pay the tax imposed by this Act shall be liable for the tax. Any distributor having cigarettes to which stamps have been affixed in his possession for sale on the effective date of this amendatory Act of 1989 shall not be required to pay the additional tax imposed by this amendatory Act of 1989 on such stamped cigarettes. Any distributor having cigarettes to which stamps have been affixed in his or her possession for sale at 12:01 a.m. on the effective date of this amendatory Act of 1993, is required to pay the additional tax imposed by this amendatory Act of 1993 on such stamped cigarettes. This payment, less the discount provided in subsection (b), shall be due when the distributor first makes a purchase of cigarette tax stamps after the effective date of this amendatory Act of 1993, or on the first due date of a return under this Act after the effective date of this amendatory Act of 1993, whichever occurs first. Any distributor having cigarettes to which stamps have been affixed in his possession for sale on December 15,

1997 shall not be required to pay the additional tax imposed by this amendatory Act of 1997 on such stamped cigarettes.

Any distributor having cigarettes to which stamps have been affixed in his or her possession for sale on July 1, 2002 shall not be required to pay the additional tax imposed by this amendatory Act of the 92nd General Assembly on those stamped cigarettes.

The amount of the Cigarette Tax imposed by this Act shall be separately stated, apart from the price of the goods, by both distributors and retailers, in all advertisements, bills and sales invoices.

(b) The distributor shall be required to collect the taxes provided under paragraph (a) hereof, and, to cover the costs of such collection, shall be allowed a discount during any year commencing July 1st and ending the following June 30th in accordance with the schedule set out hereinbelow, which discount shall be allowed at the time of purchase of the stamps when purchase is required by this Act, or at the time when the tax is remitted to the Department without the purchase of stamps from the Department when that method of paying the tax is required or authorized by this Act. Prior to December 1, 1985, a discount equal to 1 2/3% of the amount of the tax up to and including the first \$700,000 paid hereunder by such distributor to the Department during any such year; 1 1/3% of the next \$700,000 of tax or any part thereof, paid hereunder by such distributor to the Department during any such year; 1% of the next \$700,000 of tax, or any part thereof, paid hereunder by such distributor to the Department during any such year, and 2/3 of 1% of the amount of any additional tax paid hereunder by such distributor to the Department during any such year shall apply. On and after December 1, 1985, a discount equal to 1.75% of the amount of the tax payable under this Act up to and including the first \$3,000,000 paid hereunder by such distributor to the Department during any such year and 1.5% of the amount of any additional tax paid hereunder by such distributor to the Department during any such year shall apply.

Two or more distributors that use a common means of affixing revenue tax stamps or that are owned or controlled by the same interests shall be treated as a single distributor for the purpose of computing the discount.

(c) The taxes herein imposed are in addition to all other occupation or privilege taxes imposed by the State of Illinois, or by any political subdivision thereof, or by any municipal corporation.

(Source: P.A. 92-536, eff. 6-6-02.)

Section 10-145. The Motor Fuel Tax Law is amended by changing Section 8 as follows:

(35 ILCS 505/8) (from Ch. 120, par. 424)

Sec. 8. Except as provided in Section 8a, subdivision (h) (1) of Section 12a, Section 13a.6, and items 13, 14, 15, and 16 of Section 15, all money received by the Department under this Act, including payments made to the Department by member jurisdictions participating in the International Fuel Tax Agreement, shall be deposited in a special fund in the State treasury, to be known as the "Motor Fuel Tax Fund", and shall be used as follows:

(a) 2 1/2 cents per gallon of the tax collected on special fuel under paragraph (b) of Section 2 and Section 13a of this Act shall be transferred to the State Construction Account Fund in the State Treasury;

(b) \$420,000 shall be transferred each month to the State Boating Act Fund to be used by the Department of Natural Resources for the purposes specified in Article X of the Boat Registration and Safety Act;

(c) \$2,250,000 shall be transferred each month to the Grade Crossing Protection Fund to be used as follows: not less than \$6,000,000 each fiscal year shall be used for the construction or reconstruction of rail highway grade separation structures; \$2,250,000 in fiscal year 2004 and each fiscal year thereafter shall be transferred to the Transportation Regulatory Fund and

shall be accounted for as part of the rail carrier portion of such funds and shall be used to pay the cost of administration of the Illinois Commerce Commission's railroad safety program in connection with its duties under subsection (3) of Section 18c-7401 of the Illinois Vehicle Code, with the remainder to be used by the Department of Transportation upon order of the Illinois Commerce Commission, to pay that part of the cost apportioned by such Commission to the State to cover the interest of the public in the use of highways, roads, streets, or pedestrian walkways in the county highway system, township and district road system, or municipal street system as defined in the Illinois Highway Code, as the same may from time to time be amended, for separation of grades, for installation, construction or reconstruction of crossing protection or reconstruction, alteration, relocation including construction or improvement of any existing highway necessary for access to property or improvement of any grade crossing including the necessary highway approaches thereto of any railroad across the highway or public road, or for the installation, construction, reconstruction, or maintenance of a pedestrian walkway over or under a railroad right-of-way, as provided for in and in accordance with Section 18c-7401 of the Illinois Vehicle Code. The Commission shall not order more than \$2,000,000 per year in Grade Crossing Protection Fund moneys for pedestrian walkways. In entering orders for projects for which payments from the Grade Crossing Protection Fund will be made, the Commission shall account for expenditures authorized by the orders on a cash rather than an accrual basis. For purposes of this requirement an "accrual basis" assumes that the total cost of the project is expended in the fiscal year in which the order is entered, while a "cash basis" allocates the cost of the project among fiscal years as expenditures are actually made. To meet the requirements of this subsection, the Illinois Commerce Commission shall develop annual and 5-year project plans of rail crossing capital improvements that will be paid for with moneys from the Grade Crossing Protection Fund. The

annual project plan shall identify projects for the succeeding fiscal year and the 5-year project plan shall identify projects for the 5 directly succeeding fiscal years. The Commission shall submit the annual and 5-year project plans for this Fund to the Governor, the President of the Senate, the Senate Minority Leader, the Speaker of the House of Representatives, and the Minority Leader of the House of Representatives on the first Wednesday in April of each year;

(d) of the amount remaining after allocations provided for in subsections (a), (b) and (c), a sufficient amount shall be reserved to pay all of the following:

(1) the costs of the Department of Revenue in administering this Act;

(2) the costs of the Department of Transportation in performing its duties imposed by the Illinois Highway Code for supervising the use of motor fuel tax funds apportioned to municipalities, counties and road districts;

(3) refunds provided for in Section 13 of this Act and under the terms of the International Fuel Tax Agreement referenced in Section 14a;

(4) from October 1, 1985 until June 30, 1994, the administration of the Vehicle Emissions Inspection Law, which amount shall be certified monthly by the Environmental Protection Agency to the State Comptroller and shall promptly be transferred by the State Comptroller and Treasurer from the Motor Fuel Tax Fund to the Vehicle Inspection Fund, and for the period July 1, 1994 through June 30, 2000, one-twelfth of \$25,000,000 each month, for the period July 1, 2000 through June 30, 2003, one-twelfth of \$30,000,000 each month, and \$15,000,000 on July 1, 2003, and \$15,000,000 on January 1, 2004, and \$15,000,000 on each July 1 and October 1, or as soon thereafter as may be practical, during ~~of each calendar year for~~ the period July ~~January~~ 1, 2004 through June 30, 2006, for the administration of the Vehicle Emissions Inspection Law of 1995, to be transferred by the State Comptroller and

Treasurer from the Motor Fuel Tax Fund into the Vehicle Inspection Fund;

(5) amounts ordered paid by the Court of Claims; and

(6) payment of motor fuel use taxes due to member jurisdictions under the terms of the International Fuel Tax Agreement. The Department shall certify these amounts to the Comptroller by the 15th day of each month; the Comptroller shall cause orders to be drawn for such amounts, and the Treasurer shall administer those amounts on or before the last day of each month;

(e) after allocations for the purposes set forth in subsections (a), (b), (c) and (d), the remaining amount shall be apportioned as follows:

(1) Until January 1, 2000, 58.4%, and beginning January 1, 2000, 45.6% shall be deposited as follows:

(A) 37% into the State Construction Account Fund, and

(B) 63% into the Road Fund, \$1,250,000 of which shall be reserved each month for the Department of Transportation to be used in accordance with the provisions of Sections 6-901 through 6-906 of the Illinois Highway Code;

(2) Until January 1, 2000, 41.6%, and beginning January 1, 2000, 54.4% shall be transferred to the Department of Transportation to be distributed as follows:

(A) 49.10% to the municipalities of the State,

(B) 16.74% to the counties of the State having 1,000,000 or more inhabitants,

(C) 18.27% to the counties of the State having less than 1,000,000 inhabitants,

(D) 15.89% to the road districts of the State.

As soon as may be after the first day of each month the Department of Transportation shall allot to each municipality its share of the amount apportioned to the several municipalities which shall be in proportion to the population of such municipalities as determined by the last preceding

municipal census if conducted by the Federal Government or Federal census. If territory is annexed to any municipality subsequent to the time of the last preceding census the corporate authorities of such municipality may cause a census to be taken of such annexed territory and the population so ascertained for such territory shall be added to the population of the municipality as determined by the last preceding census for the purpose of determining the allotment for that municipality. If the population of any municipality was not determined by the last Federal census preceding any apportionment, the apportionment to such municipality shall be in accordance with any census taken by such municipality. Any municipal census used in accordance with this Section shall be certified to the Department of Transportation by the clerk of such municipality, and the accuracy thereof shall be subject to approval of the Department which may make such corrections as it ascertains to be necessary.

As soon as may be after the first day of each month the Department of Transportation shall allot to each county its share of the amount apportioned to the several counties of the State as herein provided. Each allotment to the several counties having less than 1,000,000 inhabitants shall be in proportion to the amount of motor vehicle license fees received from the residents of such counties, respectively, during the preceding calendar year. The Secretary of State shall, on or before April 15 of each year, transmit to the Department of Transportation a full and complete report showing the amount of motor vehicle license fees received from the residents of each county, respectively, during the preceding calendar year. The Department of Transportation shall, each month, use for allotment purposes the last such report received from the Secretary of State.

As soon as may be after the first day of each month, the Department of Transportation shall allot to the several counties their share of the amount apportioned for the use of road districts. The allotment shall be apportioned among the

several counties in the State in the proportion which the total mileage of township or district roads in the respective counties bears to the total mileage of all township and district roads in the State. Funds allotted to the respective counties for the use of road districts therein shall be allocated to the several road districts in the county in the proportion which the total mileage of such township or district roads in the respective road districts bears to the total mileage of all such township or district roads in the county. After July 1 of any year, no allocation shall be made for any road district unless it levied a tax for road and bridge purposes in an amount which will require the extension of such tax against the taxable property in any such road district at a rate of not less than either .08% of the value thereof, based upon the assessment for the year immediately prior to the year in which such tax was levied and as equalized by the Department of Revenue or, in DuPage County, an amount equal to or greater than \$12,000 per mile of road under the jurisdiction of the road district, whichever is less. If any road district has levied a special tax for road purposes pursuant to Sections 6-601, 6-602 and 6-603 of the Illinois Highway Code, and such tax was levied in an amount which would require extension at a rate of not less than .08% of the value of the taxable property thereof, as equalized or assessed by the Department of Revenue, or, in DuPage County, an amount equal to or greater than \$12,000 per mile of road under the jurisdiction of the road district, whichever is less, such levy shall, however, be deemed a proper compliance with this Section and shall qualify such road district for an allotment under this Section. If a township has transferred to the road and bridge fund money which, when added to the amount of any tax levy of the road district would be the equivalent of a tax levy requiring extension at a rate of at least .08%, or, in DuPage County, an amount equal to or greater than \$12,000 per mile of road under the jurisdiction of the road district, whichever is less, such transfer, together with any such tax levy, shall be deemed a

proper compliance with this Section and shall qualify the road district for an allotment under this Section.

In counties in which a property tax extension limitation is imposed under the Property Tax Extension Limitation Law, road districts may retain their entitlement to a motor fuel tax allotment if, at the time the property tax extension limitation was imposed, the road district was levying a road and bridge tax at a rate sufficient to entitle it to a motor fuel tax allotment and continues to levy the maximum allowable amount after the imposition of the property tax extension limitation. Any road district may in all circumstances retain its entitlement to a motor fuel tax allotment if it levied a road and bridge tax in an amount that will require the extension of the tax against the taxable property in the road district at a rate of not less than 0.08% of the assessed value of the property, based upon the assessment for the year immediately preceding the year in which the tax was levied and as equalized by the Department of Revenue or, in DuPage County, an amount equal to or greater than \$12,000 per mile of road under the jurisdiction of the road district, whichever is less.

As used in this Section the term "road district" means any road district, including a county unit road district, provided for by the Illinois Highway Code; and the term "township or district road" means any road in the township and district road system as defined in the Illinois Highway Code. For the purposes of this Section, "road district" also includes park districts, forest preserve districts and conservation districts organized under Illinois law and "township or district road" also includes such roads as are maintained by park districts, forest preserve districts and conservation districts. The Department of Transportation shall determine the mileage of all township and district roads for the purposes of making allotments and allocations of motor fuel tax funds for use in road districts.

Payment of motor fuel tax moneys to municipalities and counties shall be made as soon as possible after the allotment

is made. The treasurer of the municipality or county may invest these funds until their use is required and the interest earned by these investments shall be limited to the same uses as the principal funds.

(Source: P.A. 92-16, eff. 6-28-01; 92-30, eff. 7-1-01; 93-32, eff. 6-20-03.)

Section 10-150. The Electricity Excise Tax Law is amended by changing Sections 2-9 and 2-11 as follows:

(35 ILCS 640/2-9)

Sec. 2-9. Return and payment of tax by delivering supplier. Each delivering supplier who is required or authorized to collect the tax imposed by this Law shall make a return to the Department on or before the 15th day of each month for the preceding calendar month stating the following:

(1) The delivering supplier's name.

(2) The address of the delivering supplier's principal place of business and the address of the principal place of business (if that is a different address) from which the delivering supplier engaged in the business of delivering electricity in this State.

(3) The total number of kilowatt-hours which the supplier delivered to or for purchasers during the preceding calendar month and upon the basis of which the tax is imposed.

(4) Amount of tax, computed upon Item (3) at the rates stated in Section 2-4.

(5) An adjustment for uncollectible amounts of tax in respect of prior period kilowatt-hour deliveries, determined in accordance with rules and regulations promulgated by the Department.

(5.5) The amount of credits to which the taxpayer is entitled on account of purchases made under Section 8-403.1 of the Public Utilities Act.

(6) Such other information as the Department

reasonably may require.

In making such return the delivering supplier may use any reasonable method to derive reportable "kilowatt-hours" from the delivering supplier's records.

If the average monthly tax liability to the Department of the delivering supplier does not exceed \$2,500, the Department may authorize the delivering supplier's 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 30 of such year; with the return for April, May and June of a given year being due by July 31 of such year; with the return for July, August and September of a given year being due by October 31 of such year; and with the return for October, November and December of a given year being due by January 31 of the following year.

If the average monthly tax liability to the Department of the delivering supplier does not exceed \$1,000, the Department may authorize the delivering supplier's returns to be filed on an annual basis, with the return for a given year being due by January 31 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 Law concerning the time within which a delivering supplier may file a return, any such delivering supplier who ceases to engage in a kind of business which makes the person responsible for filing returns under this Law shall file a final return under this Law with the Department not more than one month after discontinuing such business.

Each delivering supplier whose average monthly liability to the Department under this Law was \$10,000 or more during the preceding calendar year, excluding the month of highest liability and the month of lowest liability in such calendar year, and who is not operated by a unit of local government, shall make estimated payments to the Department on or before the 7th, 15th, 22nd and last day of the month during which tax

liability to the Department is incurred in an amount not less than the lower of either 22.5% of such delivering supplier's actual tax liability for the month or 25% of such delivering supplier's actual tax 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 such delivering supplier's return for that month. An outstanding credit approved by the Department or a credit memorandum issued by the Department arising from such delivering supplier's overpayment of his or her final tax liability for any month may be applied to reduce the amount of any subsequent quarter-monthly payment or credited against the final tax liability of such delivering supplier's return for any subsequent month. If any quarter-monthly payment is not paid at the time or in the amount required by this Section, such delivering supplier shall be liable for penalty and interest on the difference between the minimum amount due as a payment and the amount of such payment actually and timely paid, except insofar as such delivering supplier has previously made payments for that month to the Department in excess of the minimum payments previously due.

If the Director finds that the information required for the making of an accurate return cannot reasonably be compiled by such delivering supplier within 15 days after the close of the calendar month for which a return is to be made, the Director may grant an extension of time for the filing of such return for a period not to exceed 31 calendar days. The granting of such an extension may be conditioned upon the deposit by such delivering supplier with the Department of an amount of money not exceeding the amount estimated by the Director to be due with the return so extended. All such deposits shall be credited against such delivering supplier's liabilities under this Law. If the deposit exceeds such delivering supplier's present and probable future liabilities under this Law, the Department shall issue to such delivering supplier a credit memorandum, which may be assigned by such delivering supplier

to a similar person under this Law, in accordance with reasonable rules and regulations to be prescribed by the Department.

The delivering supplier making the return provided for in this Section shall, at the time of making such return, pay to the Department the amount of tax imposed by this Law.

Until October 1, 2002, a delivering supplier who has an average monthly tax liability of \$10,000 or more shall make all payments required by rules of the Department by electronic funds transfer. The term "average monthly tax liability" shall be the sum of the delivering supplier's liabilities under this Law 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. Any delivering supplier not required to make payments by electronic funds transfer may make payments by electronic funds transfer with the permission of the Department. All delivering suppliers required to make payments by electronic funds transfer and any delivering suppliers authorized to voluntarily make payments by electronic funds transfer shall make those payments in the manner authorized by the Department.

Through June 30, 2004, each ~~Each~~ month the Department shall pay into the Public Utility Fund in the State treasury an amount determined by the Director to be equal to 3.0% of the funds received by the Department pursuant to this Section. Through June 30, 2004, the ~~The~~ remainder of all moneys received by the Department under this Section shall be paid into the General Revenue Fund in the State treasury. Beginning on July 1, 2004, of the 3% of the funds received pursuant to this Section, each month the Department shall pay \$416,667 into the General Revenue Fund and the balance shall be paid into the Public Utility Fund in the State treasury.

(Source: P.A. 92-492, eff. 1-1-02.)

(35 ILCS 640/2-11)

Sec. 2-11. Direct return and payment by self-assessing purchaser. When electricity is used or consumed by a self-assessing purchaser subject to the tax imposed by this Law who did not pay the tax to a delivering supplier maintaining a place of business within this State and required or authorized to collect the tax, that self-assessing purchaser shall, on or before the 15th day of each month, make a return to the Department for the preceding calendar month, stating all of the following:

(1) The self-assessing purchaser's name and principal address.

(2) The aggregate purchase price paid by the self-assessing purchaser for the distribution, supply, furnishing, sale, transmission and delivery of such electricity to or for the purchaser during the preceding calendar month, including budget plan and other purchaser-owned amounts applied during such month in payment of charges includible in the purchase price, and upon the basis of which the tax is imposed.

(3) Amount of tax, computed upon item (2) at the rate stated in Section 2-4.

(4) Such other information as the Department reasonably may require.

In making such return the self-assessing purchaser may use any reasonable method to derive reportable "purchase price" from the self-assessing purchaser's records.

If the average monthly tax liability of the self-assessing purchaser to the Department does not exceed \$2,500, the Department may authorize the self-assessing purchaser's 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 30 of such year; with the return for April, May and June of a given year being due by July 31 of such year; with the return for July, August, and September of a given year being

due by October 31 of such year; and with the return for October, November and December of a given year being due by January 31 of the following year.

If the average monthly tax liability of the self-assessing purchaser to the Department does not exceed \$1,000, the Department may authorize the self-assessing purchaser's returns to be filed on an annual basis, with the return for a given year being due by January 31 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 Law concerning the time within which a self-assessing purchaser may file a return, any such self-assessing purchaser who ceases to be responsible for filing returns under this Law shall file a final return under this Law with the Department not more than one month thereafter.

Each self-assessing purchaser whose average monthly liability to the Department pursuant to this Section was \$10,000 or more during the preceding calendar year, excluding the month of highest liability and the month of lowest liability during such calendar year, and which is not operated by a unit of local government, shall make estimated payments to the Department on or before the 7th, 15th, 22nd and last day of the month during which tax liability to the Department is incurred in an amount not less than the lower of either 22.5% of such self-assessing purchaser's actual tax liability for the month or 25% of such self-assessing purchaser's actual tax 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 self-assessing purchaser's return for that month. An outstanding credit approved by the Department or a credit memorandum issued by the Department arising from the self-assessing purchaser's overpayment of the self-assessing purchaser's final tax liability for any month may be applied to reduce the amount of

any subsequent quarter-monthly payment or credited against the final tax liability of such self-assessing purchaser's return for any subsequent month. If any quarter-monthly payment is not paid at the time or in the amount required by this Section, such person shall be liable for penalty and interest on the difference between the minimum amount due as a payment and the amount of such payment actually and timely paid, except insofar as such person has previously made payments for that month to the Department in excess of the minimum payments previously due.

If the Director finds that the information required for the making of an accurate return cannot reasonably be compiled by a self-assessing purchaser within 15 days after the close of the calendar month for which a return is to be made, the Director may grant an extension of time for the filing of such return for a period of not to exceed 31 calendar days. The granting of such an extension may be conditioned upon the deposit by such self-assessing purchaser with the Department of an amount of money not exceeding the amount estimated by the Director to be due with the return so extended. All such deposits shall be credited against such self-assessing purchaser's liabilities under this Law. If the deposit exceeds such self-assessing purchaser's present and probable future liabilities under this Law, the Department shall issue to such self-assessing purchaser a credit memorandum, which may be assigned by such self-assessing purchaser to a similar person under this Law, in accordance with reasonable rules and regulations to be prescribed by the Department.

The self-assessing purchaser making the return provided for in this Section shall, at the time of making such return, pay to the Department the amount of tax imposed by this Law.

Until October 1, 2002, a self-assessing purchaser who has an average monthly tax liability of \$10,000 or more shall make all payments required by rules of the Department by electronic funds transfer. The term "average monthly tax liability" shall be the sum of the self-assessing purchaser's liabilities under

this Law 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. Any self-assessing purchaser not required to make payments by electronic funds transfer may make payments by electronic funds transfer with the permission of the Department. All self-assessing purchasers required to make payments by electronic funds transfer and any self-assessing purchasers authorized to voluntarily make payments by electronic funds transfer shall make those payments in the manner authorized by the Department.

Through June 30, 2004, each ~~Each~~ month the Department shall pay into the Public Utility Fund in the State treasury an amount determined by the Director to be equal to 3.0% of the funds received by the Department pursuant to this Section. Through June 30, 2004, the ~~The~~ remainder of all moneys received by the Department under this Section shall be paid into the General Revenue Fund in the State treasury. Beginning on July 1, 2004, of the 3% of the funds received pursuant to this Section, each month the Department shall pay \$416,667 into the General Revenue Fund and the balance shall be paid into the Public Utility Fund in the State treasury.

(Source: P.A. 91-357, eff. 7-29-99; 92-492, eff. 1-1-02.)

Section 10-155. The Illinois Pension Code is amended by changing Sections 14-103.05, 14-108.3, 14-135.08, 15-106, 15-107, and 16-133.3 and adding Section 14-132.2 as follows:

(40 ILCS 5/14-103.05) (from Ch. 108 1/2, par. 14-103.05)
Sec. 14-103.05. Employee.

(a) Any person employed by a Department who receives salary for personal services rendered to the Department on a warrant issued pursuant to a payroll voucher certified by a Department and drawn by the State Comptroller upon the State Treasurer,

including an elected official described in subparagraph (d) of Section 14-104, shall become an employee for purpose of membership in the Retirement System on the first day of such employment.

A person entering service on or after January 1, 1972 and prior to January 1, 1984 shall become a member as a condition of employment and shall begin making contributions as of the first day of employment.

A person entering service on or after January 1, 1984 shall, upon completion of 6 months of continuous service which is not interrupted by a break of more than 2 months, become a member as a condition of employment. Contributions shall begin the first of the month after completion of the qualifying period.

The qualifying period of 6 months of service is not applicable to: (1) a person who has been granted credit for service in a position covered by the State Universities Retirement System, the Teachers' Retirement System of the State of Illinois, the General Assembly Retirement System, or the Judges Retirement System of Illinois unless that service has been forfeited under the laws of those systems; (2) a person entering service on or after July 1, 1991 in a noncovered position; or (3) a person to whom Section 14-108.2a or 14-108.2b applies.

(b) The term "employee" does not include the following:

(1) members of the State Legislature, and persons electing to become members of the General Assembly Retirement System pursuant to Section 2-105;

(2) incumbents of offices normally filled by vote of the people;

(3) except as otherwise provided in this Section, any person appointed by the Governor with the advice and consent of the Senate unless that person elects to participate in this system;

(4) except as provided in Section 14-108.2 or 14-108.2c, any person who is covered or eligible to be

covered by the Teachers' Retirement System of the State of Illinois, the State Universities Retirement System, or the Judges Retirement System of Illinois;

(5) an employee of a municipality or any other political subdivision of the State;

(6) any person who becomes an employee after June 30, 1979 as a public service employment program participant under the Federal Comprehensive Employment and Training Act and whose wages or fringe benefits are paid in whole or in part by funds provided under such Act;

(7) enrollees of the Illinois Young Adult Conservation Corps program, administered by the Department of Natural Resources, authorized grantee pursuant to Title VIII of the "Comprehensive Employment and Training Act of 1973", 29 USC 993, as now or hereafter amended;

(8) enrollees and temporary staff of programs administered by the Department of Natural Resources under the Youth Conservation Corps Act of 1970;

(9) any person who is a member of any professional licensing or disciplinary board created under an Act administered by the Department of Professional Regulation or a successor agency or created or re-created after the effective date of this amendatory Act of 1997, and who receives per diem compensation rather than a salary, notwithstanding that such per diem compensation is paid by warrant issued pursuant to a payroll voucher; such persons have never been included in the membership of this System, and this amendatory Act of 1987 (P.A. 84-1472) is not intended to effect any change in the status of such persons;

(10) any person who is a member of the Illinois Health Care Cost Containment Council, and receives per diem compensation rather than a salary, notwithstanding that such per diem compensation is paid by warrant issued pursuant to a payroll voucher; such persons have never been included in the membership of this System, and this

amendatory Act of 1987 is not intended to effect any change in the status of such persons; ~~or~~

(11) any person who is a member of the Oil and Gas Board created by Section 1.2 of the Illinois Oil and Gas Act, and receives per diem compensation rather than a salary, notwithstanding that such per diem compensation is paid by warrant issued pursuant to a payroll voucher; or-

(12) a person employed by the State Board of Higher Education in a position with the Illinois Century Network as of June 30, 2004, who remains continuously employed after that date by the Department of Central Management Services in a position with the Illinois Century Network and participates in the Article 15 system with respect to that employment.

(Source: P.A. 92-14, eff. 6-28-01.)

(40 ILCS 5/14-108.3)

Sec. 14-108.3. Early retirement incentives.

(a) To be eligible for the benefits provided in this Section, a person must:

(1) be a member of this System who, on any day during June, 2002, is (i) in active payroll status in a position of employment with a department and an active contributor to this System with respect to that employment, and terminates that employment before the retirement annuity under this Article begins, or (ii) on layoff status from such a position with a right of re-employment or recall to service, or (iii) receiving benefits under Section 14-123, 14-123.1 or 14-124, but only if the member has not been receiving those benefits for a continuous period of more than 2 years as of the date of application;

(2) not have received any retirement annuity under this Article beginning earlier than August 1, 2002;

(3) file with the Board on or before December 31, 2002 a written application requesting the benefits provided in this Section;

(4) terminate employment under this Article no later than December 31, 2002 (or the date established under subsection (d), if applicable);

(5) by the date of termination of service, have at least 8 years of creditable service under this Article, without the use of any creditable service established under this Section;

(6) by the date of termination of service, have at least 5 years of membership service earned while an employee under this Article, which may include military service for which credit is established under Section 14-105(b), service during the qualifying period for which credit is established under Section 14-104(a), and service for which credit has been established by repaying a refund under Section 14-130, but shall not include service for which any other optional service credit has been established; and

(7) not receive any early retirement benefit under Section 16-133.3 of this Code.

(b) An eligible person may establish up to 5 years of creditable service under this Article, in increments of one month, by making the contributions specified in subsection (c). In addition, for each month of creditable service established under this Section, a person's age at retirement shall be deemed to be one month older than it actually is.

The creditable service established under this Section may be used for all purposes under this Article and the Retirement Systems Reciprocal Act, except for the computation of final average compensation under Section 14-103.12 or the determination of compensation under this or any other Article of this Code.

The age enhancement established under this Section may not be used to enable any person to begin receiving a retirement annuity calculated under Section 14-110 before actually attaining age 50 (without any age enhancement under this Section). The age enhancement established under this Section

may be used for all other purposes under this Article (including calculation of a proportionate annuity payable by this System under the Retirement Systems Reciprocal Act), except for purposes of the level income option in Section 14-112, the reversionary annuity under Section 14-113, and the required distributions under Section 14-121.1.

The age enhancement established under this Section may be used in determining benefits payable under Article 16 of this Code under the Retirement Systems Reciprocal Act, if the person has at least 5 years of service credit in the Article 16 system that was earned while participating in that system as a teacher (as defined in Section 16-106) employed by a department (as defined in Section 14-103.04). Age enhancement established under this Section shall not otherwise be used in determining benefits payable under other Articles of this Code under the Retirement Systems Reciprocal Act.

(c) For all creditable service established under this Section, a person must pay to the System an employee contribution to be determined by the System, based on the member's rate of compensation on June 1, 2002 (or the last date before June 1, 2002 for which a rate can be determined) and the retirement contribution rate in effect on June 1, 2002 for the member (or for members with the same social security and alternative formula status as the member).

If the member receives a lump sum payment for accumulated vacation, sick leave and personal leave upon withdrawal from service, and the net amount of that lump sum payment is at least as great as the amount of the contribution required under this Section, the entire contribution must be paid by the employee by payroll deduction. If there is no such lump sum payment, or if it is less than the contribution required under this Section, the member shall make an initial payment by payroll deduction, equal to the net amount of the lump sum payment for accumulated vacation, sick leave, and personal leave, and have the remaining amount due treated as a reduction from the retirement annuity in 24 equal monthly installments

beginning in the month in which the retirement annuity takes effect. The required contribution may be paid as a pre-tax deduction from earnings. For federal and Illinois tax purposes, the monthly amount by which the annuitant's benefit is reduced shall not be treated as a contribution by the annuitant, but rather as a reduction of the annuitant's monthly benefit.

(c-5) The reduction in retirement annuity provided in subsection (c) of Section 14-108 does not apply to the annuity of a person who retires under this Section. A person who has received any age enhancement or creditable service under this Section may begin to receive an unreduced retirement annuity upon attainment of age 55 with at least 25 years of creditable service (including any age enhancement and creditable service established under this Section).

(d) In order to ensure that the efficient operation of State government is not jeopardized by the simultaneous retirement of large numbers of key personnel, the director or other head of a department may, for key employees of that department, extend the December 31, 2002 deadline for terminating employment under this Article established in subdivision (a)(4) of this Section to a date not later than April 30, 2003 by so notifying the System in writing by December 31, 2002.

(e) Notwithstanding Section 14-111, a person who has received any age enhancement or creditable service under this Section and who reenters service under this Article (or as an employee of a department under Article 16) other than as a temporary employee thereby forfeits that age enhancement and creditable service and is entitled to a refund of the contributions made pursuant to this Section.

(f) The System shall determine the amount of the increase in the present value of future benefits ~~unfunded accrued liability~~ resulting from the granting of early retirement incentives under this Section and shall report that amount to the Governor and the ~~Pension Laws Commission (or its successor,~~ ~~the Economic and Fiscal Commission)~~ on or after the effective

date of this amendatory Act of the 93rd General Assembly and on or before November 15, ~~2004~~ 2003. The increase ~~in liability~~ reported under this subsection (f) shall not be included in the calculation of the required State contribution under Section 14-131.

(g) ~~The System shall determine the amount of the annual State contribution necessary to amortize on a level dollar payment basis, over a period of 10 years at 8.5% interest, compounded annually, an amount equal to the increase in unfunded accrued liability determined under subsection (f) minus \$70,000,000. The System shall certify the amount of this annual State contribution to the Governor, the State Comptroller, the Governor's Office of Management and Budget (formerly Bureau of the Budget), and the Pension Laws Commission (or its successor, the Economic and Fiscal Commission) on or before November 15, 2003.~~ In addition to the contributions otherwise required under this Article, the State shall appropriate and pay to the System (1) an amount equal to \$70,000,000 in State fiscal years year 2004 and 2005 and (2) in each of State fiscal years 2006 through 2015, a level dollar-payment based upon the increase in the present value of future benefits provided by the early retirement incentives provided under this Section amortized at 8.5% interest 2005 through 2013, an amount equal to the annual State contribution certified by the System under this subsection (g).

(h) The Economic and Fiscal Commission (i) shall hold one or more hearings on or before the last session day during the fall veto session of 2004 to review recommendations relating to funding of early retirement incentives under this Section and (ii) shall file its report with the General Assembly on or before December 31, 2004 making its recommendations relating to funding of early retirement incentives under this Section; the Commission's report may contain both majority recommendations and minority recommendations. The System shall recalculate and recertify to the Governor by January 31, 2005 the amount of the required State contribution to the System for State fiscal year

2005 with respect to those incentives. The Pension Laws Commission (or its successor, the Economic and Fiscal Commission) shall determine and report to the General Assembly, on or before January 1, 2004 and annually thereafter through the year 2013, its estimate of (1) the annual amount of payroll savings likely to be realized by the State as a result of the early retirement of persons receiving early retirement incentives under this Section and (2) the net annual savings or cost to the State from the program of early retirement incentives created under this Section.

The System, the Department of Central Management Services, the Governor's Office of Management and Budget (formerly Bureau of the Budget), and all other departments shall provide to the Commission any assistance that the Commission may request with respect to its reports under this Section. The Commission may require departments to provide it with any information that it deems necessary or useful with respect to its reports under this Section, including without limitation information about (1) the final earnings of former department employees who elected to receive benefits under this Section, (2) the earnings of current department employees holding the positions vacated by persons who elected to receive benefits under this Section, and (3) positions vacated by persons who elected to receive benefits under this Section that have not yet been refilled.

(i) The changes made to this Section by this amendatory Act of the 92nd General Assembly do not apply to persons who retired under this Section on or before May 1, 1992.

(Source: P.A. 92-566, eff. 6-25-02; 93-632, eff. 2-1-04.)

(40 ILCS 5/14-132.2 new)

Sec. 14-132.2. Payment into the General Obligation Retirement and Interest Fund. Notwithstanding any other law, on the first day of each month, or as soon thereafter as practical, the System shall pay over to the State for deposit into the General Obligation Retirement and Interest Fund all

amounts previously received by the System pursuant to Section 14-135.08(b) representing additional amounts to pay principal of and interest on general obligation bonds authorized by Section 7.2(a) of the General Obligation Bond Act and issued to provide those proceeds deposited by the State with the System in July 2003, representing deposits other than amounts reserved under Section 7.2 of the General Obligation Bond Act.

(40 ILCS 5/14-135.08) (from Ch. 108 1/2, par. 14-135.08)
Sec. 14-135.08. To certify required State contributions.

(a) To certify to the Governor and to each department, on or before November 15 of each year, the required rate for State contributions to the System for the next State fiscal year, as determined under subsection (b) of Section 14-131. The certification to the Governor shall include a copy of the actuarial recommendations upon which the rate is based.

(b) The certification shall include an additional amount necessary to pay all principal of and interest on those general obligation bonds due the next fiscal year authorized by Section 7.2(a) of the General Obligation Bond Act and issued to provide the proceeds deposited by the State with the System in July 2003, representing deposits other than amounts reserved under Section 7.2(c) of the General Obligation Bond Act. For State fiscal year 2005, the Board shall make a supplemental certification of the additional amount necessary to pay all principal of and interest on those general obligation bonds due in State fiscal years 2004 and 2005 authorized by Section 7.2(a) of the General Obligation Bond Act and issued to provide the proceeds deposited by the State with the System in July 2003, representing deposits other than amounts reserved under Section 7.2(c) of the General Obligation Bond Act, as soon as practical after the effective date of this amendatory Act of the 93rd General Assembly.

On or before May 1, 2004, the Board shall recalculate and recertify to the Governor and to each department the amount of the required State contribution to the System and the required

rates for State contributions to the System for State fiscal year 2005, taking into account the amounts appropriated to and received by the System under subsection (d) of Section 7.2 of the General Obligation Bond Act.

(Source: P.A. 93-2, eff. 4-7-03.)

(40 ILCS 5/15-106) (from Ch. 108 1/2, par. 15-106)

Sec. 15-106. Employer. "Employer": The University of Illinois, Southern Illinois University, Chicago State University, Eastern Illinois University, Governors State University, Illinois State University, Northeastern Illinois University, Northern Illinois University, Western Illinois University, the State Board of Higher Education, the Illinois Mathematics and Science Academy, the State Geological Survey Division of the Department of Natural Resources, the State Natural History Survey Division of the Department of Natural Resources, the State Water Survey Division of the Department of Natural Resources, the Waste Management and Research Center of the Department of Natural Resources, the University Civil Service Merit Board, the Board of Trustees of the State Universities Retirement System, the Illinois Community College Board, community college boards, any association of community college boards organized under Section 3-55 of the Public Community College Act, the Board of Examiners established under the Illinois Public Accounting Act, and, only during the period for which employer contributions required under Section 15-155 are paid, the following organizations: the alumni associations, the foundations and the athletic associations which are affiliated with the universities and colleges included in this Section as employers.

A department as defined in Section 14-103.04 is an employer for any person appointed by the Governor under the Civil Administrative Code of Illinois who is a participating employee as defined in Section 15-109. The Department of Central Management Services is an employer with respect to persons employed by the State Board of Higher Education in positions

with the Illinois Century Network as of June 30, 2004 who remain continuously employed after that date by the Department of Central Management Services in positions with the Illinois Century Network.

The cities of Champaign and Urbana shall be considered employers, but only during the period for which contributions are required to be made under subsection (b-1) of Section 15-155 and only with respect to individuals described in subsection (h) of Section 15-107.

(Source: P.A. 89-4, eff. 1-1-96; 89-445, eff. 2-7-96; 90-490, eff. 8-17-97; 90-511, eff. 8-22-97; 90-576, eff. 3-31-98; 90-655, eff. 7-30-98.)

(40 ILCS 5/15-107) (from Ch. 108 1/2, par. 15-107)

Sec. 15-107. Employee.

(a) "Employee" means any member of the educational, administrative, secretarial, clerical, mechanical, labor or other staff of an employer whose employment is permanent and continuous or who is employed in a position in which services are expected to be rendered on a continuous basis for at least 4 months or one academic term, whichever is less, who (A) receives payment for personal services on a warrant issued pursuant to a payroll voucher certified by an employer and drawn by the State Comptroller upon the State Treasurer or by an employer upon trust, federal or other funds, or (B) is on a leave of absence without pay. Employment which is irregular, intermittent or temporary shall not be considered continuous for purposes of this paragraph.

However, a person is not an "employee" if he or she:

(1) is a student enrolled in and regularly attending classes in a college or university which is an employer, and is employed on a temporary basis at less than full time;

(2) is currently receiving a retirement annuity or a disability retirement annuity under Section 15-153.2 from this System;

(3) is on a military leave of absence;

(4) is eligible to participate in the Federal Civil Service Retirement System and is currently making contributions to that system based upon earnings paid by an employer;

(5) is on leave of absence without pay for more than 60 days immediately following termination of disability benefits under this Article;

(6) is hired after June 30, 1979 as a public service employment program participant under the Federal Comprehensive Employment and Training Act and receives earnings in whole or in part from funds provided under that Act; or

(7) is employed on or after July 1, 1991 to perform services that are excluded by subdivision (a)(7)(f) or (a)(19) of Section 210 of the federal Social Security Act from the definition of employment given in that Section (42 U.S.C. 410).

(b) Any employer may, by filing a written notice with the board, exclude from the definition of "employee" all persons employed pursuant to a federally funded contract entered into after July 1, 1982 with a federal military department in a program providing training in military courses to federal military personnel on a military site owned by the United States Government, if this exclusion is not prohibited by the federally funded contract or federal laws or rules governing the administration of the contract.

(c) Any person appointed by the Governor under the Civil Administrative Code of the State is an employee, if he or she is a participant in this system on the effective date of the appointment.

(d) A participant on lay-off status under civil service rules is considered an employee for not more than 120 days from the date of the lay-off.

(e) A participant is considered an employee during (1) the first 60 days of disability leave, (2) the period, not to

exceed one year, in which his or her eligibility for disability benefits is being considered by the board or reviewed by the courts, and (3) the period he or she receives disability benefits under the provisions of Section 15-152, workers' compensation or occupational disease benefits, or disability income under an insurance contract financed wholly or partially by the employer.

(f) Absences without pay, other than formal leaves of absence, of less than 30 calendar days, are not considered as an interruption of a person's status as an employee. If such absences during any period of 12 months exceed 30 work days, the employee status of the person is considered as interrupted as of the 31st work day.

(g) A staff member whose employment contract requires services during an academic term is to be considered an employee during the summer and other vacation periods, unless he or she declines an employment contract for the succeeding academic term or his or her employment status is otherwise terminated, and he or she receives no earnings during these periods.

(h) An individual who was a participating employee employed in the fire department of the University of Illinois's Champaign-Urbana campus immediately prior to the elimination of that fire department and who immediately after the elimination of that fire department became employed by the fire department of the City of Urbana or the City of Champaign shall continue to be considered as an employee for purposes of this Article for so long as the individual remains employed as a firefighter by the City of Urbana or the City of Champaign. The individual shall cease to be considered an employee under this subsection (h) upon the first termination of the individual's employment as a firefighter by the City of Urbana or the City of Champaign.

(i) An individual who is employed on a full-time basis as an officer or employee of a statewide teacher organization that serves System participants or an officer of a national teacher

organization that serves System participants may participate in the System and shall be deemed an employee, provided that (1) the individual has previously earned creditable service under this Article, (2) the individual files with the System an irrevocable election to become a participant, and (3) the individual does not receive credit for that employment under any other Article of this Code. An employee under this subsection (i) is responsible for paying to the System both (A) employee contributions based on the actual compensation received for service with the teacher organization and (B) employer contributions equal to the normal costs (as defined in Section 15-155) resulting from that service; all or any part of these contributions may be paid on the employee's behalf or picked up for tax purposes (if authorized under federal law) by the teacher organization.

A person who is an employee as defined in this subsection (i) may establish service credit for similar employment prior to becoming an employee under this subsection by paying to the System for that employment the contributions specified in this subsection, plus interest at the effective rate from the date of service to the date of payment. However, credit shall not be granted under this subsection for any such prior employment for which the applicant received credit under any other provision of this Code, or during which the applicant was on a leave of absence under Section 15-113.2.

(j) A person employed by the State Board of Higher Education in a position with the Illinois Century Network as of June 30, 2004 shall be considered to be an employee for so long as he or she remains continuously employed after that date by the Department of Central Management Services in a position with the Illinois Century Network and meets the requirements of subsection (a).

(Source: P.A. 93-347, eff. 7-24-03.)

(40 ILCS 5/16-133.3) (from Ch. 108 1/2, par. 16-133.3)

Sec. 16-133.3. Early retirement incentives for State

employees.

(a) To be eligible for the benefits provided in this Section, a person must:

(1) be a member of this System who, on any day during June, 2002, is (i) in active payroll status as a full-time teacher employed by a department and an active contributor to this System with respect to that employment, or (ii) on layoff status from such a position with a right of re-employment or recall to service, or (iii) receiving a disability benefit under Section 16-149 or 16-149.1, but only if the member has not been receiving that benefit for a continuous period of more than 2 years as of the date of application;

(2) not have received any retirement annuity under this Article beginning earlier than August 1, 2002;

(3) file with the Board on or before December 31, 2002 a written application requesting the benefits provided in this Section;

(4) terminate employment under this Article no later than December 31, 2002 (or the date established under subsection (d), if applicable);

(5) by the date of termination of service, have at least 8 years of creditable service under this Article, without the use of any creditable service established under this Section;

(6) by the date of termination of service, have at least 5 years of service credit earned while participating in the System as a teacher employed by a department; and

(7) not receive any early retirement benefit under Section 14-108.3 of this Code.

For the purposes of this Section, "department" means a department as defined in Section 14-103.04 that employs a teacher as defined in this Article.

(b) An eligible person may establish up to 5 years of creditable service under this Article by making the contributions specified in subsection (c). In addition, for

each period of creditable service established under this Section, a person's age at retirement shall be deemed to be enhanced by an equivalent period.

The creditable service established under this Section may be used for all purposes under this Article and the Retirement Systems Reciprocal Act, except for the computation of final average salary, the determination of salary or compensation under this Article or any other Article of this Code, or the determination of eligibility for or the computation of benefits under Section 16-133.2.

The age enhancement established under this Section may be used for all purposes under this Article (including calculation of a proportionate annuity payable by this System under the Retirement Systems Reciprocal Act), except for purposes of a retirement annuity under Section 16-133(a)(A), a reversionary annuity under Section 16-136, the required distributions under Section 16-142.3, and the determination of eligibility for or the computation of benefits under Section 16-133.2. Age enhancement established under this Section may be used in determining benefits payable under Article 14 of this Code under the Retirement Systems Reciprocal Act (subject to the limitations on the use of age enhancement provided in Section 14-108.3); age enhancement established under this Section shall not be used in determining benefits payable under other Articles of this Code under the Retirement Systems Reciprocal Act.

(c) For all creditable service established under this Section, a person must pay to the System an employee contribution to be determined by the System, equal to 9.0% of the member's highest annual salary rate that would be used in the determination of the average salary for retirement annuity purposes if the member retired immediately after withdrawal, for each year of creditable service established under this Section.

If the member receives a lump sum payment for accumulated vacation, sick leave, and personal leave upon withdrawal from

service, and the net amount of that lump sum payment is at least as great as the amount of the contribution required under this Section, the entire contribution must be paid by the employee by payroll deduction. If there is no such lump sum payment, or if it is less than the contribution required under this Section, the member shall make an initial payment by payroll deduction, equal to the net amount of the lump sum payment for accumulated vacation, sick leave, and personal leave, and have the remaining amount due treated as a reduction from the retirement annuity in 24 equal monthly installments beginning in the month in which the retirement annuity takes effect. The required contribution may be paid as a pre-tax deduction from earnings.

(d) In order to ensure that the efficient operation of State government is not jeopardized by the simultaneous retirement of large numbers of key personnel, the director or other head of a department may, for key employees of that department, extend the December 31, 2002 deadline for terminating employment under this Article established in subdivision (a)(4) of this Section to a date not later than April 30, 2003 by so notifying the System in writing by December 31, 2002.

(e) A person who has received any age enhancement or creditable service under this Section and who reenters contributing service under this Article or Article 14 shall thereby forfeit that age enhancement and creditable service, and become entitled to a refund of the contributions made pursuant to this Section.

(f) The System shall determine the amount of the increase in the present value of future benefits ~~unfunded accrued liability~~ resulting from the granting of early retirement incentives under this Section and shall report that amount to the Governor and the ~~Pension Laws Commission (or its successor,~~ ~~the Economic and Fiscal Commission)~~ on or after the effective date of this amendatory Act of the 93rd General Assembly and on or before November 15, 2004 ~~2003~~. The increase in liability

reported under this subsection (f) shall not be included in the calculation of the required State contribution under Section 16-158.

~~(g) The System shall determine the amount of the annual State contribution necessary to amortize on a level dollar payment basis, over a period of 10 years at 8.5% interest, compounded annually, an amount equal to the increase in unfunded accrued liability determined under subsection (f) minus \$1,000,000. The System shall certify the amount of this annual State contribution to the Governor, the State Comptroller, the Governor's Office of Management and Budget (formerly Bureau of the Budget), and the Pension Laws Commission (or its successor, the Economic and Fiscal Commission) on or before November 15, 2003. In addition to the contributions otherwise required under this Article, the State shall appropriate and pay to the System (1) an amount equal to \$1,000,000 in State fiscal year 2004 and (2) in each of State fiscal years 2006 through 2015, a level dollar-payment based upon the increase in the present value of future benefits provided by the early retirement incentives provided under this Section amortized at 8.5% interest ~~2005 through 2013, an amount equal to the annual State contribution certified by the System under this subsection (g).~~~~

(h) The Pension Laws Commission (or its successor, the Economic and Fiscal Commission) shall determine and report to the General Assembly, on or before January 1, 2004 and annually thereafter through the year 2013, its estimate of (1) the annual amount of payroll savings likely to be realized by the State as a result of the early retirement of persons receiving early retirement incentives under this Section and (2) the net annual savings or cost to the State from the program of early retirement incentives created under this Section.

The System, the Department of Central Management Services, the Governor's Office of Management and Budget (formerly Bureau of the Budget), and all other departments shall provide to the Commission any assistance that the Commission may request with

respect to its reports under this Section. The Commission may require departments to provide it with any information that it deems necessary or useful with respect to its reports under this Section, including without limitation information about (1) the final earnings of former department employees who elected to receive benefits under this Section, (2) the earnings of current department employees holding the positions vacated by persons who elected to receive benefits under this Section, and (3) positions vacated by persons who elected to receive benefits under this Section that have not yet been refilled.

(i) The changes made to this Section by this amendatory Act of the 92nd General Assembly do not apply to persons who retired under this Section on or before May 1, 1992.

(Source: P.A. 92-566, eff. 6-25-02; 93-632, eff. 2-1-04.)

Section 10-159. The State Pension Funds Continuing Appropriation Act is amended by changing Section 1.6 as follows:

(40 ILCS 15/1.6)

Sec. 1.6. Appropriations for early retirement programs.

(a) There is hereby appropriated from the General Revenue Fund to the State Employees' Retirement System of Illinois, on a continuing annual basis in each of State fiscal years 2004 through 2015 ~~2013~~, the amount, if any, by which the total available amount of all other appropriations to that retirement system for the payment of State contributions under subsection (g) of Section 14-108.3 of the Illinois Pension Code in that fiscal year is less than the total amount of State contributions required for that fiscal year under that subsection (g).

(b) There is hereby appropriated from the General Revenue Fund to the Teachers' Retirement System of the State of Illinois, on a continuing annual basis in each of State fiscal years 2004 through 2015 ~~2013~~, the amount, if any, by which the

total available amount of all other appropriations to that retirement system for the payment of State contributions under subsection (g) of Section 16-133.3 of the Illinois Pension Code in that fiscal year is less than the total amount of State contributions required for that fiscal year under that subsection (g).

(Source: P.A. 92-566, eff. 6-25-02.)

Section 10-160. The Wireless Emergency Telephone Safety Act is amended by changing Sections 17, 25, 30, 35, 40, and 50 and by adding Section 75 as follows:

(50 ILCS 751/17)

(Section scheduled to be repealed on April 1, 2008)

Sec. 17. Wireless carrier surcharge.

(a) Except as provided in Section 45, each wireless carrier shall impose a monthly wireless carrier surcharge per CMRS connection that either has a telephone number within an area code assigned to Illinois by the North American Numbering Plan Administrator or has a billing address in this State. In the case of prepaid wireless telephone service, this surcharge shall be remitted based upon the address associated with the point of purchase, the customer billing address, or the location associated with the MTN for each active prepaid wireless telephone that has a sufficient positive balance as of the last day of each month, if that information is available. No wireless carrier shall impose the surcharge authorized by this Section upon any subscriber who is subject to the surcharge imposed by a unit of local government pursuant to Section 45. The wireless carrier that provides wireless service to the subscriber shall collect the surcharge set by the Wireless Enhanced 9-1-1 Board from the subscriber. For mobile telecommunications services provided on and after August 1, 2002, any surcharge imposed under this Act shall be imposed based upon the municipality or county that encompasses the customer's place of primary use as defined in the Mobile

Telecommunications Sourcing Conformity Act. The surcharge shall be stated as a separate item on the subscriber's monthly bill. The wireless carrier shall begin collecting the surcharge on bills issued within 90 days after the Wireless Enhanced 9-1-1 Board sets the monthly wireless surcharge. State and local taxes shall not apply to the wireless carrier surcharge.

(b) Except as provided in Section 45, a wireless carrier shall, within 45 days of collection, remit, either by check or by electronic funds transfer, to the State Treasurer the amount of the wireless carrier surcharge collected from each subscriber. Of the amounts remitted under this subsection, the State Treasurer shall deposit one-third into the Wireless Carrier Reimbursement Fund and two-thirds into the Wireless Service Emergency Fund.

(c) The first such remittance by wireless carriers shall include the number of customers by zip code, and the 9-digit zip code if currently being used or later implemented by the carrier, that shall be the means by which the Illinois Commerce Commission ~~Department of Central Management Services~~ shall determine distributions from the Wireless Service Emergency Fund. This information shall be updated no less often than every year. Wireless carriers are not required to remit surcharge moneys that are billed to subscribers but not yet collected.

(Source: P.A. 92-526, eff. 7-1-02; 93-507, eff. 1-1-04.)

(50 ILCS 751/25)

(Section scheduled to be repealed on April 1, 2008)

Sec. 25. Wireless Service Emergency Fund; distribution of moneys. Within 60 days after the effective date of this Act, wireless carriers shall submit to the Illinois Commerce Commission ~~Department of Central Management Services~~ the number of wireless subscribers by zip code and the 9-digit zip code of the wireless subscribers, if currently being used or later implemented by the carrier.

The Illinois Commerce Commission ~~Department of Central~~

~~Management Services~~ shall, subject to appropriation, make monthly proportional grants to the appropriate emergency telephone system board or qualified governmental entity based upon the United States Postal Zip Code of the wireless subscriber's billing address. No matching funds shall be required from grant recipients.

If the Illinois Commerce Commission ~~Department of Central Management Services~~ is notified of an area of overlapping jurisdiction, grants for that area shall be made based upon reference to an official Master Street Address Guide to the emergency telephone system board or qualified governmental entity whose public service answering points provide wireless 9-1-1 service in that area. The emergency telephone system board or qualified governmental entity shall provide the Illinois Commerce Commission ~~Department of Central Management Services~~ with a valid copy of the appropriate Master Street Address Guide. The Illinois Commerce Commission ~~Department of Central Management Services~~ does not have a duty to verify jurisdictional responsibility.

In the event of a subscriber billing address being matched to an incorrect jurisdiction by the Illinois Commerce Commission ~~Department of Central Management Services~~, the recipient, upon notification from the Illinois Commerce Commission ~~Department of Central Management Services~~, shall redirect the funds to the correct jurisdiction. The Illinois Commerce Commission ~~Department of Central Management Services~~ shall not be held liable for any damages relating to an act or omission under this Act, unless the act or omission constitutes gross negligence, recklessness, or intentional misconduct.

In the event of a dispute between emergency telephone system boards or qualified governmental entities concerning a subscriber billing address, the Illinois Commerce Commission ~~Department of Central Management Services~~ shall resolve the dispute.

The Illinois Commerce Commission ~~Department of Central Management Services~~ shall maintain detailed records of all

receipts and disbursements and shall provide an annual accounting of all receipts and disbursements to the Auditor General.

The Illinois Commerce Commission ~~Department of Central Management Services~~ shall adopt rules to govern the grant process.

(Source: P.A. 91-660, eff. 12-22-99.)

(50 ILCS 751/30)

(Section scheduled to be repealed on April 1, 2008)

Sec. 30. Wireless Carrier Reimbursement Fund; uses. The Wireless Carrier Reimbursement Fund is created as a special fund in the State treasury. Moneys in the Wireless Carrier Reimbursement Fund may be used, subject to appropriation, only (i) to reimburse wireless carriers for all of their costs incurred in complying with the applicable provisions of Federal Communications Commission wireless enhanced 9-1-1 service mandates and (ii) to pay the reasonable and necessary costs of the Illinois Commerce Commission in exercising its rights, duties, powers, and functions under this Act. This reimbursement to wireless carriers may include, but need not be limited to, the cost of designing, upgrading, purchasing, leasing, programming, installing, testing, and maintaining necessary data, hardware, and software and associated operating and administrative costs and overhead.

(Source: P.A. 91-660, eff. 12-22-99.)

(50 ILCS 751/35)

(Section scheduled to be repealed on April 1, 2008)

Sec. 35. Wireless Carrier Reimbursement Fund; reimbursement. To recover costs from the Wireless Carrier Reimbursement Fund, the wireless carrier shall submit sworn invoices to the Illinois Commerce Commission ~~Department of Central Management Services~~. In no event may any invoice for payment be approved for (i) costs that are not related to compliance with the requirements established by the wireless

enhanced 9-1-1 mandates of the Federal Communications Commission, (ii) costs with respect to any wireless enhanced 9-1-1 service that is not operable at the time the invoice is submitted, or (iii) costs of any wireless carrier exceeding 100% ~~125%~~ of the wireless emergency services charges remitted to the Wireless Carrier Reimbursement Fund by the wireless carrier under Section 17(b) unless the wireless carrier received prior approval for the expenditures from the Illinois Commerce Commission ~~Department of Central Management Services~~.

If in any month the total amount of invoices submitted to the Illinois Commerce Commission ~~Department of Central Management Services~~ and approved for payment exceeds the amount available in the Wireless Carrier Reimbursement Fund, wireless carriers that have invoices approved for payment shall receive a pro-rata share of the amount available in the Wireless Carrier Reimbursement Fund based on the relative amount of their approved invoices available that month, and the balance of the payments shall be carried into the following months until all of the approved payments are made.

A wireless carrier may not receive payment from the Wireless Carrier Reimbursement Fund for its costs of providing wireless enhanced 9-1-1 services in an area when a unit of local government or emergency telephone system board provides wireless 9-1-1 services in that area and was imposing and collecting a wireless carrier surcharge prior to July 1, 1998.

The Illinois Commerce Commission ~~Department of Central Management Services~~ shall maintain detailed records of all receipts and disbursements and shall provide an annual accounting of all receipts and disbursements to the Auditor General.

The Illinois Commerce Commission ~~Department of Central Management Services~~ shall adopt rules to govern the reimbursement process.

(Source: P.A. 93-507, eff. 1-1-04.)

(Section scheduled to be repealed on April 1, 2008)

Sec. 40. Public disclosure. Because of the highly competitive nature of the wireless telephone industry, a public disclosure of information about surcharge moneys paid by wireless carriers could have the effect of stifling competition to the detriment of the public and the delivery of wireless 9-1-1 services. Therefore, the Illinois Commerce Commission ~~Department of Central Management Services~~, the Department of State Police, governmental agencies, and individuals with access to that information shall take appropriate steps to prevent public disclosure of this information. Information and data supporting the amount and distribution of surcharge moneys collected and remitted by an individual wireless carrier shall be deemed exempt information for purposes of the Freedom of Information Act and shall not be publicly disclosed. The gross amount paid by all carriers shall not be deemed exempt and may be publicly disclosed.

(Source: P.A. 91-660, eff. 12-22-99.)

(50 ILCS 751/50)

(Section scheduled to be repealed on April 1, 2008)

Sec. 50. Limitation of liability. Notwithstanding any other provision of law, in no event shall a unit of local government, the Illinois Commerce Commission as successor agency to the Department of Central Management Services, the Department of State Police, or a public safety agency, public safety answering point, emergency telephone system board, or wireless carrier, or its officers, employees, assigns, or agents, be liable for any form of civil damages or criminal liability that directly or indirectly results from, or is caused by, any act or omission in the development, design, installation, operation, maintenance, performance, or provision of wireless 9-1-1 or wireless E9-1-1 service, unless the act or omission constitutes gross negligence, recklessness, or intentional misconduct.

A unit of local government, the Illinois Commerce

Commission as successor agency to the Department of Central Management Services, the Department of State Police, or a public safety agency, public safety answering point, emergency telephone system board, or wireless carrier, or its officers, employees, assigns, or agents, shall not be liable for any form of civil damages or criminal liability that directly or indirectly results from, or is caused by, the release of subscriber information to any governmental entity as required under the provisions of this Act, unless the release constitutes gross negligence, recklessness, or intentional misconduct.

(Source: P.A. 91-660, eff. 12-22-99.)

(50 ILCS 751/75 new)

Sec. 75. Transfer of rights, functions, powers, duties, and property to Illinois Commerce Commission; rules and standards; savings provisions.

(a) Beginning July 1, 2004, the rights, functions, powers, and duties of the Department of Central Management Services as set forth in this Act are transferred to and shall be exercised by the Illinois Commerce Commission. By July 1, 2004, the Department of Central Management Services shall transfer and deliver to the Illinois Commerce Commission all books, records, documents, property (real and personal), unexpended appropriations, and pending business pertaining to the rights, powers, duties, and functions transferred to the Illinois Commerce Commission under this amendatory Act of the 93rd General Assembly.

(b) The rules and standards of the Department of Central Management Services that are in effect on June 30, 2004 and that pertain to the rights, powers, duties, and functions transferred to the Illinois Commerce Commission under this amendatory Act of the 93rd General Assembly shall become the rules and standards of the Illinois Commerce Commission on July 1, 2004, and shall continue in effect until amended or repealed by the Illinois Commerce Commission.

Any rules pertaining to the rights, powers, duties, and functions transferred to the Illinois Commerce Commission under this amendatory Act of the 93rd General Assembly that have been proposed by the Department of Central Management Services but have not taken effect or been finally adopted by June 30, 2004, shall become proposed rules of the Illinois Commerce Commission on July 1, 2004, and any rulemaking procedures that have already been completed by the Department of Central Management Services for those proposed rules need not be repealed.

As soon as it is practical after July 1, 2004, the Illinois Commerce Commission shall revise and clarify the rules transferred to it under this amendatory Act of the 93rd General Assembly to reflect the transfer of rights, powers, duties, and functions effected by this amendatory Act of the 93rd General Assembly using the procedures for recodification of rules available under the Illinois Administrative Procedure Act, except that existing title, part, and section numbering for the affected rules may be retained. The Illinois Commerce Commission may propose and adopt under the Illinois Administrative Procedure Act any other rules necessary to consolidate and clarify those rules.

(c) The rights, powers, duties, and functions transferred to the Illinois Commerce Commission by this amendatory Act of the 93rd General Assembly shall be vested in and exercised by the Commission subject to the provisions of this Act. An act done by the Illinois Commerce Commission or an officer, employee, or agent of the Commission in the exercise of the transferred rights, powers, duties, and functions shall have the same legal effect as if done by the Department of Central Management Services or an officer, employee, or agent of the Department.

The transfer of rights, powers, duties, and functions to the Illinois Commerce Commission under this amendatory Act of the 93rd General Assembly does not invalidate any previous action taken by or in respect to the Department of Central

Management Services, its officers, employees, or agents. References to the Department of Central Management Services or its officers, employees, or agents in any document, contract, agreement, or law shall, in appropriate contexts, be deemed to refer to the Illinois Commerce Commission or its officers, employees, or agents.

The transfer of rights, powers, duties, and functions to the Illinois Commerce Commission under this amendatory Act of the 93rd General Assembly does not affect any person's rights, obligations, or duties, including any civil or criminal penalties applicable thereto, arising out of those transferred rights, powers, duties, and functions.

This amendatory Act of the 93rd General Assembly does not affect any act done, ratified, or cancelled, any right occurring or established, or any action or proceeding commenced in an administrative, civil, or criminal case before July 1, 2004. Any such action or proceeding that pertains to a right, power, duty, or function transferred to the Illinois Commerce Commission under this amendatory Act of the 93rd General Assembly that is pending on that date may be prosecuted, defended, or continued by the Department of Central Management Services.

For the purposes of Section 9b of the State Finance Act, the Illinois Commerce Commission is the successor to the Department of Central Management Services with respect to the rights, duties, powers, and functions transferred by this amendatory Act of the 93rd General Assembly.

Section 10-165. The Sanitary District Act of 1917 is amended by adding Section 17.2 as follows:

(70 ILCS 2405/17.2 new)

Sec. 17.2. Acquisition of privately owned treatment works.

(a) After incorporation, any district organized under this Act may, in accordance with this Act, acquire by purchase or condemnation the territory, treatment works, lines,

appurtenances, water treatment works, storage tanks, water lines, and other property of a privately owned public sewer and water utility treatment works that is not located within any other sanitary district, regardless of whether the area serviced by the treatment works is contiguous to the acquiring sanitary district. If, at the time of acquisition, the treatment works is located within a municipality, then the treatment works may not be acquired by the sanitary district without the consent of that municipality. The distance between the treatment works being acquired and the acquiring sanitary district, as measured from the point of discharge of the treatment works and the corporate boundary of the acquiring sanitary district at its nearest point, shall be within 15 miles and shall be located in the sanitary district's facility planning area (FPA).

(b) The acquisition of the treatment works by a sanitary district shall not affect the obligation of any bonds issued in the sanitary district or in the territory serviced by the treatment works or invalidate the levy, extension, or collection of any taxes or special assessments within the sanitary district.

(c) The acquiring sanitary district may acquire by eminent domain, within or outside its boundaries, easements necessary to connect the treatment works to the sanitary district's sewers or plants.

(d) The sanitary district may pass all necessary ordinances to regulate the connections to and use of the sewer or water system of the treatment works, including the establishment of a user fee for the area serviced by the treatment works, and may enforce those ordinances against all users of the acquired system, within or outside its boundaries. The sanitary district may own, operate, expand, and improve the private treatment works in accordance with the provisions of this Act.

(e) The grant of powers set forth in this Section are a restatement of existing law.

Section 10-167. The Environmental Protection Act is amended by changing Section 55.6 as follows:

(415 ILCS 5/55.6) (from Ch. 111 1/2, par. 1055.6)

Sec. 55.6. Used Tire Management Fund.

(a) There is hereby created in the State Treasury a special fund to be known as the Used Tire Management Fund. There shall be deposited into the Fund all monies received as (1) recovered costs or proceeds from the sale of used tires under Section 55.3 of this Act, (2) repayment of loans from the Used Tire Management Fund, or (3) penalties or punitive damages for violations of this Title, except as provided by subdivision (b) (4) or (b) (4-5) of Section 42.

(b) Beginning January 1, 1992, in addition to any other fees required by law, the owner or operator of each site required to be registered under subsection (d) of Section 55 shall pay to the Agency an annual fee of \$100. Fees collected under this subsection shall be deposited into the Environmental Protection Permit and Inspection Fund.

(c) Pursuant to appropriation, monies up to an amount of \$2 million per fiscal year from the Used Tire Management Fund shall be allocated as follows:

(1) 38% shall be available to the Agency for the following purposes, provided that priority shall be given to item (i):

(i) To undertake preventive, corrective or removal action as authorized by and in accordance with Section 55.3, and to recover costs in accordance with Section 55.3.

(ii) For the performance of inspection and enforcement activities for used and waste tire sites.

(iii) To assist with marketing of used tires by augmenting the operations of an industrial materials exchange service.

(iv) To provide financial assistance to units of local government for the performance of inspecting,

investigating and enforcement activities pursuant to subsection (r) of Section 4 at used and waste tire sites.

(v) To provide financial assistance for used and waste tire collection projects sponsored by local government or not-for-profit corporations.

(vi) For the costs of fee collection and administration relating to used and waste tires, and to accomplish such other purposes as are authorized by this Act and regulations thereunder.

(2) For fiscal years beginning prior to July 1, 2004, 23% shall be available to the Department of Commerce and Economic Opportunity ~~Community Affairs~~ for the following purposes, provided that priority shall be given to item (A):

(A) To provide grants or loans for the purposes of:

(i) assisting units of local government and private industry in the establishment of facilities and programs to collect, process and utilize used and waste tires and tire derived materials;

(ii) demonstrating the feasibility of innovative technologies as a means of collecting, storing, processing and utilizing used and waste tires and tire derived materials; and

(iii) applying demonstrated technologies as a means of collecting, storing, processing, and utilizing used and waste tires and tire derived materials.

(B) To develop educational material for use by officials and the public to better understand and respond to the problems posed by used tires and associated insects.

(C) (Blank).

(D) To perform such research as the Director deems appropriate to help meet the purposes of this Act.

(E) To pay the costs of administration of its activities authorized under this Act.

(2.1) For the fiscal year beginning July 1, 2004 and for all fiscal years thereafter, 23% shall be deposited into the General Revenue Fund.

(3) 25% shall be available to the Illinois Department of Public Health for the following purposes:

(A) To investigate threats or potential threats to the public health related to mosquitoes and other vectors of disease associated with the improper storage, handling and disposal of tires, improper waste disposal, or natural conditions.

(B) To conduct surveillance and monitoring activities for mosquitoes and other arthropod vectors of disease, and surveillance of animals which provide a reservoir for disease-producing organisms.

(C) To conduct training activities to promote vector control programs and integrated pest management as defined in the Vector Control Act.

(D) To respond to inquiries, investigate complaints, conduct evaluations and provide technical consultation to help reduce or eliminate public health hazards and nuisance conditions associated with mosquitoes and other vectors.

(E) To provide financial assistance to units of local government for training, investigation and response to public nuisances associated with mosquitoes and other vectors of disease.

(4) 2% shall be available to the Department of Agriculture for its activities under the Illinois Pesticide Act relating to used and waste tires.

(5) 2% shall be available to the Pollution Control Board for administration of its activities relating to used and waste tires.

(6) 10% shall be available to the Department of Natural Resources for the Illinois Natural History Survey to

perform research to study the biology, distribution, population ecology, and biosystematics of tire-breeding arthropods, especially mosquitoes, and the diseases they spread.

(d) By January 1, 1998, and biennially thereafter, each State agency receiving an appropriation from the Used Tire Management Fund shall report to the Governor and the General Assembly on its activities relating to the Fund.

(e) Any monies appropriated from the Used Tire Management Fund, but not obligated, shall revert to the Fund.

(f) In administering the provisions of subdivisions (1), (2) and (3) of subsection (c) of this Section, the Agency, the Department of Commerce and Economic Opportunity ~~Community Affairs~~, and the Illinois Department of Public Health shall ensure that appropriate funding assistance is provided to any municipality with a population over 1,000,000 or to any sanitary district which serves a population over 1,000,000.

(g) Pursuant to appropriation, monies in excess of \$2 million per fiscal year from the Used Tire Management Fund shall be used as follows:

(1) 55% shall be available to the Agency to undertake preventive, corrective or renewed action as authorized by and in accordance with Section 55.3 and to recover costs in accordance with Section 55.3.

(2) For fiscal years beginning prior to July 1, 2004, 45% shall be available to the Department of Commerce and Economic Opportunity ~~Community Affairs~~ to provide grants or loans for the purposes of:

(i) assisting units of local government and private industry in the establishment of facilities and programs to collect, process and utilize waste tires and tire derived material;

(ii) demonstrating the feasibility of innovative technologies as a means of collecting, storing, processing, and utilizing used and waste tires and tire derived materials; and

(iii) applying demonstrated technologies as a means of collecting, storing, processing, and utilizing used and waste tires and tire derived materials.

(3) For the fiscal year beginning July 1, 2004 and for all fiscal years thereafter, 45% shall be deposited into the General Revenue Fund.

(Source: P.A. 91-856, eff. 6-22-00; 92-16, eff. 6-28-01; revised 12-6-03.)

Section 10-168. The Illinois Low-Level Radioactive Waste Management Act is amended by changing Section 13 as follows:

(420 ILCS 20/13) (from Ch. 111 1/2, par. 241-13)

Sec. 13. Waste fees.

(a) The Department shall collect a fee from each generator of low-level radioactive wastes in this State. Except as provided in subsections (b), (c), and (d), the amount of the fee shall be \$50.00 or the following amount, whichever is greater:

(1) \$1 per cubic foot of waste shipped for storage, treatment or disposal if storage of the waste for shipment occurred prior to September 7, 1984;

(2) \$2 per cubic foot of waste stored for shipment if storage of the waste occurs on or after September 7, 1984, but prior to October 1, 1985;

(3) \$3 per cubic foot of waste stored for shipment if storage of the waste occurs on or after October 1, 1985;

(4) \$2 per cubic foot of waste shipped for storage, treatment or disposal if storage of the waste for shipment occurs on or after September 7, 1984 but prior to October 1, 1985, provided that no fee has been collected previously for storage of the waste;

(5) \$3 per cubic foot of waste shipped for storage, treatment or disposal if storage of the waste for shipment occurs on or after October 1, 1985, provided that no fees

have been collected previously for storage of the waste.

Such fees shall be collected annually or as determined by the Department and shall be deposited in the low-level radioactive waste funds as provided in Section 14 of this Act. Notwithstanding any other provision of this Act, no fee under this Section shall be collected from a generator for waste generated incident to manufacturing before December 31, 1980, and shipped for disposal outside of this State before December 31, 1992, as part of a site reclamation leading to license termination.

(b) Each nuclear power reactor in this State for which an operating license has been issued by the Nuclear Regulatory Commission shall not be subject to the fee required by subsection (a) with respect to (1) waste stored for shipment if storage of the waste occurs on or after January 1, 1986; and (2) waste shipped for storage, treatment or disposal if storage of the waste for shipment occurs on or after January 1, 1986. In lieu of the fee, each reactor shall be required to pay an annual fee as provided in this subsection for the treatment, storage and disposal of low-level radioactive waste. Beginning with State fiscal year 1986 and through State fiscal year 1997, fees shall be due and payable on January 1st of each year. For State fiscal year 1998 and all subsequent State fiscal years, fees shall be due and payable on July 1 of each fiscal year. The fee due on July 1, 1997 shall be payable on that date, or within 10 days after the effective date of this amendatory Act of 1997, whichever is later.

The owner of any nuclear power reactor that has an operating license issued by the Nuclear Regulatory Commission for any portion of State fiscal year 1998 shall continue to pay an annual fee of \$90,000 for the treatment, storage, and disposal of low-level radioactive waste through State fiscal year 2002. The fee shall be due and payable on July 1 of each fiscal year. The fee due on July 1, 1998 shall be payable on that date, or within 10 days after the effective date of this amendatory Act of 1998, whichever is later. If the balance in

the Low-Level Radioactive Waste Facility Development and Operation Fund falls below \$500,000, as of the end of any fiscal year after fiscal year 2002, the Department is authorized to assess by rule, after notice and a hearing, an additional annual fee to be paid by the owners of nuclear power reactors for which operating licenses have been issued by the Nuclear Regulatory Commission, except that no additional annual fee shall be assessed because of the fund balance at the end of fiscal year 2005. The additional annual fee shall be payable on the date or dates specified by rule and shall not exceed \$30,000 per operating reactor per year.

(c) In each of State fiscal years 1988, 1989 and 1990, in addition to the fee imposed in subsections (b) and (d), the owner of each nuclear power reactor in this State for which an operating license has been issued by the Nuclear Regulatory Commission shall pay a fee of \$408,000. If an operating license is issued during one of those 3 fiscal years, the owner shall pay a prorated amount of the fee equal to \$1,117.80 multiplied by the number of days in the fiscal year during which the nuclear power reactor was licensed.

The fee shall be due and payable as follows: in fiscal year 1988, \$204,000 shall be paid on October 1, 1987 and \$102,000 shall be paid on each of January 1, 1988 and April 1, 1988; in fiscal year 1989, \$102,000 shall be paid on each of July 1, 1988, October 1, 1988, January 1, 1989 and April 1, 1989; and in fiscal year 1990, \$102,000 shall be paid on each of July 1, 1989, October 1, 1989, January 1, 1990 and April 1, 1990. If the operating license is issued during one of the 3 fiscal years, the owner shall be subject to those payment dates, and their corresponding amounts, on which the owner possesses an operating license and, on June 30 of the fiscal year of issuance of the license, whatever amount of the prorated fee remains outstanding.

All of the amounts collected by the Department under this subsection (c) shall be deposited into the Low-Level Radioactive Waste Facility Development and Operation Fund

created under subsection (a) of Section 14 of this Act and expended, subject to appropriation, for the purposes provided in that subsection.

(d) In addition to the fees imposed in subsections (b) and (c), the owners of nuclear power reactors in this State for which operating licenses have been issued by the Nuclear Regulatory Commission shall pay the following fees for each such nuclear power reactor: for State fiscal year 1989, \$325,000 payable on October 1, 1988, \$162,500 payable on January 1, 1989, and \$162,500 payable on April 1, 1989; for State fiscal year 1990, \$162,500 payable on July 1, \$300,000 payable on October 1, \$300,000 payable on January 1 and \$300,000 payable on April 1; for State fiscal year 1991, either (1) \$150,000 payable on July 1, \$650,000 payable on September 1, \$675,000 payable on January 1, and \$275,000 payable on April 1, or (2) \$150,000 on July 1, \$130,000 on the first day of each month from August through December, \$225,000 on the first day of each month from January through March and \$92,000 on the first day of each month from April through June; for State fiscal year 1992, \$260,000 payable on July 1, \$900,000 payable on September 1, \$300,000 payable on October 1, \$150,000 payable on January 1, and \$100,000 payable on April 1; for State fiscal year 1993, \$100,000 payable on July 1, \$230,000 payable on August 1 or within 10 days after July 31, 1992, whichever is later, and \$355,000 payable on October 1; for State fiscal year 1994, \$100,000 payable on July 1, \$75,000 payable on October 1 and \$75,000 payable on April 1; for State fiscal year 1995, \$100,000 payable on July 1, \$75,000 payable on October 1, and \$75,000 payable on April 1, for State fiscal year 1996, \$100,000 payable on July 1, \$75,000 payable on October 1, and \$75,000 payable on April 1. The owner of any nuclear power reactor that has an operating license issued by the Nuclear Regulatory Commission for any portion of State fiscal year 1998 shall pay an annual fee of \$30,000 through State fiscal year 2003. For State fiscal year 2004 and subsequent fiscal years, the owner of any nuclear power reactor that has an operating

license issued by the Nuclear Regulatory Commission shall pay an annual fee of \$30,000 per reactor, provided that the fee shall not apply to a nuclear power reactor with regard to which the owner notified the Nuclear Regulatory Commission during State fiscal year 1998 that the nuclear power reactor permanently ceased operations. The fee shall be due and payable on July 1 of each fiscal year. The fee due on July 1, 1998 shall be payable on that date, or within 10 days after the effective date of this amendatory Act of 1998, whichever is later. The fee due on July 1, 1997 shall be payable on that date or within 10 days after the effective date of this amendatory Act of 1997, whichever is later. If the payments under this subsection for fiscal year 1993 due on January 1, 1993, or on April 1, 1993, or both, were due before the effective date of this amendatory Act of the 87th General Assembly, then those payments are waived and need not be made.

All of the amounts collected by the Department under this subsection (d) shall be deposited into the Low-Level Radioactive Waste Facility Development and Operation Fund created pursuant to subsection (a) of Section 14 of this Act and expended, subject to appropriation, for the purposes provided in that subsection.

All payments made by licensees under this subsection (d) for fiscal year 1992 that are not appropriated and obligated by the Department above \$1,750,000 per reactor in fiscal year 1992, shall be credited to the licensees making the payments to reduce the per reactor fees required under this subsection (d) for fiscal year 1993.

(e) The Department shall promulgate rules and regulations establishing standards for the collection of the fees authorized by this Section. The regulations shall include, but need not be limited to:

(1) the records necessary to identify the amounts of low-level radioactive wastes produced;

(2) the form and submission of reports to accompany the payment of fees to the Department; and

(3) the time and manner of payment of fees to the Department, which payments shall not be more frequent than quarterly.

(f) Any operating agreement entered into under subsection (b) of Section 5 of this Act between the Department and any disposal facility contractor shall, subject to the provisions of this Act, authorize the contractor to impose upon and collect from persons using the disposal facility fees designed and set at levels reasonably calculated to produce sufficient revenues (1) to pay all costs and expenses properly incurred or accrued in connection with, and properly allocated to, performance of the contractor's obligations under the operating agreement, and (2) to provide reasonable and appropriate compensation or profit to the contractor under the operating agreement. For purposes of this subsection (f), the term "costs and expenses" may include, without limitation, (i) direct and indirect costs and expenses for labor, services, equipment, materials, insurance and other risk management costs, interest and other financing charges, and taxes or fees in lieu of taxes; (ii) payments to or required by the United States, the State of Illinois or any agency or department thereof, the Central Midwest Interstate Low-Level Radioactive Waste Compact, and subject to the provisions of this Act, any unit of local government; (iii) amortization of capitalized costs with respect to the disposal facility and its development, including any capitalized reserves; and (iv) payments with respect to reserves, accounts, escrows or trust funds required by law or otherwise provided for under the operating agreement.

(g) (Blank).

(h) (Blank).

(i) (Blank).

(j) (Blank).

(j-5) Prior to commencement of facility operations, the Department shall adopt rules providing for the establishment and collection of fees and charges with respect to the use of

the disposal facility as provided in subsection (f) of this Section.

(k) The regional disposal facility shall be subject to ad valorem real estate taxes lawfully imposed by units of local government and school districts with jurisdiction over the facility. No other local government tax, surtax, fee or other charge on activities at the regional disposal facility shall be allowed except as authorized by the Department.

(l) The Department shall have the power, in the event that acceptance of waste for disposal at the regional disposal facility is suspended, delayed or interrupted, to impose emergency fees on the generators of low-level radioactive waste. Generators shall pay emergency fees within 30 days of receipt of notice of the emergency fees. The Department shall deposit all of the receipts of any fees collected under this subsection into the Low-Level Radioactive Waste Facility Development and Operation Fund created under subsection (b) of Section 14. Emergency fees may be used to mitigate the impacts of the suspension or interruption of acceptance of waste for disposal. The requirements for rulemaking in the Illinois Administrative Procedure Act shall not apply to the imposition of emergency fees under this subsection.

(m) The Department shall promulgate any other rules and regulations as may be necessary to implement this Section.

(Source: P.A. 92-276, eff. 8-7-01.)

Section 10-169. The Pretrial Services Act is amended by changing Section 33 as follows:

(725 ILCS 185/33) (from Ch. 38, par. 333)

Sec. 33. The Supreme Court shall pay from funds appropriated to it for this purpose 100% of all approved costs for pretrial services, including pretrial services officers, necessary support personnel, travel costs reasonably related to the delivery of pretrial services, space costs, equipment, telecommunications, postage, commodities, printing and

contractual services. Costs shall be reimbursed monthly, based on a plan and budget approved by the Supreme Court. No department may be reimbursed for costs which exceed or are not provided for in the approved plan and budget. For State fiscal years ~~year~~ 2004 and 2005 only, the Mandatory Arbitration Fund may be used to reimburse approved costs for pretrial services. (Source: P.A. 93-25, eff. 6-20-03.)

Section 10-170. The Unified Code of Corrections is amended by changing Section 3-2-2 as follows:

(730 ILCS 5/3-2-2) (from Ch. 38, par. 1003-2-2)

Sec. 3-2-2. Powers and Duties of the Department.

(1) In addition to the powers, duties and responsibilities which are otherwise provided by law, the Department shall have the following powers:

(a) To accept persons committed to it by the courts of this State for care, custody, treatment and rehabilitation, and to accept federal prisoners and aliens over whom the Office of the Federal Detention Trustee is authorized to exercise the federal detention function for limited purposes and periods of time.

(b) To develop and maintain reception and evaluation units for purposes of analyzing the custody and rehabilitation needs of persons committed to it and to assign such persons to institutions and programs under its control or transfer them to other appropriate agencies. In consultation with the Department of Alcoholism and Substance Abuse (now the Department of Human Services), the Department of Corrections shall develop a master plan for the screening and evaluation of persons committed to its custody who have alcohol or drug abuse problems, and for making appropriate treatment available to such persons; the Department shall report to the General Assembly on such plan not later than April 1, 1987. The maintenance and implementation of such plan shall be contingent upon the

availability of funds.

(b-1) To create and implement, on January 1, 2002, a pilot program to establish the effectiveness of pupillometer technology (the measurement of the pupil's reaction to light) as an alternative to a urine test for purposes of screening and evaluating persons committed to its custody who have alcohol or drug problems. The pilot program shall require the pupillometer technology to be used in at least one Department of Corrections facility. The Director may expand the pilot program to include an additional facility or facilities as he or she deems appropriate. A minimum of 4,000 tests shall be included in the pilot program. The Department must report to the General Assembly on the effectiveness of the program by January 1, 2003.

(b-5) To develop, in consultation with the Department of State Police, a program for tracking and evaluating each inmate from commitment through release for recording his or her gang affiliations, activities, or ranks.

(c) To maintain and administer all State correctional institutions and facilities under its control and to establish new ones as needed. Pursuant to its power to establish new institutions and facilities, the Department may, with the written approval of the Governor, authorize the Department of Central Management Services to enter into an agreement of the type described in subsection (d) of Section 405-300 of the Department of Central Management Services Law (20 ILCS 405/405-300). The Department shall designate those institutions which shall constitute the State Penitentiary System.

Pursuant to its power to establish new institutions and facilities, the Department may authorize the Department of Central Management Services to accept bids from counties and municipalities for the construction, remodeling or conversion of a structure to be leased to the Department of Corrections for the purposes of its serving as a

correctional institution or facility. Such construction, remodeling or conversion may be financed with revenue bonds issued pursuant to the Industrial Building Revenue Bond Act by the municipality or county. The lease specified in a bid shall be for a term of not less than the time needed to retire any revenue bonds used to finance the project, but not to exceed 40 years. The lease may grant to the State the option to purchase the structure outright.

Upon receipt of the bids, the Department may certify one or more of the bids and shall submit any such bids to the General Assembly for approval. Upon approval of a bid by a constitutional majority of both houses of the General Assembly, pursuant to joint resolution, the Department of Central Management Services may enter into an agreement with the county or municipality pursuant to such bid.

(c-5) To build and maintain regional juvenile detention centers and to charge a per diem to the counties as established by the Department to defray the costs of housing each minor in a center. In this subsection (c-5), "juvenile detention center" means a facility to house minors during pendency of trial who have been transferred from proceedings under the Juvenile Court Act of 1987 to prosecutions under the criminal laws of this State in accordance with Section 5-805 of the Juvenile Court Act of 1987, whether the transfer was by operation of law or permissive under that Section. The Department shall designate the counties to be served by each regional juvenile detention center.

(d) To develop and maintain programs of control, rehabilitation and employment of committed persons within its institutions.

(e) To establish a system of supervision and guidance of committed persons in the community.

(f) To establish in cooperation with the Department of Transportation to supply a sufficient number of prisoners for use by the Department of Transportation to clean up the

trash and garbage along State, county, township, or municipal highways as designated by the Department of Transportation. The Department of Corrections, at the request of the Department of Transportation, shall furnish such prisoners at least annually for a period to be agreed upon between the Director of Corrections and the Director of Transportation. The prisoners used on this program shall be selected by the Director of Corrections on whatever basis he deems proper in consideration of their term, behavior and earned eligibility to participate in such program - where they will be outside of the prison facility but still in the custody of the Department of Corrections. Prisoners convicted of first degree murder, or a Class X felony, or armed violence, or aggravated kidnapping, or criminal sexual assault, aggravated criminal sexual abuse or a subsequent conviction for criminal sexual abuse, or forcible detention, or arson, or a prisoner adjudged a Habitual Criminal shall not be eligible for selection to participate in such program. The prisoners shall remain as prisoners in the custody of the Department of Corrections and such Department shall furnish whatever security is necessary. The Department of Transportation shall furnish trucks and equipment for the highway cleanup program and personnel to supervise and direct the program. Neither the Department of Corrections nor the Department of Transportation shall replace any regular employee with a prisoner.

(g) To maintain records of persons committed to it and to establish programs of research, statistics and planning.

(h) To investigate the grievances of any person committed to the Department, to inquire into any alleged misconduct by employees or committed persons, and to investigate the assets of committed persons to implement Section 3-7-6 of this Code; and for these purposes it may issue subpoenas and compel the attendance of witnesses and

the production of writings and papers, and may examine under oath any witnesses who may appear before it; to also investigate alleged violations of a parolee's or releasee's conditions of parole or release; and for this purpose it may issue subpoenas and compel the attendance of witnesses and the production of documents only if there is reason to believe that such procedures would provide evidence that such violations have occurred.

If any person fails to obey a subpoena issued under this subsection, the Director may apply to any circuit court to secure compliance with the subpoena. The failure to comply with the order of the court issued in response thereto shall be punishable as contempt of court.

(i) To appoint and remove the chief administrative officers, and administer programs of training and development of personnel of the Department. Personnel assigned by the Department to be responsible for the custody and control of committed persons or to investigate the alleged misconduct of committed persons or employees or alleged violations of a parolee's or releasee's conditions of parole shall be conservators of the peace for those purposes, and shall have the full power of peace officers outside of the facilities of the Department in the protection, arrest, retaking and reconfining of committed persons or where the exercise of such power is necessary to the investigation of such misconduct or violations.

(j) To cooperate with other departments and agencies and with local communities for the development of standards and programs for better correctional services in this State.

(k) To administer all moneys and properties of the Department.

(l) To report annually to the Governor on the committed persons, institutions and programs of the Department.

(l-5) In a confidential annual report to the Governor, the Department shall identify all inmate gangs by

specifying each current gang's name, population and allied gangs. The Department shall further specify the number of top leaders identified by the Department for each gang during the past year, and the measures taken by the Department to segregate each leader from his or her gang and allied gangs. The Department shall further report the current status of leaders identified and segregated in previous years. All leaders described in the report shall be identified by inmate number or other designation to enable tracking, auditing, and verification without revealing the names of the leaders. Because this report contains law enforcement intelligence information collected by the Department, the report is confidential and not subject to public disclosure.

(m) To make all rules and regulations and exercise all powers and duties vested by law in the Department.

(n) To establish rules and regulations for administering a system of good conduct credits, established in accordance with Section 3-6-3, subject to review by the Prisoner Review Board.

(o) To administer the distribution of funds from the State Treasury to reimburse counties where State penal institutions are located for the payment of assistant state's attorneys' salaries under Section 4-2001 of the Counties Code.

(p) To exchange information with the Department of Human Services and the Illinois Department of Public Aid for the purpose of verifying living arrangements and for other purposes directly connected with the administration of this Code and the Illinois Public Aid Code.

(q) To establish a diversion program.

The program shall provide a structured environment for selected technical parole or mandatory supervised release violators and committed persons who have violated the rules governing their conduct while in work release. This program shall not apply to those persons who have committed a new

offense while serving on parole or mandatory supervised release or while committed to work release.

Elements of the program shall include, but shall not be limited to, the following:

(1) The staff of a diversion facility shall provide supervision in accordance with required objectives set by the facility.

(2) Participants shall be required to maintain employment.

(3) Each participant shall pay for room and board at the facility on a sliding-scale basis according to the participant's income.

(4) Each participant shall:

(A) provide restitution to victims in accordance with any court order;

(B) provide financial support to his dependents; and

(C) make appropriate payments toward any other court-ordered obligations.

(5) Each participant shall complete community service in addition to employment.

(6) Participants shall take part in such counseling, educational and other programs as the Department may deem appropriate.

(7) Participants shall submit to drug and alcohol screening.

(8) The Department shall promulgate rules governing the administration of the program.

(r) To enter into intergovernmental cooperation agreements under which persons in the custody of the Department may participate in a county impact incarceration program established under Section 3-6038 or 3-15003.5 of the Counties Code.

(r-5) To enter into intergovernmental cooperation agreements under which minors adjudicated delinquent and committed to the Department of Corrections, Juvenile

Division, may participate in a county juvenile impact incarceration program established under Section 3-6039 of the Counties Code.

(r-10) To systematically and routinely identify with respect to each streetgang active within the correctional system: (1) each active gang; (2) every existing inter-gang affiliation or alliance; and (3) the current leaders in each gang. The Department shall promptly segregate leaders from inmates who belong to their gangs and allied gangs. "Segregate" means no physical contact and, to the extent possible under the conditions and space available at the correctional facility, prohibition of visual and sound communication. For the purposes of this paragraph (r-10), "leaders" means persons who:

(i) are members of a criminal streetgang;

(ii) with respect to other individuals within the streetgang, occupy a position of organizer, supervisor, or other position of management or leadership; and

(iii) are actively and personally engaged in directing, ordering, authorizing, or requesting commission of criminal acts by others, which are punishable as a felony, in furtherance of streetgang related activity both within and outside of the Department of Corrections.

"Streetgang", "gang", and "streetgang related" have the meanings ascribed to them in Section 10 of the Illinois Streetgang Terrorism Omnibus Prevention Act.

(s) To operate a super-maximum security institution, in order to manage and supervise inmates who are disruptive or dangerous and provide for the safety and security of the staff and the other inmates.

(t) To monitor any unprivileged conversation or any unprivileged communication, whether in person or by mail, telephone, or other means, between an inmate who, before commitment to the Department, was a member of an organized

gang and any other person without the need to show cause or satisfy any other requirement of law before beginning the monitoring, except as constitutionally required. The monitoring may be by video, voice, or other method of recording or by any other means. As used in this subdivision (1)(t), "organized gang" has the meaning ascribed to it in Section 10 of the Illinois Streetgang Terrorism Omnibus Prevention Act.

As used in this subdivision (1)(t), "unprivileged conversation" or "unprivileged communication" means a conversation or communication that is not protected by any privilege recognized by law or by decision, rule, or order of the Illinois Supreme Court.

(u) To establish a Women's and Children's Pre-release Community Supervision Program for the purpose of providing housing and services to eligible female inmates, as determined by the Department, and their newborn and young children.

(v) To do all other acts necessary to carry out the provisions of this Chapter.

(2) The Department of Corrections shall by January 1, 1998, consider building and operating a correctional facility within 100 miles of a county of over 2,000,000 inhabitants, especially a facility designed to house juvenile participants in the impact incarceration program.

(3) When the Department lets bids for contracts for medical services to be provided to persons committed to Department facilities by a health maintenance organization, medical service corporation, or other health care provider, the bid may only be let to a health care provider that has obtained an irrevocable letter of credit or performance bond issued by a company whose bonds are rated AAA by a bond rating organization.

(4) When the Department lets bids for contracts for food or commissary services to be provided to Department facilities, the bid may only be let to a food or commissary services

provider that has obtained an irrevocable letter of credit or performance bond issued by a company whose bonds are rated AAA by a bond rating organization.

(Source: P.A. 91-239, eff. 1-1-00; 91-357, eff. 7-29-99; 92-444, eff. 1-1-02; 92-712, eff. 1-1-03.)

Section 10-175. The Probation and Probation Officers Act is amended by changing Sections 15 and 15.1 as follows:

(730 ILCS 110/15) (from Ch. 38, par. 204-7)

Sec. 15. (1) The Supreme Court of Illinois may establish a Division of Probation Services whose purpose shall be the development, establishment, promulgation, and enforcement of uniform standards for probation services in this State, and to otherwise carry out the intent of this Act. The Division may:

(a) establish qualifications for chief probation officers and other probation and court services personnel as to hiring, promotion, and training.

(b) make available, on a timely basis, lists of those applicants whose qualifications meet the regulations referred to herein, including on said lists all candidates found qualified.

(c) establish a means of verifying the conditions for reimbursement under this Act and develop criteria for approved costs for reimbursement.

(d) develop standards and approve employee compensation schedules for probation and court services departments.

(e) employ sufficient personnel in the Division to carry out the functions of the Division.

(f) establish a system of training and establish standards for personnel orientation and training.

(g) develop standards for a system of record keeping for cases and programs, gather statistics, establish a system of uniform forms, and develop research for planning of Probation Services.

(h) develop standards to assure adequate support personnel, office space, equipment and supplies, travel expenses, and other essential items necessary for Probation and Court Services Departments to carry out their duties.

(i) review and approve annual plans submitted by Probation and Court Services Departments.

(j) monitor and evaluate all programs operated by Probation and Court Services Departments, and may include in the program evaluation criteria such factors as the percentage of Probation sentences for felons convicted of Probationable offenses.

(k) seek the cooperation of local and State government and private agencies to improve the quality of probation and court services.

(l) where appropriate, establish programs and corresponding standards designed to generally improve the quality of probation and court services and reduce the rate of adult or juvenile offenders committed to the Department of Corrections.

(m) establish such other standards and regulations and do all acts necessary to carry out the intent and purposes of this Act.

The Division shall establish a model list of structured intermediate sanctions that may be imposed by a probation agency for violations of terms and conditions of a sentence of probation, conditional discharge, or supervision.

The State of Illinois shall provide for the costs of personnel, travel, equipment, telecommunications, postage, commodities, printing, space, contractual services and other related costs necessary to carry out the intent of this Act.

(2) (a) The chief judge of each circuit shall provide full-time probation services for all counties within the circuit, in a manner consistent with the annual probation plan, the standards, policies, and regulations established by the Supreme Court. A probation district of two or more counties

within a circuit may be created for the purposes of providing full-time probation services. Every county or group of counties within a circuit shall maintain a probation department which shall be under the authority of the Chief Judge of the circuit or some other judge designated by the Chief Judge. The Chief Judge, through the Probation and Court Services Department shall submit annual plans to the Division for probation and related services.

(b) The Chief Judge of each circuit shall appoint the Chief Probation Officer and all other probation officers for his or her circuit from lists of qualified applicants supplied by the Supreme Court. Candidates for chief managing officer and other probation officer positions must apply with both the Chief Judge of the circuit and the Supreme Court.

(3) A Probation and Court Service Department shall apply to the Supreme Court for funds for basic services, and may apply for funds for new and expanded programs or Individualized Services and Programs. Costs shall be reimbursed monthly based on a plan and budget approved by the Supreme Court. No Department may be reimbursed for costs which exceed or are not provided for in the approved annual plan and budget. After the effective date of this amendatory Act of 1985, each county must provide basic services in accordance with the annual plan and standards created by the division. No department may receive funds for new or expanded programs or individualized services and programs unless they are in compliance with standards as enumerated in paragraph (h) of subsection (1) of this Section, the annual plan, and standards for basic services.

(4) The Division shall reimburse the county or counties for probation services as follows:

(a) 100% of the salary of all chief managing officers designated as such by the Chief Judge and the division.

(b) 100% of the salary for all probation officer and supervisor positions approved for reimbursement by the division after April 1, 1984, to meet workload standards and to implement intensive sanction and probation

supervision programs and other basic services as defined in this Act.

(c) 100% of the salary for all secure detention personnel and non-secure group home personnel approved for reimbursement after December 1, 1990. For all such positions approved for reimbursement before December 1, 1990, the counties shall be reimbursed \$1,250 per month beginning July 1, 1995, and an additional \$250 per month beginning each July 1st thereafter until the positions receive 100% salary reimbursement. Allocation of such positions will be based on comparative need considering capacity, staff/resident ratio, physical plant and program.

(d) \$1,000 per month for salaries for the remaining probation officer positions engaged in basic services and new or expanded services. All such positions shall be approved by the division in accordance with this Act and division standards.

(e) 100% of the travel expenses in accordance with Division standards for all Probation positions approved under paragraph (b) of subsection 4 of this Section.

(f) If the amount of funds reimbursed to the county under paragraphs (a) through (e) of subsection 4 of this Section on an annual basis is less than the amount the county had received during the 12 month period immediately prior to the effective date of this amendatory Act of 1985, then the Division shall reimburse the amount of the difference to the county. The effect of paragraph (b) of subsection 7 of this Section shall be considered in implementing this supplemental reimbursement provision.

(5) The Division shall provide funds beginning on April 1, 1987 for the counties to provide Individualized Services and Programs as provided in Section 16 of this Act.

(6) A Probation and Court Services Department in order to be eligible for the reimbursement must submit to the Supreme Court an application containing such information and in such a

form and by such dates as the Supreme Court may require. Departments to be eligible for funding must satisfy the following conditions:

(a) The Department shall have on file with the Supreme Court an annual Probation plan for continuing, improved, and new Probation and Court Services Programs approved by the Supreme Court or its designee. This plan shall indicate the manner in which Probation and Court Services will be delivered and improved, consistent with the minimum standards and regulations for Probation and Court Services, as established by the Supreme Court. In counties with more than one Probation and Court Services Department eligible to receive funds, all Departments within that county must submit plans which are approved by the Supreme Court.

(b) The annual probation plan shall seek to generally improve the quality of probation services and to reduce the commitment of adult and juvenile offenders to the Department of Corrections and shall require, when appropriate, coordination with the Department of Corrections and the Department of Children and Family Services in the development and use of community resources, information systems, case review and permanency planning systems to avoid the duplication of services.

(c) The Department shall be in compliance with standards developed by the Supreme Court for basic, new and expanded services, training, personnel hiring and promotion.

(d) The Department shall in its annual plan indicate the manner in which it will support the rights of crime victims and in which manner it will implement Article I, Section 8.1 of the Illinois Constitution and in what manner it will coordinate crime victims' support services with other criminal justice agencies within its jurisdiction, including but not limited to, the State's Attorney, the Sheriff and any municipal police department.

(7) No statement shall be verified by the Supreme Court or its designee or vouchered by the Comptroller unless each of the following conditions have been met:

(a) The probation officer is a full-time employee appointed by the Chief Judge to provide probation services.

(b) The probation officer, in order to be eligible for State reimbursement, is receiving a salary of at least \$17,000 per year.

(c) The probation officer is appointed or was reappointed in accordance with minimum qualifications or criteria established by the Supreme Court; however, all probation officers appointed prior to January 1, 1978, shall be exempted from the minimum requirements established by the Supreme Court. Payments shall be made to counties employing these exempted probation officers as long as they are employed in the position held on the effective date of this amendatory Act of 1985. Promotions shall be governed by minimum qualifications established by the Supreme Court.

(d) The Department has an established compensation schedule approved by the Supreme Court. The compensation schedule shall include salary ranges with necessary increments to compensate each employee. The increments shall, within the salary ranges, be based on such factors as bona fide occupational qualifications, performance, and length of service. Each position in the Department shall be placed on the compensation schedule according to job duties and responsibilities of such position. The policy and procedures of the compensation schedule shall be made available to each employee.

(8) In order to obtain full reimbursement of all approved costs, each Department must continue to employ at least the same number of probation officers and probation managers as were authorized for employment for the fiscal year which includes January 1, 1985. This number shall be designated as the base amount of the Department. No positions approved by the

Division under paragraph (b) of subsection 4 will be included in the base amount. In the event that the Department employs fewer Probation officers and Probation managers than the base amount for a period of 90 days, funding received by the Department under subsection 4 of this Section may be reduced on a monthly basis by the amount of the current salaries of any positions below the base amount.

(9) Before the 15th day of each month, the treasurer of any county which has a Probation and Court Services Department, or the treasurer of the most populous county, in the case of a Probation or Court Services Department funded by more than one county, shall submit an itemized statement of all approved costs incurred in the delivery of Basic Probation and Court Services under this Act to the Supreme Court. The treasurer may also submit an itemized statement of all approved costs incurred in the delivery of new and expanded Probation and Court Services as well as Individualized Services and Programs. The Supreme Court or its designee shall verify compliance with this Section and shall examine and audit the monthly statement and, upon finding them to be correct, shall forward them to the Comptroller for payment to the county treasurer. In the case of payment to a treasurer of a county which is the most populous of counties sharing the salary and expenses of a Probation and Court Services Department, the treasurer shall divide the money between the counties in a manner that reflects each county's share of the cost incurred by the Department.

(10) The county treasurer must certify that funds received under this Section shall be used solely to maintain and improve Probation and Court Services. The county or circuit shall remain in compliance with all standards, policies and regulations established by the Supreme Court. If at any time the Supreme Court determines that a county or circuit is not in compliance, the Supreme Court shall immediately notify the Chief Judge, county board chairman and the Director of Court Services Chief Probation Officer. If after 90 days of written notice the noncompliance still exists, the Supreme Court shall

be required to reduce the amount of monthly reimbursement by 10%. An additional 10% reduction of monthly reimbursement shall occur for each consecutive month of noncompliance. Except as provided in subsection 5 of Section 15, funding to counties shall commence on April 1, 1986. Funds received under this Act shall be used to provide for Probation Department expenses including those required under Section 13 of this Act. For State fiscal years ~~year~~ 2004 and 2005 only, the Mandatory Arbitration Fund may be used to provide for Probation Department expenses, including those required under Section 13 of this Act.

(11) The respective counties shall be responsible for capital and space costs, fringe benefits, clerical costs, equipment, telecommunications, postage, commodities and printing.

(12) For purposes of this Act only, probation officers shall be considered peace officers. In the exercise of their official duties, probation officers, sheriffs, and police officers may, anywhere within the State, arrest any probationer who is in violation of any of the conditions of his or her probation, conditional discharge, or supervision, and it shall be the duty of the officer making the arrest to take the probationer before the Court having jurisdiction over the probationer for further order.

(Source: P.A. 93-25, eff. 6-20-03; 93-576, eff. 1-1-04; revised 9-23-03.)

(730 ILCS 110/15.1) (from Ch. 38, par. 204-7.1)

Sec. 15.1. Probation and Court Services Fund.

(a) The county treasurer in each county shall establish a probation and court services fund consisting of fees collected pursuant to subsection (i) of Section 5-6-3 and subsection (i) of Section 5-6-3.1 of the Unified Code of Corrections, subsection (10) of Section 5-615 and subsection (5) of Section 5-715 of the Juvenile Court Act of 1987, and paragraph 14.3 of subsection (b) of Section 110-10 of the Code of Criminal

Procedure of 1963. The county treasurer shall disburse monies from the fund only at the direction of the chief judge of the circuit court in such circuit where the county is located. The county treasurer of each county shall, on or before January 10 of each year, submit an annual report to the Supreme Court.

(b) Monies in the probation and court services fund shall be appropriated by the county board to be used within the county or jurisdiction where collected in accordance with policies and guidelines approved by the Supreme Court for the costs of operating the probation and court services department or departments; however, except as provided in subparagraph (g), monies in the probation and court services fund shall not be used for the payment of salaries of probation and court services personnel.

(c) Monies expended from the probation and court services fund shall be used to supplement, not supplant, county appropriations for probation and court services.

(d) Interest earned on monies deposited in a probation and court services fund may be used by the county for its ordinary and contingent expenditures.

(e) The county board may appropriate moneys from the probation and court services fund, upon the direction of the chief judge, to support programs that are part of the continuum of juvenile delinquency intervention programs which are or may be developed within the county. The grants from the probation and court services fund shall be for no more than one year and may be used for any expenses attributable to the program including administration and oversight of the program by the probation department.

(f) The county board may appropriate moneys from the probation and court services fund, upon the direction of the chief judge, to support practices endorsed or required under the Sex Offender Management Board Act, including but not limited to sex offender evaluation, treatment, and monitoring programs that are or may be developed within the county.

(g) For the State Fiscal Year 2005 only, the Administrative

Office of the Illinois Courts may permit a county or circuit to use its probation and court services fund for the payment of salaries of probation officers and other court services personnel whose salaries are reimbursed under this Act if the State's FY2005 appropriation to the Supreme Court for reimbursement to counties for probation salaries and services is less than the amount appropriated to the Supreme Court for these purposes for State Fiscal Year 2004. The Administrative Office of the Illinois Courts shall take into account any annual surplus or deficit that any county or circuit has in its probation and court services fund and any amounts already obligated from such fund when apportioning the total reimbursement for each county or circuit.

(Source: P.A. 92-329, eff. 8-9-01; 93-616, eff. 1-1-04.)

Section 10-178. The Code of Civil Procedure is amended by changing Section 2-1009A as follows:

(735 ILCS 5/2-1009A) (from Ch. 110, par. 2-1009A)

Sec. 2-1009A. Filing Fees. In each county authorized by the Supreme Court to utilize mandatory arbitration, the clerk of the circuit court shall charge and collect, in addition to any other fees, an arbitration fee of \$8, except in counties with 3,000,000 or more inhabitants the fee shall be \$10, at the time of filing the first pleading, paper or other appearance filed by each party in all civil cases, but no additional fee shall be required if more than one party is represented in a single pleading, paper or other appearance. Arbitration fees received by the clerk of the circuit court pursuant to this Section shall be remitted within one month after receipt to the State Treasurer for deposit into the Mandatory Arbitration Fund, a special fund in the State treasury for the purpose of funding mandatory arbitration programs and such other alternative dispute resolution programs as may be authorized by circuit court rule for operation in counties that have implemented mandatory arbitration, with a separate account being

maintained for each county. Notwithstanding any other provision of this Section to the contrary, and for State fiscal years year 2004 and 2005 only, ~~up to \$5,500,000 of~~ the Mandatory Arbitration Fund may be used for any other purpose authorized by the Supreme Court.

(Source: P.A. 93-25, eff. 6-20-03.)

Section 10-180. The Illinois Pre-Need Cemetery Sales Act is amended by changing Section 22 as follows:

(815 ILCS 390/22) (from Ch. 21, par. 222)

Sec. 22. Cemetery Consumer Protection Fund.

(a) Every seller engaging in pre-need sales shall pay to the Comptroller \$5 for each said contract entered into, to be paid into a special income earning fund hereby created in the State Treasury, known as the Cemetery Consumer Protection Fund. The above said fees shall be remitted to the Comptroller semi-annually within 30 days after the end of June and December for all contracts that have been entered in such 6 month period.

(b) All monies paid into the fund together with all accumulated undistributed income thereon shall be held as a special fund in the State Treasury. The fund shall be used solely for the purpose of providing restitution to consumers who have suffered pecuniary loss arising out of pre-need sales or to satisfy Receiver's fees ordered by the Circuit Court prior to June 30, 2004.

(c) The fund shall be applied only to restitution or completion of the project or delivery of the merchandise or services, where such has been ordered by the Circuit Court in a lawsuit brought under this Act by the Attorney General of the State of Illinois on behalf of the Comptroller and in which it has been determined by the Court that the obligation is non-collectible from the judgment debtor. Restitution shall not exceed the amount of the sales price paid plus interest at the statutory rate. The fund shall not be used for the payment

of any attorney or other fees.

(d) Whenever restitution is paid by the fund, the fund shall be subrogated to the amount of such restitution, and the Comptroller shall request the Attorney General to engage in all reasonable post judgment collection steps to collect said restitution from the judgment debtor and reimburse the fund.

(e) The fund shall not be applied toward any restitution for losses in any lawsuit initiated by the Attorney General or Comptroller or with respect to any claim made on pre-need sales which occurred prior to the effective date of this Act.

(f) The fund may not be allocated for any purpose other than that specified in this Act.

(g) Notwithstanding any other provision of this Section, the payment of restitution from the fund shall be a matter of grace and not of right and no purchaser shall have any vested rights in the fund as a beneficiary or otherwise. Prior to seeking restitution from the fund, a purchaser or beneficiary seeking payment of restitution shall apply for restitution on a form provided by the Comptroller. The form shall include any information the Comptroller may reasonably require in order for the Court to determine that restitution or completion of the project or delivery of merchandise or service is appropriate.

(h) Annually, the status of the fund shall be reviewed by the Comptroller, and if he determines that the fund together with all accumulated income earned thereon, equals or exceeds \$10,000,000 and that the total number of outstanding claims filed against the fund is less than 10% of the fund's current balance, then payments to the fund shall be suspended until such time as the fund's balance drops below \$10,000,000 or the total number of outstanding claims filed against the fund is more than 10% of the fund's current balance, but on such suspension, the fund shall not be considered inactive.

(Source: P.A. 92-419, eff. 1-1-02.)

Section 10-185. The State Employees Group Insurance Act of 1971 is amended by changing Sections 3 and 10 as follows:

(5 ILCS 375/3) (from Ch. 127, par. 523)

Sec. 3. Definitions. Unless the context otherwise requires, the following words and phrases as used in this Act shall have the following meanings. The Department may define these and other words and phrases separately for the purpose of implementing specific programs providing benefits under this Act.

(a) "Administrative service organization" means any person, firm or corporation experienced in the handling of claims which is fully qualified, financially sound and capable of meeting the service requirements of a contract of administration executed with the Department.

(b) "Annuitant" means (1) an employee who retires, or has retired, on or after January 1, 1966 on an immediate annuity under the provisions of Articles 2, 14 (including an employee who has elected to receive an alternative retirement cancellation payment under Section 14-108.5 of the Illinois Pension Code in lieu of an annuity), 15 (including an employee who has retired under the optional retirement program established under Section 15-158.2), paragraphs (2), (3), or (5) of Section 16-106, or Article 18 of the Illinois Pension Code; (2) any person who was receiving group insurance coverage under this Act as of March 31, 1978 by reason of his status as an annuitant, even though the annuity in relation to which such coverage was provided is a proportional annuity based on less than the minimum period of service required for a retirement annuity in the system involved; (3) any person not otherwise covered by this Act who has retired as a participating member under Article 2 of the Illinois Pension Code but is ineligible for the retirement annuity under Section 2-119 of the Illinois Pension Code; (4) the spouse of any person who is receiving a retirement annuity under Article 18 of the Illinois Pension Code and who is covered under a group health insurance program sponsored by a governmental employer other than the State of Illinois and who has irrevocably elected to waive his or her

coverage under this Act and to have his or her spouse considered as the "annuitant" under this Act and not as a "dependent"; or (5) an employee who retires, or has retired, from a qualified position, as determined according to rules promulgated by the Director, under a qualified local government or a qualified rehabilitation facility or a qualified domestic violence shelter or service. (For definition of "retired employee", see (p) post).

(b-5) "New SERS annuitant" means a person who, on or after January 1, 1998, becomes an annuitant, as defined in subsection (b), by virtue of beginning to receive a retirement annuity under Article 14 of the Illinois Pension Code (including an employee who has elected to receive an alternative retirement cancellation payment under Section 14-108.5 of that Code in lieu of an annuity), and is eligible to participate in the basic program of group health benefits provided for annuitants under this Act.

(b-6) "New SURS annuitant" means a person who (1) on or after January 1, 1998, becomes an annuitant, as defined in subsection (b), by virtue of beginning to receive a retirement annuity under Article 15 of the Illinois Pension Code, (2) has not made the election authorized under Section 15-135.1 of the Illinois Pension Code, and (3) is eligible to participate in the basic program of group health benefits provided for annuitants under this Act.

(b-7) "New TRS State annuitant" means a person who, on or after July 1, 1998, becomes an annuitant, as defined in subsection (b), by virtue of beginning to receive a retirement annuity under Article 16 of the Illinois Pension Code based on service as a teacher as defined in paragraph (2), (3), or (5) of Section 16-106 of that Code, and is eligible to participate in the basic program of group health benefits provided for annuitants under this Act.

(c) "Carrier" means (1) an insurance company, a corporation organized under the Limited Health Service Organization Act or the Voluntary Health Services Plan Act, a partnership, or other

nongovernmental organization, which is authorized to do group life or group health insurance business in Illinois, or (2) the State of Illinois as a self-insurer.

(d) "Compensation" means salary or wages payable on a regular payroll by the State Treasurer on a warrant of the State Comptroller out of any State, trust or federal fund, or by the Governor of the State through a disbursing officer of the State out of a trust or out of federal funds, or by any Department out of State, trust, federal or other funds held by the State Treasurer or the Department, to any person for personal services currently performed, and ordinary or accidental disability benefits under Articles 2, 14, 15 (including ordinary or accidental disability benefits under the optional retirement program established under Section 15-158.2), paragraphs (2), (3), or (5) of Section 16-106, or Article 18 of the Illinois Pension Code, for disability incurred after January 1, 1966, or benefits payable under the Workers' Compensation or Occupational Diseases Act or benefits payable under a sick pay plan established in accordance with Section 36 of the State Finance Act. "Compensation" also means salary or wages paid to an employee of any qualified local government or qualified rehabilitation facility or a qualified domestic violence shelter or service.

(e) "Commission" means the State Employees Group Insurance Advisory Commission authorized by this Act. Commencing July 1, 1984, "Commission" as used in this Act means the Illinois Economic and Fiscal Commission as established by the Legislative Commission Reorganization Act of 1984.

(f) "Contributory", when referred to as contributory coverage, shall mean optional coverages or benefits elected by the member toward the cost of which such member makes contribution, or which are funded in whole or in part through the acceptance of a reduction in earnings or the foregoing of an increase in earnings by an employee, as distinguished from noncontributory coverage or benefits which are paid entirely by the State of Illinois without reduction of the member's salary.

(g) "Department" means any department, institution, board, commission, officer, court or any agency of the State government receiving appropriations and having power to certify payrolls to the Comptroller authorizing payments of salary and wages against such appropriations as are made by the General Assembly from any State fund, or against trust funds held by the State Treasurer and includes boards of trustees of the retirement systems created by Articles 2, 14, 15, 16 and 18 of the Illinois Pension Code. "Department" also includes the Illinois Comprehensive Health Insurance Board, the Board of Examiners established under the Illinois Public Accounting Act, and the Illinois Finance Authority.

(h) "Dependent", when the term is used in the context of the health and life plan, means a member's spouse and any unmarried child (1) from birth to age 19 including an adopted child, a child who lives with the member from the time of the filing of a petition for adoption until entry of an order of adoption, a stepchild or recognized child who lives with the member in a parent-child relationship, or a child who lives with the member if such member is a court appointed guardian of the child, or (2) age 19 to 23 enrolled as a full-time student in any accredited school, financially dependent upon the member, and eligible to be claimed as a dependent for income tax purposes, or (3) age 19 or over who is mentally or physically handicapped. For the health plan only, the term "dependent" also includes any person enrolled prior to the effective date of this Section who is dependent upon the member to the extent that the member may claim such person as a dependent for income tax deduction purposes; no other such person may be enrolled. For the health plan only, the term "dependent" also includes any person who has received after June 30, 2000 an organ transplant and who is financially dependent upon the member and eligible to be claimed as a dependent for income tax purposes.

(i) "Director" means the Director of the Illinois Department of Central Management Services.

(j) "Eligibility period" means the period of time a member has to elect enrollment in programs or to select benefits without regard to age, sex or health.

(k) "Employee" means and includes each officer or employee in the service of a department who (1) receives his compensation for service rendered to the department on a warrant issued pursuant to a payroll certified by a department or on a warrant or check issued and drawn by a department upon a trust, federal or other fund or on a warrant issued pursuant to a payroll certified by an elected or duly appointed officer of the State or who receives payment of the performance of personal services on a warrant issued pursuant to a payroll certified by a Department and drawn by the Comptroller upon the State Treasurer against appropriations made by the General Assembly from any fund or against trust funds held by the State Treasurer, and (2) is employed full-time or part-time in a position normally requiring actual performance of duty during not less than 1/2 of a normal work period, as established by the Director in cooperation with each department, except that persons elected by popular vote will be considered employees during the entire term for which they are elected regardless of hours devoted to the service of the State, and (3) except that "employee" does not include any person who is not eligible by reason of such person's employment to participate in one of the State retirement systems under Articles 2, 14, 15 (either the regular Article 15 system or the optional retirement program established under Section 15-158.2) or 18, or under paragraph (2), (3), or (5) of Section 16-106, of the Illinois Pension Code, but such term does include persons who are employed during the 6 month qualifying period under Article 14 of the Illinois Pension Code. Such term also includes any person who (1) after January 1, 1966, is receiving ordinary or accidental disability benefits under Articles 2, 14, 15 (including ordinary or accidental disability benefits under the optional retirement program established under Section 15-158.2), paragraphs (2), (3), or (5) of Section 16-106, or Article 18 of

the Illinois Pension Code, for disability incurred after January 1, 1966, (2) receives total permanent or total temporary disability under the Workers' Compensation Act or Occupational Disease Act as a result of injuries sustained or illness contracted in the course of employment with the State of Illinois, or (3) is not otherwise covered under this Act and has retired as a participating member under Article 2 of the Illinois Pension Code but is ineligible for the retirement annuity under Section 2-119 of the Illinois Pension Code. However, a person who satisfies the criteria of the foregoing definition of "employee" except that such person is made ineligible to participate in the State Universities Retirement System by clause (4) of subsection (a) of Section 15-107 of the Illinois Pension Code is also an "employee" for the purposes of this Act. "Employee" also includes any person receiving or eligible for benefits under a sick pay plan established in accordance with Section 36 of the State Finance Act. "Employee" also includes each officer or employee in the service of a qualified local government, including persons appointed as trustees of sanitary districts regardless of hours devoted to the service of the sanitary district, and each employee in the service of a qualified rehabilitation facility and each full-time employee in the service of a qualified domestic violence shelter or service, as determined according to rules promulgated by the Director.

(l) "Member" means an employee, annuitant, retired employee or survivor.

(m) "Optional coverages or benefits" means those coverages or benefits available to the member on his or her voluntary election, and at his or her own expense.

(n) "Program" means the group life insurance, health benefits and other employee benefits designed and contracted for by the Director under this Act.

(o) "Health plan" means a health benefits program offered by the State of Illinois for persons eligible for the plan.

(p) "Retired employee" means any person who would be an

annuitant as that term is defined herein but for the fact that such person retired prior to January 1, 1966. Such term also includes any person formerly employed by the University of Illinois in the Cooperative Extension Service who would be an annuitant but for the fact that such person was made ineligible to participate in the State Universities Retirement System by clause (4) of subsection (a) of Section 15-107 of the Illinois Pension Code.

(q) "Survivor" means a person receiving an annuity as a survivor of an employee or of an annuitant. "Survivor" also includes: (1) the surviving dependent of a person who satisfies the definition of "employee" except that such person is made ineligible to participate in the State Universities Retirement System by clause (4) of subsection (a) of Section 15-107 of the Illinois Pension Code; ~~and~~ (2) the surviving dependent of any person formerly employed by the University of Illinois in the Cooperative Extension Service who would be an annuitant except for the fact that such person was made ineligible to participate in the State Universities Retirement System by clause (4) of subsection (a) of Section 15-107 of the Illinois Pension Code; and (3) the surviving dependent of a person who was an annuitant under this Act by virtue of receiving an alternative retirement cancellation payment under Section 14-108.5 of the Illinois Pension Code.

(q-2) "SERS" means the State Employees' Retirement System of Illinois, created under Article 14 of the Illinois Pension Code.

(q-3) "SURS" means the State Universities Retirement System, created under Article 15 of the Illinois Pension Code.

(q-4) "TRS" means the Teachers' Retirement System of the State of Illinois, created under Article 16 of the Illinois Pension Code.

(q-5) "New SERS survivor" means a survivor, as defined in subsection (q), whose annuity is paid under Article 14 of the Illinois Pension Code and is based on the death of (i) an employee whose death occurs on or after January 1, 1998, or

(ii) a new SERS annuitant as defined in subsection (b-5). "New SERS survivor" includes the surviving dependent of a person who was an annuitant under this Act by virtue of receiving an alternative retirement cancellation payment under Section 14-108.5 of the Illinois Pension Code.

(q-6) "New SURS survivor" means a survivor, as defined in subsection (q), whose annuity is paid under Article 15 of the Illinois Pension Code and is based on the death of (i) an employee whose death occurs on or after January 1, 1998, or (ii) a new SURS annuitant as defined in subsection (b-6).

(q-7) "New TRS State survivor" means a survivor, as defined in subsection (q), whose annuity is paid under Article 16 of the Illinois Pension Code and is based on the death of (i) an employee who is a teacher as defined in paragraph (2), (3), or (5) of Section 16-106 of that Code and whose death occurs on or after July 1, 1998, or (ii) a new TRS State annuitant as defined in subsection (b-7).

(r) "Medical services" means the services provided within the scope of their licenses by practitioners in all categories licensed under the Medical Practice Act of 1987.

(s) "Unit of local government" means any county, municipality, township, school district (including a combination of school districts under the Intergovernmental Cooperation Act), special district or other unit, designated as a unit of local government by law, which exercises limited governmental powers or powers in respect to limited governmental subjects, any not-for-profit association with a membership that primarily includes townships and township officials, that has duties that include provision of research service, dissemination of information, and other acts for the purpose of improving township government, and that is funded wholly or partly in accordance with Section 85-15 of the Township Code; any not-for-profit corporation or association, with a membership consisting primarily of municipalities, that operates its own utility system, and provides research, training, dissemination of information, or other acts to

promote cooperation between and among municipalities that provide utility services and for the advancement of the goals and purposes of its membership; the Southern Illinois Collegiate Common Market, which is a consortium of higher education institutions in Southern Illinois; and the Illinois Association of Park Districts. "Qualified local government" means a unit of local government approved by the Director and participating in a program created under subsection (i) of Section 10 of this Act.

(t) "Qualified rehabilitation facility" means any not-for-profit organization that is accredited by the Commission on Accreditation of Rehabilitation Facilities or certified by the Department of Human Services (as successor to the Department of Mental Health and Developmental Disabilities) to provide services to persons with disabilities and which receives funds from the State of Illinois for providing those services, approved by the Director and participating in a program created under subsection (j) of Section 10 of this Act.

(u) "Qualified domestic violence shelter or service" means any Illinois domestic violence shelter or service and its administrative offices funded by the Department of Human Services (as successor to the Illinois Department of Public Aid), approved by the Director and participating in a program created under subsection (k) of Section 10.

(v) "TRS benefit recipient" means a person who:

- (1) is not a "member" as defined in this Section; and
- (2) is receiving a monthly benefit or retirement annuity under Article 16 of the Illinois Pension Code; and
- (3) either (i) has at least 8 years of creditable service under Article 16 of the Illinois Pension Code, or (ii) was enrolled in the health insurance program offered under that Article on January 1, 1996, or (iii) is the survivor of a benefit recipient who had at least 8 years of creditable service under Article 16 of the Illinois Pension Code or was enrolled in the health insurance program

offered under that Article on the effective date of this amendatory Act of 1995, or (iv) is a recipient or survivor of a recipient of a disability benefit under Article 16 of the Illinois Pension Code.

(w) "TRS dependent beneficiary" means a person who:

(1) is not a "member" or "dependent" as defined in this Section; and

(2) is a TRS benefit recipient's: (A) spouse, (B) dependent parent who is receiving at least half of his or her support from the TRS benefit recipient, or (C) unmarried natural or adopted child who is (i) under age 19, or (ii) enrolled as a full-time student in an accredited school, financially dependent upon the TRS benefit recipient, eligible to be claimed as a dependent for income tax purposes, and either is under age 24 or was, on January 1, 1996, participating as a dependent beneficiary in the health insurance program offered under Article 16 of the Illinois Pension Code, or (iii) age 19 or over who is mentally or physically handicapped.

(x) "Military leave with pay and benefits" refers to individuals in basic training for reserves, special/advanced training, annual training, emergency call up, or activation by the President of the United States with approved pay and benefits.

(y) "Military leave without pay and benefits" refers to individuals who enlist for active duty in a regular component of the U.S. Armed Forces or other duty not specified or authorized under military leave with pay and benefits.

(z) "Community college benefit recipient" means a person who:

(1) is not a "member" as defined in this Section; and

(2) is receiving a monthly survivor's annuity or retirement annuity under Article 15 of the Illinois Pension Code; and

(3) either (i) was a full-time employee of a community college district or an association of community college

boards created under the Public Community College Act (other than an employee whose last employer under Article 15 of the Illinois Pension Code was a community college district subject to Article VII of the Public Community College Act) and was eligible to participate in a group health benefit plan as an employee during the time of employment with a community college district (other than a community college district subject to Article VII of the Public Community College Act) or an association of community college boards, or (ii) is the survivor of a person described in item (i).

(aa) "Community college dependent beneficiary" means a person who:

(1) is not a "member" or "dependent" as defined in this Section; and

(2) is a community college benefit recipient's: (A) spouse, (B) dependent parent who is receiving at least half of his or her support from the community college benefit recipient, or (C) unmarried natural or adopted child who is (i) under age 19, or (ii) enrolled as a full-time student in an accredited school, financially dependent upon the community college benefit recipient, eligible to be claimed as a dependent for income tax purposes and under age 23, or (iii) age 19 or over and mentally or physically handicapped.

(Source: P.A. 92-16, eff. 6-28-01; 92-186, eff. 1-1-02; 92-204, eff. 8-1-01; 92-651, eff. 7-11-02; 93-205, eff. 1-1-04.)

(5 ILCS 375/10) (from Ch. 127, par. 530)

Sec. 10. Payments by State; premiums.

(a) The State shall pay the cost of basic non-contributory group life insurance and, subject to member paid contributions set by the Department or required by this Section, the basic program of group health benefits on each eligible member, except a member, not otherwise covered by this Act, who has retired as a participating member under Article 2 of the

Illinois Pension Code but is ineligible for the retirement annuity under Section 2-119 of the Illinois Pension Code, and part of each eligible member's and retired member's premiums for health insurance coverage for enrolled dependents as provided by Section 9. The State shall pay the cost of the basic program of group health benefits only after benefits are reduced by the amount of benefits covered by Medicare for all members and dependents who are eligible for benefits under Social Security or the Railroad Retirement system or who had sufficient Medicare-covered government employment, except that such reduction in benefits shall apply only to those members and dependents who (1) first become eligible for such Medicare coverage on or after July 1, 1992; or (2) are Medicare-eligible members or dependents of a local government unit which began participation in the program on or after July 1, 1992; or (3) remain eligible for, but no longer receive Medicare coverage which they had been receiving on or after July 1, 1992. The Department may determine the aggregate level of the State's contribution on the basis of actual cost of medical services adjusted for age, sex or geographic or other demographic characteristics which affect the costs of such programs.

The cost of participation in the basic program of group health benefits for the dependent or survivor of a living or deceased retired employee who was formerly employed by the University of Illinois in the Cooperative Extension Service and would be an annuitant but for the fact that he or she was made ineligible to participate in the State Universities Retirement System by clause (4) of subsection (a) of Section 15-107 of the Illinois Pension Code shall not be greater than the cost of participation that would otherwise apply to that dependent or survivor if he or she were the dependent or survivor of an annuitant under the State Universities Retirement System.

(a-1) Beginning January 1, 1998, for each person who becomes a new SERS annuitant and participates in the basic program of group health benefits, the State shall contribute toward the cost of the annuitant's coverage under the basic

program of group health benefits an amount equal to 5% of that cost for each full year of creditable service upon which the annuitant's retirement annuity is based, up to a maximum of 100% for an annuitant with 20 or more years of creditable service. The remainder of the cost of a new SERS annuitant's coverage under the basic program of group health benefits shall be the responsibility of the annuitant. In the case of a new SERS annuitant who has elected to receive an alternative retirement cancellation payment under Section 14-108.5 of the Illinois Pension Code in lieu of an annuity, for the purposes of this subsection the annuitant shall be deemed to be receiving a retirement annuity based on the number of years of creditable service that the annuitant had established at the time of his or her termination of service under SERS.

(a-2) Beginning January 1, 1998, for each person who becomes a new SERS survivor and participates in the basic program of group health benefits, the State shall contribute toward the cost of the survivor's coverage under the basic program of group health benefits an amount equal to 5% of that cost for each full year of the deceased employee's or deceased annuitant's creditable service in the State Employees' Retirement System of Illinois on the date of death, up to a maximum of 100% for a survivor of an employee or annuitant with 20 or more years of creditable service. The remainder of the cost of the new SERS survivor's coverage under the basic program of group health benefits shall be the responsibility of the survivor. In the case of a new SERS survivor who was the dependent of an annuitant who elected to receive an alternative retirement cancellation payment under Section 14-108.5 of the Illinois Pension Code in lieu of an annuity, for the purposes of this subsection the deceased annuitant's creditable service shall be determined as of the date of termination of service rather than the date of death.

(a-3) Beginning January 1, 1998, for each person who becomes a new SERS annuitant and participates in the basic program of group health benefits, the State shall contribute

toward the cost of the annuitant's coverage under the basic program of group health benefits an amount equal to 5% of that cost for each full year of creditable service upon which the annuitant's retirement annuity is based, up to a maximum of 100% for an annuitant with 20 or more years of creditable service. The remainder of the cost of a new SURS annuitant's coverage under the basic program of group health benefits shall be the responsibility of the annuitant.

(a-4) (Blank).

(a-5) Beginning January 1, 1998, for each person who becomes a new SURS survivor and participates in the basic program of group health benefits, the State shall contribute toward the cost of the survivor's coverage under the basic program of group health benefits an amount equal to 5% of that cost for each full year of the deceased employee's or deceased annuitant's creditable service in the State Universities Retirement System on the date of death, up to a maximum of 100% for a survivor of an employee or annuitant with 20 or more years of creditable service. The remainder of the cost of the new SURS survivor's coverage under the basic program of group health benefits shall be the responsibility of the survivor.

(a-6) Beginning July 1, 1998, for each person who becomes a new TRS State annuitant and participates in the basic program of group health benefits, the State shall contribute toward the cost of the annuitant's coverage under the basic program of group health benefits an amount equal to 5% of that cost for each full year of creditable service as a teacher as defined in paragraph (2), (3), or (5) of Section 16-106 of the Illinois Pension Code upon which the annuitant's retirement annuity is based, up to a maximum of 100%; except that the State contribution shall be 12.5% per year (rather than 5%) for each full year of creditable service as a regional superintendent or assistant regional superintendent of schools. The remainder of the cost of a new TRS State annuitant's coverage under the basic program of group health benefits shall be the responsibility of the annuitant.

(a-7) Beginning July 1, 1998, for each person who becomes a new TRS State survivor and participates in the basic program of group health benefits, the State shall contribute toward the cost of the survivor's coverage under the basic program of group health benefits an amount equal to 5% of that cost for each full year of the deceased employee's or deceased annuitant's creditable service as a teacher as defined in paragraph (2), (3), or (5) of Section 16-106 of the Illinois Pension Code on the date of death, up to a maximum of 100%; except that the State contribution shall be 12.5% per year (rather than 5%) for each full year of the deceased employee's or deceased annuitant's creditable service as a regional superintendent or assistant regional superintendent of schools. The remainder of the cost of the new TRS State survivor's coverage under the basic program of group health benefits shall be the responsibility of the survivor.

(a-8) A new SERS annuitant, new SERS survivor, new SURS annuitant, new SURS survivor, new TRS State annuitant, or new TRS State survivor may waive or terminate coverage in the program of group health benefits. Any such annuitant or survivor who has waived or terminated coverage may enroll or re-enroll in the program of group health benefits only during the annual benefit choice period, as determined by the Director; except that in the event of termination of coverage due to nonpayment of premiums, the annuitant or survivor may not re-enroll in the program.

(a-9) No later than May 1 of each calendar year, the Director of Central Management Services shall certify in writing to the Executive Secretary of the State Employees' Retirement System of Illinois the amounts of the Medicare supplement health care premiums and the amounts of the health care premiums for all other retirees who are not Medicare eligible.

A separate calculation of the premiums based upon the actual cost of each health care plan shall be so certified.

The Director of Central Management Services shall provide

to the Executive Secretary of the State Employees' Retirement System of Illinois such information, statistics, and other data as he or she may require to review the premium amounts certified by the Director of Central Management Services.

(b) State employees who become eligible for this program on or after January 1, 1980 in positions normally requiring actual performance of duty not less than 1/2 of a normal work period but not equal to that of a normal work period, shall be given the option of participating in the available program. If the employee elects coverage, the State shall contribute on behalf of such employee to the cost of the employee's benefit and any applicable dependent supplement, that sum which bears the same percentage as that percentage of time the employee regularly works when compared to normal work period.

(c) The basic non-contributory coverage from the basic program of group health benefits shall be continued for each employee not in pay status or on active service by reason of (1) leave of absence due to illness or injury, (2) authorized educational leave of absence or sabbatical leave, or (3) military leave with pay and benefits. This coverage shall continue until expiration of authorized leave and return to active service, but not to exceed 24 months for leaves under item (1) or (2). This 24-month limitation and the requirement of returning to active service shall not apply to persons receiving ordinary or accidental disability benefits or retirement benefits through the appropriate State retirement system or benefits under the Workers' Compensation or Occupational Disease Act.

(d) The basic group life insurance coverage shall continue, with full State contribution, where such person is (1) absent from active service by reason of disability arising from any cause other than self-inflicted, (2) on authorized educational leave of absence or sabbatical leave, or (3) on military leave with pay and benefits.

(e) Where the person is in non-pay status for a period in excess of 30 days or on leave of absence, other than by reason

of disability, educational or sabbatical leave, or military leave with pay and benefits, such person may continue coverage only by making personal payment equal to the amount normally contributed by the State on such person's behalf. Such payments and coverage may be continued: (1) until such time as the person returns to a status eligible for coverage at State expense, but not to exceed 24 months, (2) until such person's employment or annuitant status with the State is terminated, or (3) for a maximum period of 4 years for members on military leave with pay and benefits and military leave without pay and benefits (exclusive of any additional service imposed pursuant to law).

(f) The Department shall establish by rule the extent to which other employee benefits will continue for persons in non-pay status or who are not in active service.

(g) The State shall not pay the cost of the basic non-contributory group life insurance, program of health benefits and other employee benefits for members who are survivors as defined by paragraphs (1) and (2) of subsection (q) of Section 3 of this Act. The costs of benefits for these survivors shall be paid by the survivors or by the University of Illinois Cooperative Extension Service, or any combination thereof. However, the State shall pay the amount of the reduction in the cost of participation, if any, resulting from the amendment to subsection (a) made by this amendatory Act of the 91st General Assembly.

(h) Those persons occupying positions with any department as a result of emergency appointments pursuant to Section 8b.8 of the Personnel Code who are not considered employees under this Act shall be given the option of participating in the programs of group life insurance, health benefits and other employee benefits. Such persons electing coverage may participate only by making payment equal to the amount normally contributed by the State for similarly situated employees. Such amounts shall be determined by the Director. Such payments and coverage may be continued until such time as the person becomes

an employee pursuant to this Act or such person's appointment is terminated.

(i) Any unit of local government within the State of Illinois may apply to the Director to have its employees, annuitants, and their dependents provided group health coverage under this Act on a non-insured basis. To participate, a unit of local government must agree to enroll all of its employees, who may select coverage under either the State group health benefits plan or a health maintenance organization that has contracted with the State to be available as a health care provider for employees as defined in this Act. A unit of local government must remit the entire cost of providing coverage under the State group health benefits plan or, for coverage under a health maintenance organization, an amount determined by the Director based on an analysis of the sex, age, geographic location, or other relevant demographic variables for its employees, except that the unit of local government shall not be required to enroll those of its employees who are covered spouses or dependents under this plan or another group policy or plan providing health benefits as long as (1) an appropriate official from the unit of local government attests that each employee not enrolled is a covered spouse or dependent under this plan or another group policy or plan, and (2) at least 85% of the employees are enrolled and the unit of local government remits the entire cost of providing coverage to those employees, except that a participating school district must have enrolled at least 85% of its full-time employees who have not waived coverage under the district's group health plan by participating in a component of the district's cafeteria plan. A participating school district is not required to enroll a full-time employee who has waived coverage under the district's health plan, provided that an appropriate official from the participating school district attests that the full-time employee has waived coverage by participating in a component of the district's cafeteria plan. For the purposes of this subsection, "participating school district" includes a

unit of local government whose primary purpose is education as defined by the Department's rules.

Employees of a participating unit of local government who are not enrolled due to coverage under another group health policy or plan may enroll in the event of a qualifying change in status, special enrollment, special circumstance as defined by the Director, or during the annual Benefit Choice Period. A participating unit of local government may also elect to cover its annuitants. Dependent coverage shall be offered on an optional basis, with the costs paid by the unit of local government, its employees, or some combination of the two as determined by the unit of local government. The unit of local government shall be responsible for timely collection and transmission of dependent premiums.

The Director shall annually determine monthly rates of payment, subject to the following constraints:

(1) In the first year of coverage, the rates shall be equal to the amount normally charged to State employees for elected optional coverages or for enrolled dependents coverages or other contributory coverages, or contributed by the State for basic insurance coverages on behalf of its employees, adjusted for differences between State employees and employees of the local government in age, sex, geographic location or other relevant demographic variables, plus an amount sufficient to pay for the additional administrative costs of providing coverage to employees of the unit of local government and their dependents.

(2) In subsequent years, a further adjustment shall be made to reflect the actual prior years' claims experience of the employees of the unit of local government.

In the case of coverage of local government employees under a health maintenance organization, the Director shall annually determine for each participating unit of local government the maximum monthly amount the unit may contribute toward that coverage, based on an analysis of (i) the age, sex, geographic

location, and other relevant demographic variables of the unit's employees and (ii) the cost to cover those employees under the State group health benefits plan. The Director may similarly determine the maximum monthly amount each unit of local government may contribute toward coverage of its employees' dependents under a health maintenance organization.

Monthly payments by the unit of local government or its employees for group health benefits plan or health maintenance organization coverage shall be deposited in the Local Government Health Insurance Reserve Fund.

The Local Government Health Insurance Reserve Fund shall be a continuing fund not subject to fiscal year limitations. All expenditures from this Fund shall be used for payments for health care benefits for local government and rehabilitation facility employees, annuitants, and dependents, and to reimburse the Department or its administrative service organization for all expenses incurred in the administration of benefits. No other State funds may be used for these purposes.

A local government employer's participation or desire to participate in a program created under this subsection shall not limit that employer's duty to bargain with the representative of any collective bargaining unit of its employees.

(j) Any rehabilitation facility within the State of Illinois may apply to the Director to have its employees, annuitants, and their eligible dependents provided group health coverage under this Act on a non-insured basis. To participate, a rehabilitation facility must agree to enroll all of its employees and remit the entire cost of providing such coverage for its employees, except that the rehabilitation facility shall not be required to enroll those of its employees who are covered spouses or dependents under this plan or another group policy or plan providing health benefits as long as (1) an appropriate official from the rehabilitation facility attests that each employee not enrolled is a covered spouse or dependent under this plan or another group policy or plan, and

(2) at least 85% of the employees are enrolled and the rehabilitation facility remits the entire cost of providing coverage to those employees. Employees of a participating rehabilitation facility who are not enrolled due to coverage under another group health policy or plan may enroll in the event of a qualifying change in status, special enrollment, special circumstance as defined by the Director, or during the annual Benefit Choice Period. A participating rehabilitation facility may also elect to cover its annuitants. Dependent coverage shall be offered on an optional basis, with the costs paid by the rehabilitation facility, its employees, or some combination of the 2 as determined by the rehabilitation facility. The rehabilitation facility shall be responsible for timely collection and transmission of dependent premiums.

The Director shall annually determine quarterly rates of payment, subject to the following constraints:

(1) In the first year of coverage, the rates shall be equal to the amount normally charged to State employees for elected optional coverages or for enrolled dependents coverages or other contributory coverages on behalf of its employees, adjusted for differences between State employees and employees of the rehabilitation facility in age, sex, geographic location or other relevant demographic variables, plus an amount sufficient to pay for the additional administrative costs of providing coverage to employees of the rehabilitation facility and their dependents.

(2) In subsequent years, a further adjustment shall be made to reflect the actual prior years' claims experience of the employees of the rehabilitation facility.

Monthly payments by the rehabilitation facility or its employees for group health benefits shall be deposited in the Local Government Health Insurance Reserve Fund.

(k) Any domestic violence shelter or service within the State of Illinois may apply to the Director to have its employees, annuitants, and their dependents provided group

health coverage under this Act on a non-insured basis. To participate, a domestic violence shelter or service must agree to enroll all of its employees and pay the entire cost of providing such coverage for its employees. A participating domestic violence shelter may also elect to cover its annuitants. Dependent coverage shall be offered on an optional basis, with employees, or some combination of the 2 as determined by the domestic violence shelter or service. The domestic violence shelter or service shall be responsible for timely collection and transmission of dependent premiums.

The Director shall annually determine rates of payment, subject to the following constraints:

(1) In the first year of coverage, the rates shall be equal to the amount normally charged to State employees for elected optional coverages or for enrolled dependents coverages or other contributory coverages on behalf of its employees, adjusted for differences between State employees and employees of the domestic violence shelter or service in age, sex, geographic location or other relevant demographic variables, plus an amount sufficient to pay for the additional administrative costs of providing coverage to employees of the domestic violence shelter or service and their dependents.

(2) In subsequent years, a further adjustment shall be made to reflect the actual prior years' claims experience of the employees of the domestic violence shelter or service.

Monthly payments by the domestic violence shelter or service or its employees for group health insurance shall be deposited in the Local Government Health Insurance Reserve Fund.

(1) A public community college or entity organized pursuant to the Public Community College Act may apply to the Director initially to have only annuitants not covered prior to July 1, 1992 by the district's health plan provided health coverage under this Act on a non-insured basis. The community college

must execute a 2-year contract to participate in the Local Government Health Plan. Any annuitant may enroll in the event of a qualifying change in status, special enrollment, special circumstance as defined by the Director, or during the annual Benefit Choice Period.

The Director shall annually determine monthly rates of payment subject to the following constraints: for those community colleges with annuitants only enrolled, first year rates shall be equal to the average cost to cover claims for a State member adjusted for demographics, Medicare participation, and other factors; and in the second year, a further adjustment of rates shall be made to reflect the actual first year's claims experience of the covered annuitants.

(l-5) The provisions of subsection (l) become inoperative on July 1, 1999.

(m) The Director shall adopt any rules deemed necessary for implementation of this amendatory Act of 1989 (Public Act 86-978).

(Source: P.A. 91-280, eff. 7-23-99; 91-311; eff. 7-29-99; 91-357, eff. 7-29-99; 91-390, eff. 7-30-99; 91-395, eff. 7-30-99; 91-617, eff. 8-19-99; 92-16, eff. 6-28-01; revised 2-25-02.)

Section 10-190. The State Finance Act is amended by adding Section 14a.5 as follows:

(30 ILCS 105/14a.5 new)

Sec. 14a.5. Maximum incentive payments for early termination of State service.

(a) The Department of Central Management Services shall create, adopt by emergency rulemaking under the Illinois Administrative Procedure Act through the Joint Committee on Administrative Rules by October 1, 2004, and administer a program of incentive payments for early termination of State service. The program shall provide for the payment of a lump sum incentive to certain persons who terminate State employment

on or after November 1, 2004 but on or before December 31, 2004. The lump sum payment to any individual under the program shall not exceed 25% of final monthly rate of pay for each completed year of State employment, nor shall it exceed the compensation earned by the individual during the 6 months immediately preceding his or her termination from State service, and is payable out of the personal services appropriation from which the employee's salary is paid. The rules of the program may limit the number of individuals listed under Section 14-108.5(b)(1) of the Illinois Pension Code who may participate in the program and shall specify how the lump sum amount will be determined and vouchered; provided, however, that all employees within the same title shall be provided lump sum amounts on the same terms, varying only due to their time of State service. The director or other head of a department shall limit the number of individuals listed under Section 14-108.5(b)(2) of the Illinois Pension Code who may participate in the program and shall specify the amount of the lump sum and how the lump sum amount will be determined and vouchered.

(b) In addition to the lump sum payment provided under subsection (a), the program may also provide for payment to participants or their health benefit coverage providers of an amount representing the net cost to the participating employee of his or her health benefit coverage under the State Employees Group Insurance Act of 1971 or applicable COBRA (Consolidated Omnibus Budget Reconciliation Act of 1985) insurance continuation provisions for up to 6 months immediately following termination of State service. The amount payable to any participant under this subsection shall not exceed \$3,600 and is payable out of the personal services appropriation from which the employee's salary is paid. The program rules shall specify how the amount payable under this subsection will be determined and vouchered.

(c) The program authorized under this Section applies only to a person who (1) was an active employee of the State of Illinois on any day during June 2004 in a position listed in

subsection (b) of Section 14-108.5 of the Illinois Pension Code and was continuously employed in a position listed in subsection (b) of Section 14-108.5 of the Illinois Pension Code on and after January 1, 2004, (2) applies in writing to the Department of Central Management Services, in the case of a person listed under Section 14-108.5(b)(1) of the Illinois Pension Code, or to the director or other head of the department at which he or she is employed, in the case of a person listed under Section 14-108.5(b)(2) of the Illinois Pension Code, on or before October 31, 2004, (3) does not accept an alternative retirement cancellation payment under Section 14-108.5 of the Illinois Pension Code, and (4) terminates his or her State employment on or before December 31, 2004.

(d) A participant in the program who returns to State employment (other than as an elected official or as a temporary employee for not more than 75 days per calendar year) thereby forfeits the incentive payments received under the program and must repay those amounts to the Department of Central Management Services, in the case of a person listed under Section 14-108.5(b)(1) of the Illinois Pension Code, or to the department at which he or she is employed, in the case of a person listed under Section 14-108.5(b)(2) of the Illinois Pension Code, within 60 days after his or her return to State employment.

Section 10-195. The Illinois Pension Code is amended by adding Sections 14-104.12 and 14-108.5 and changing Section 14-130 as follows:

(40 ILCS 5/14-104.12 new)

Sec. 14-104.12. Early termination incentives under the State Finance Act. Notwithstanding any other provision of this Article and notwithstanding that they may be payable from a personal services line item, early termination incentives paid under Section 14a.5 of the State Finance Act:

(1) shall not be included in, and do not affect the calculation of, compensation or final average compensation under this Article;

(2) do not entitle the recipient to establish any additional service credit under this Article;

(3) do not require and shall not result in the payment of any employee or employer contributions under this Article; and

(4) have no effect under this Article except to disqualify the recipient from receiving the alternative retirement cancellation payment under Section 14-108.5.

(40 ILCS 5/14-108.5 new)

Sec. 14-108.5. Alternative retirement cancellation payment.

(a) To be eligible for the alternative retirement cancellation payment provided in this Section, a person must:

(1) be a member of this System who, on any day during June 2004, was (i) in active payroll status as an employee in a position listed in subsection (b) of this Section and continuously employed in a position listed in subsection (b) on and after January 1, 2004 and (ii) an active contributor to this System with respect to that employment;

(2) have not previously received any retirement annuity under this Article;

(3) not accept an incentive payment under Section 14a.5 of the State Finance Act;

(4) in the case of persons employed in a position title listed under paragraph (1) of subsection (b), be among the first 3,000 persons to file with the Board on or before September 30, 2004 a written application requesting the alternative retirement cancellation payment provided in this Section;

(5) in the case of persons employed in a position title listed under paragraph (2) of subsection (b), have received written authorization from the director or other head of

his or her department and filed that authorization with the system on or before September 1, 2004;

(6) if there is a QILDRO in effect against the person, file with the Board the written consent of all alternate payees under the QILDRO to the election of an alternative retirement cancellation payment under this Section; and

(7) terminate employment under this Article within 2 weeks after approval of the person's application requesting the alternative retirement cancellation payment, but in no event later than October 31, 2004.

(b) (1) Position titles eligible for the alternative retirement cancellation payment provided in this Section are:

911 Analyst III; Brickmason; Account Clerk I and II; Budget Analyst I and II; Account Technician I and II; Budget Operations Director; Accountant; Budget Principal; Accountant Advanced; Building Services Worker; Accountant Supervisor; Building/Grounds Laborer; Accounting Fiscal Administrative Career Trainee; Building/Grounds Lead 1 and 2; Accounts Payable Processing Analyst; Building/Grounds Maintenance Worker; Accounts Payable Specialist; Building/Grounds Supervisor; Accounts Processing Analyst; Bureau Chief; Actuarial Assistant; Business Administrative Specialist; Administrative and Technology Director; Business Analyst I through IV; Administrative Assistant I through III; Business Manager; Administrative Clerk; Buyer; Administrative Coordinator; Buyer Assistant; Administrator; Capital Budget Analyst I and II; Administrator of Capital Programs; Capital Budget Director; Administrator of Construction Administration; Capital Programs Analyst I and II; Administrator of Contract Administration; Capital Programs Technician; Administrator of Fair Employment Practices; Carpenter; Administrator of Fiscal; Carpenter Foreman; Administrator of Information Management; Cartographer I through III;

Administrator of Information Systems; Chief - Police;
Administrator of Personnel; Chief Veterans Technician;
Administrator of Professional Services; Circuit
Provisioning Specialist; Administrator of Public Affairs;
Civil Engineer I through IX; Administrator of
Quality-Based Selection; Civil Engineer Trainee;
Administrator of Strategic Planning and Training; Clerical
Trainee; Appeals & Orders Coordinator; Communications
Director; Appraisal Specialist 1 through 3; Community
Planner 3; Assignment Coordinator; Commander; Assistant
Art-in-Architecture Coordinator; Compliance Specialist;
Assistant Chief - Police; Conservation Education
Representative; Assistant Internal Auditor; Conservation
Grant Administrator 1 through 3; Assistant Manager;
Construction Supervisor I and II; Assistant Personnel
Officer; Consumer Policy Analyst; Assistant Professor
Scientist; Consumer Program Coordinator; Assistant
Reimbursement Officer; Contract Executive; Assistant
Steward; Coordinator of Administrative Services; Associate
Director for Administrative Services; Coordinator of
Art-in-Architecture; Associate Museum Director;
Corrections Clerk I through III; Associate Professor
Scientist; Corrections Maintenance Supervisor; Corrections
Caseworker Supervisor; Corrections Food Service
Supervisor; Auto Parts Warehouse Specialist; Corrections
Maintenance Worker; Auto Parts Warehouse; Curator I
through III; Automotive Attendant I and II; Data Processing
Administrative Specialist; Automotive Mechanic; Data
Processing Assistant; Automotive Shop Supervisor; Data
Processing Operator; Baker; Data Processing Specialist;
Barber; Data Processing Supervisor 1 through 3;
Beautician; Data Processing Technician; Brickmason; Deputy
Chief Counsel; Director of Licensing; Desktop Technician;
Director of Security; Human Resources Officer; Division
Chief; Human Resources Representative; Division Director;
Human Resources Specialist; Economic Analyst I through IV;

Human Resources Trainee; Electrical Engineer; Human Services Casework Manager; Electrical Engineer I through V; Human Services Grant Coordinator 2 and 3; Electrical Equipment Installer/Repairer; Iconographer; Electrical Equipment Installer/Repairer Lead Worker; Industry and Commercial Development Representative 1 and 2; Electrician; Industry Services Consultant 1 and 2; Electronics Technician; Information Services Intern; Elevator Operator; Information Services Specialist I and II; Endangered Species Secretary; Information Systems Analyst I through III; Engineering Aide; Information Systems Manager; Engineering Analyst I through IV; Information Systems Planner; Engineering Manager I and II; Institutional Maintenance Worker; Engineering Technician I through V; Instrument Designer; Environmental Scientist I and II; Insurance Analyst I through IV; Executive I through VI; Executive Assistant; Intermittent Clerk; Executive Assistant I through IV; Intermittent Laborer Maintenance; Executive Secretary 1 through 3; Intern; Federal Funding and Public Safety Director; Internal Auditor 1; Financial & Budget Assistant; Internal Communications Officer; Financial & Budget Supervisor; International Marketing Representative 1; Financial Management Director; IT Manager; Fiscal Executive; Janitor I and II; Fiscal Officer; Junior State Veterinarian; Gas Engineer I through IV; Junior Supervisor Scientist; General Counsel and Regulatory Director; Laboratory Manager II; General Services Administrator I; Labor Maintenance Lead Worker; General Services Technician; Laborer; Geographic Information Specialist 1 and 2; Laborer (Building); Geologist I through IV; Laborer (Maintenance); Graphic Arts Design Supervisor; Landscape Architect; Graphic Arts Designer; Landscape Architect I through IV; Graphic Arts Technician; Landscape Planner; Grounds Supervisor; Laundry Manager I; Highway Construction Supervisor I; Legislative Liaison I and II; Historical Research Editor 2; Liability

Claims Adjuster 1 and 2; Historical Research Specialist;
Librarian 1 and 2; Horse Custodian; Library Aide I through
III; Horse Identifier; Library Associate; Hourly
Assistant; Library Technical Assistant; Human Resource
Coordinator; Licensing Assistant; Human Resources Analyst;
Line Technician I through II; Human Resources Assistant;
Local History Service Representative; Human Resources
Associate; Local Housing Advisor 2 and 3; Human Resources
Manager; Local Revenue and Fiscal Advisor 3; Machinist;
Locksmith; Maintenance Equipment Operator; Operations
Communications Specialist Trainee; Maintenance Worker;
Operations Technician; Maintenance Worker Power Plant;
Painter; Management Information Technician; Paralegal
Assistant; Management Operations Analyst 1 and 2;
Performance Management Analyst; Management Secretary I;
Personnel Manager; Management Systems Specialist;
Photogrammetrist I through IV; Management Technician I
through IV; Physician; Manager; Physician Specialist
Operations A through D; Manpower Planner 1 through 3;
Planning Director; Medical Administrator III and V; Plant
Maintenance Engineer 1 and 2; Methods & Processes Advisor
1, 2 and III; Plumber; Methods & Processes Career Associate
1 and 2; Policy Advisor; Microfilm Operator I through III;
Policy Analyst I through IV; Military Administrative
Assistant I; Power Shovel Operator (Maintenance); Military
Administrative Clerk; Principal Economist; Military
Administrative Officer-Legal; Principal Scientist;
Military Administrative Specialist; Private Secretary 1
and 2; Military Community Relations Specialist; Private
Secretary I and II; Military Cooperative Agreement
Specialist; Procurement Representative; Military Crash,
Fire, Rescue I through III; Professor & Scientist; Military
Energy Manager; Program Manager; Military Engineer
Technician; Program Specialist; Military Environmental
Specialist I through III; Project Coordinator; Military
Facilities Engineer; Project Designer; Military Facilities

Officer I; Project Manager I through III; Military Maintenance Engineer; Project Manager; Military Museum Director; Project Manager/Technical Specialist I thru III; Military Program Supervisor; Project Specialist I through IV; Military Property Custodian II; Projects Director; Military Real Property Clerk; Property & Supply Clerk I through III; Motorist Assistance Specialist; Property Control Officer; Museum Director; Public Administration Intern; Museum Security Head I through III; Public Information Coordinator; Museum Technician I through III; Public Information Officer; Network Control Center Specialist; Public Information Officer 2 through 4; Network Control Center Technician 2; Public Service Administrator; Network Engineer I through IV; Race Track Maintenance 1 and 2; Office Administration Specialist; Radio Technician Program Coordinator; Office Administrator 1 through 5; Realty Specialist I through V; Office Aide; Receptionist; Office Assistant; Regional Manager; Office Associate; Regulatory Accountant IV; Office Clerk; Reimbursement Officer 1 and 2; Office Coordinator; Representative I and II; Office Manager; Representative Trainee; Office Occupations Trainee; School Construction Manager; Office Specialist; Secretary I and IV; Operations Communications Specialist I and II; Security Guard; Senior Economic Analyst; Security Supervisor; Senior Editor; Systems Developer I through IV; Senior Electrical Engineer; Systems Developer Trainee; Senior Financial & Budget Assistant; Systems Engineer I through IV; Senior Gas Engineer; Systems Engineer Trainee; Senior Policy Analyst; Tariff & Order Coordinator; Senior Programs Analyst; Tariff Administrator III; Senior Project Consultant; Tariff Analyst IV; Senior Project Manager; Teacher of Barbering; Senior Public Information Officer; Teacher of Beauty Culture; Senior Public Service Administrator; Technical Advisor 2 and 3; Senior Rate Analyst; Technical Advisor I through VII; Senior Technical Assistant;

Technical Analyst; Technical Manager I through IX; Senior Technical Supervisor; Technical Assistant; Senior Technology Specialist; Technical Manager 1; Senior Transportation Industry Analyst; Technical Manager I through X; Sewage Plant Operator; Technical Specialist; Sign Hanger; Technical Support Specialist; Sign Hanger Foreman; Technical Specialist I thru III; Sign Painter; Technician Trainee; Sign Shop Foreman; Telecom Systems Analyst; Silk Screen Operator; Telecom Systems Consultant; Senior Administrative Assistant; Telecom Systems Technician 1 and 2; Site Superintendent; Telecommunication Supervisor; Software Architect; Tinsmith; Special Assistant; Trades Tender; Special Assistant to the Executive Director; Training Coordinator; Staff Development Specialist I; Transportation Counsel; Staff Development Technician II; Transportation Industry Analyst III; State Police Captain; Transportation Industry Customer Service; State Police Lieutenant; Transportation Officer; State Police Major; Transportation Policy Analyst III and IV; State Police Master Sergeant; Urban Planner I through VI; Stationary Engineer; Utility Engineer I and II; Stationary Engineer Assistant Chief; Veteran Secretary; Stationary Engineer Chief; Veteran Technician; Stationary Fireman; Water Engineer I through IV; Statistical Research Specialist 1 through 3; Water Plant Operator; Statistical Research Supervisor; Web and Publications Manager; Statistical Research Technician; Steamfitter; Steward; Steward Secretary; Storekeeper I through III; Stores Clerk; Student Intern; Student Worker; Supervisor; Supervisor & Assistant Scientist; Supervisor & Associate Scientist; Switchboard Operator 1 through 3; Administrative Assistant to the Superintendent; Assistant Legal Advisor; Legal Assistant; Senior Human Resources Specialist; Principal Internal Auditor; Division Administrator; Division Supervisor; and Private Secretary I through III.

(2) In addition, any position titles with the Speaker of the House of Representatives, the Minority Leader of the House of Representatives, the President of the Senate, the Minority Leader of the Senate, the Attorney General, the Secretary of State, the Comptroller, the Treasurer, the Auditor General, the Supreme Court, the Court of Claims, and each legislative agency are eligible for the alternative retirement cancellation payment provided in this Section.

(c) In lieu of any retirement annuity or other benefit provided under this Article, a person who qualifies for and elects to receive the alternative retirement cancellation payment under this Section shall be entitled to receive a one-time lump sum retirement cancellation payment equal to the amount of his or her contributions to the System (including any employee contributions for optional service credit and including any employee contributions paid by the employer or credited to the employee during disability) as of the date of termination, with regular interest, multiplied by 2.

(d) Notwithstanding any other provision of this Article, a person who receives an alternative retirement cancellation payment under this Section thereby forfeits the right to any other retirement or disability benefit or refund under this Article, and no widow's, survivor's, or death benefit deriving from that person shall be payable under this Article. Upon accepting an alternative retirement cancellation payment under this Section, the person's creditable service and all other rights in the System are terminated for all purposes, except for the purpose of determining State group life and health benefits for the person and his or her survivors as provided under the State Employees Group Insurance Act of 1971.

(e) To the extent permitted by federal law, a person who receives an alternative retirement cancellation payment under this Section may direct the System to pay all or a portion of that payment as a rollover into another retirement plan or account qualified under the Internal Revenue Code of 1986, as

amended.

(f) Notwithstanding Section 14-111, a person who has received an alternative retirement cancellation payment under this Section and who reenters service under this Article other than as a temporary employee must repay to the System the amount by which that alternative retirement cancellation payment exceeded the amount of his or her refundable employee contributions within 60 days of resuming employment under this System. For the purposes of re-establishing creditable service that was terminated upon election of the alternative retirement cancellation payment, the portion of the alternative retirement cancellation payment representing refundable employee contributions shall be deemed a refund repayable in accordance with Section 14-130.

(g) The Economic and Fiscal Commission shall determine and report to the Governor and the General Assembly, on or before January 1, 2006, its estimate of (1) the annual amount of payroll savings likely to be realized by the State as a result of the early termination of persons receiving the alternative retirement cancellation payment under this Section and (2) the net annual savings or cost to the State from the program of alternative retirement cancellation payments under this Section.

The System, the Department of Central Management Services, the Governor's Office of Management and Budget, and all other departments shall provide to the Commission any assistance that the Commission may request with respect to its report under this Section. The Commission may require departments to provide it with any information that it deems necessary or useful with respect to its reports under this Section, including without limitation information about (1) the final earnings of former department employees who elected to receive alternative retirement cancellation payments under this Section, (2) the earnings of current department employees holding the positions vacated by persons who elected to receive alternative retirement cancellation payments under this Section, and (3)

positions vacated by persons who elected to receive alternative retirement cancellation payments under this Section that have not yet been refilled.

(40 ILCS 5/14-130) (from Ch. 108 1/2, par. 14-130)

Sec. 14-130. Refunds; rules.

(a) Upon withdrawal a member is entitled to receive, upon written request, a refund of the member's contributions, including credits granted while in receipt of disability benefits, without credited interest. The board, in its discretion may withhold payment of the refund of a member's contributions for a period not to exceed 1 year after the member has ceased to be an employee.

For purposes of this Section, a member will be considered to have withdrawn from service if a change in, or transfer of, his position results in his becoming ineligible for continued membership in this System and eligible for membership in another public retirement system under this Act.

(b) A member receiving a refund forfeits and relinquishes all accrued rights in the System, including all accumulated creditable service. If the person again becomes a member of the System and establishes at least 2 years of creditable service, the member may repay the moneys previously refunded. However, a former member may restore credits previously forfeited by acceptance of a refund without returning to service by applying in writing and repaying to the System, by April 1, 1993, the amount of the refund plus regular interest calculated from the date of refund to the date of repayment.

The repayment of refunds issued prior to January 1, 1984 shall consist of the amount refunded plus 5% interest per annum compounded annually for the period from the date of the refund to the end of the month in which repayment is made. The repayment of refunds issued after January 1, 1984 shall consist of the amount refunded plus regular interest for the period from the date of refund to the end of the month in which repayment is made. The repayment of the refund of a person who

accepts an alternative retirement cancellation payment under Section 14-108.5 shall consist of the entire amount paid to the person under subsection (c) of Section 14-108.5 plus regular interest for the period from the date of the refund to the end of the month in which repayment is made. However, in the case of a refund that is repaid in a lump sum between January 1, 1991 and July 1, 1991, repayment shall consist of the amount refunded plus interest at the rate of 2.5% per annum compounded annually from the date of the refund to the end of the month in which repayment is made.

Upon repayment, the member shall receive credit for the service, member contributions and regular interest that was forfeited by acceptance of the refund as well as regular interest for the period of non-membership. Such repayment shall be made in full before retirement either in a lump sum or in installment payments in accordance with such rules as may be adopted by the board.

(b-5) The Board may adopt rules governing the repayment of refunds and establishment of credits in cases involving awards of back pay or reinstatement. The rules may authorize repayment of a refund in installment payments and may waive the payment of interest on refund amounts repaid in full within a specified period.

(c) A member no longer in service who is unmarried and does not have an eligible survivors annuity beneficiary on the date of application therefor is entitled to a refund of contributions for widow's annuity or survivors annuity purposes, or both, as the case may be, without interest. A widow's annuity or survivors annuity shall not be payable upon the death of a person who has received this refund, unless prior to that death the amount of the refund has been repaid to the System, together with regular interest from the date of the refund to the date of repayment.

(d) Any member who has service credit in any position for which an alternative retirement annuity is provided and in relation to which an increase in the rate of employee

contribution is required, shall be entitled to a refund, without interest, of that part of the member's employee contribution which results from that increase in the employee rate if the member does not qualify for that alternative retirement annuity at the time of retirement.

(Source: P.A. 90-448, eff. 8-16-97; 91-887, eff. 7-6-00.)

ARTICLE 99

Section 99-995. Closed meetings; vote requirement. This Act authorizes the Illinois Economic and Fiscal Commission to hold closed meetings in certain circumstances. In order to meet the requirements of subsection (c) of Section 5 of Article IV of the Illinois Constitution, the General Assembly determines that closed meetings of the Illinois Economic and Fiscal Commission are required by the public interest. Thus, this Act is enacted by the affirmative vote of two-thirds of the members elected to each house of the General Assembly.

Section 99-997. Severability. The provisions of this Act are severable under Section 1.31 of the Statute on Statutes.

Section 99-999. Effective date. This Act takes effect upon becoming law.